

THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AMATHOLE DISTRICT MUNICIPALITY

MUNICIPALITY			GROUP	
2007/08	2006/07		2007/08	2006/07
R	R		R	R
		15. CONSUMER DEPOSITS		
528,067	285,060	Consumer deposits	528,067	285,060
528,067	285,060	The consumer deposits relate to the water and sanitation function. The deposits are considered to be of a long term nature.	528,067	285,060
		16. TRADE AND OTHER PAYABLES		
51,740,628	39,817,452	Trade payables	51,740,628	39,817,452
325,700	393,302	Payables - Local Municipalities	325,700	393,302
51,393,922	36,865,986	Other payables	51,738,321	36,885,892
-	40,442	RSC levies paid in advance	-	40,442
2,242,105	2,532,339	Amounts received in advance: Water and sanitation	2,242,105	2,532,339
52,171	45,911	Accrued leave pay	447,163	272,247
479,179	675,746	Accrued performance bonus	730,377	792,212
5,900,323	2,044,249	Accrued service bonus	5,900,323	2,044,249
199,693,719	174,000,261	Unspent Conditional Grants and Receipts (Refer annexure 1)	201,476,139	174,002,520
375,105	587,060	Equitable Share Projects	375,105	587,060
(4,177,363)	832,425	Indebtness to municipal entity: Amathole Economic Development Agency	(0)	-
308,025,488	257,835,174	Total	314,975,860	257,367,716
		The movement on the leave accrual balance as above for the 2008 financial year was as follows:		
		16.1 Staff Leave Pay		
5,296,362	2,664,718	Opening Balance	5,522,698	2,730,815
3,895,080	6,104,791	Plus: Contributions during the year	4,290,072	6,265,030
(3,172,947)	(3,473,147)	Leave sold during the year	(3,399,283)	(3,473,147)
6,018,495	5,296,362	Total leave accrual	6,413,488	5,522,698
5,966,325	5,250,451	Non current portion of leave accrual	5,966,325	5,250,451
52,171	45,911	Current portion of leave accrual	447,163	272,247
6,018,495	5,296,362	The municipality makes provision for staff leave pay based upon the basic salary scale for 2008/09. The short term portion of the provision is based on the number of accrued days versus the number of days sold.	6,413,488	5,522,698

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R	R		R	R
		16.2 Performance Bonus		
675,746	824,782	Opening balance	792,212	866,711
136,656	675,746	Additional provision	271,388	750,283
(333,223)	(671,789)	Amounts utilized	(333,223)	(671,789)
-	(152,993)	Unused amounts reversed	-	(152,993)
479,179	675,746	Carrying amount at end of the year	730,377	792,212
		The accrual is calculated at 14% of the current total salary package.		
		16.3 Service Bonus		
2,044,249	2,044,249	Opening balance	2,044,249	2,044,249
5,900,323	-	Additional provision	5,900,323	-
(2,044,249)	-	Amounts utilized	-	-
	-	Unused amounts reversed	(2,044,249)	-
5,900,323	2,044,249	Carrying amount at end of the year	5,900,323	2,044,249
		The accrual calculation is based on the portion of the thirteenth cheque payable that falls due within the current financial year.		
		17. REGIONAL SERVICE CHARGES		
106,238	10,911,627	Levies	106,238	10,911,627
106,238	10,911,627	Total Service Charges	106,238	10,911,627
		RSC levies was abolished with effect from 1 July 2006. The RSC levies that has been disclosed in the Statement of Financial Performance represents RSC revenue received by the 20th of July 2006 for RSC levies from June 2006. This is in accordance with GAMAP 9 paragraph 52 which states a reliable measurement of levies can usually only be made on the due date of payment which was 20 July 2006.		
		18. GOVERNMENT GRANTS AND SUBSIDIES		
137,639,000	111,544,918	Equitable share	137,639,000	111,544,918
146,313,563	128,024,000	Levy replacement grant	146,313,563	128,024,000
147,596,283	91,205,178	Conditional Grants: Conditions met - transferred to revenue	149,269,802	91,355,178
-	702,453	Release of deferred income	-	702,453
431,548,846	331,476,549	Total Government Grant and Subsidies	433,222,365	331,626,549
		Based on the allocations set out in the Division of Revenue Act. Act 1 of 2005 significant changes in the level of government grant funding have materialised due to the allocation of the RSC levy replacement grant.		



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		18.1 Equitable Share		
		This grant is used to subsidise the following functions: WSP WSA Engineering Services Disaster Management Health & Protection Services Fire service Building & Services Planning Municipal Manager PMU		
		18.2 Income for Agency Services		
1,300,678	2,490,489	Balance outstanding at beginning of year	1,300,678	2,490,489
17,864,055	17,693,769	Total Income	17,864,055	17,693,769
17,859,594	17,621,836	Subsidy received	17,859,594	17,621,836
4,462	71,934	Other income	4,462	71,934
(7,793,082)	(18,883,580)	Total Expenditure	(7,793,082)	(18,883,580)
(7,788,620)	(18,811,646)	Less: Expenditure subsidy	(7,788,620)	(18,811,646)
(4,462)	(71,934)	Less: Other expenditure relating to sundry income	(4,462)	(71,934)
11,371,651	1,300,678	Conditions still to be met- transferred to creditors	11,371,651	1,300,678
		The Municipality renders health services on behalf of the Provincial Government and is refunded 100% of the total expenditure incurred.		
		The conditions of the grant have been met. There was a delay in receiving the subsidy due to negotiations regarding the Service Level Agreement.		
		18.3 Conditional Grants		
169,361,519	181,708,293	Balance unspent at beginning of year	169,363,778	181,708,293
278,970,812	205,170,082	Current year receipts	282,424,492	205,170,082
15,951,768	7,513,715	Interest Received	15,951,768	7,513,715
(264,590,381)	(225,117,486)	Less: Expenditure	(266,263,901)	(225,117,486)
199,693,719	169,274,604	Condition still to be met-transferred to liabilities	201,476,138	169,274,604
		Refer to Annexure 1		
		19. OTHER INCOME		
3,843,742	3,013,150	Other income	4,031,902	3,013,150
235,264	1,035,180	Administration fees	235,264	1,035,180
4,079,006	4,048,330	Total Other Income	4,267,166	4,048,330

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20. GAIN ON TRANSFER OF WATER INFRASTRUCTURE

The provisions of Provincial notice 80 dated 27 September 2000, issued in terms of section 12 of the Local Government Municipal Structures Act, provides for the transfer of the Water Service Authority and Water Service Provider duties to the Amathole District Municipality, effective 01 July 2006, for the district municipality's areas excluding Buffalo city municipality. In terms of sub-paragraph 6(1) of Provincial notice 80 "The assets, liabilities and obligations of a disestablished municipality... (are) transferred to the new municipality...".

The ADM embarked on an asset verification program aimed at determining all immovable properties to be transferred from the local municipalities' financial records. Similarly, the ADM embarked on a process of third party confirmations and/or assessments of all consumer debtors, liabilities and obligations that were identified for transfer from the local municipalities.

Only immovable assets identified as per the ADM's verification exercise, the identified fleet currently being utilised within operations, and incumbent liabilities are incorporated into the financial records.

The financial records of the Amahlati Local Municipality was incorporated into the financial records of the ADM (Only municipality with un-disclaimed audited financial records) All unsubstantiated balances will remain within the local municipalities' financial records (Mbhashe LM, Mquma LM, Great Kei LM, Ngqushwa LM, Nkonkobe LM, Nxuba LM). The value of the water receivables of 6 local municipalities at 30 June 2007 were not recognised in the annual financial statements as the applicable recognition and measurement criteria were not met.

The incorporation of the financial records of Amathole LM and various balances from other municipalities resulted in gains in the financial records of the ADM.

The gains (excess of assets over liabilities) are recognised through the Statement of Financial Performance.

MUNICIPALITY	
2007/08	2006/07
R	R
-	643,005,169
-	643,005,169
31,482	43,738
-	376,000

Gain on transfer of other Local Municipality water infrastructure assets

GROUP	
2007/08	2006/07
R	R
-	643,005,169
-	643,005,169
31,482	43,738
-	376,000

21. OPERATING SURPLUS

Rental income

Rental income received for leased property

31,482

43,738

Repairs and maintenance leased property generating rental income

-

376,000

Operating surplus is stated after the following:

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2007/08	2006/07		2007/08	2006/07
R	R		R	R
		Operating lease charges		
4,181,910	3,056,532	Premises	4,481,743	3,056,532
7,253,782	1,251,854	• Contractual amounts	7,253,782	1,251,854
215,896	143,740	Motor vehicles	257,195	143,740
11,651,588	4,452,127	• Contractual amounts	11,992,720	4,452,127
		Cost of inventories		
658,947	12,000,545	Housing inventories	658,947	12,000,545
2,460,315	2,380,931	Stores and materials	2,460,315	2,380,931
27,466,853	24,833,263	Water purchases	27,466,853	24,833,263
30,586,114	39,214,739		30,586,114	39,214,739
(235,748)	(63,400)	Surplus on sale of infrastructure, plant and equipment	(235,748)	(65,071)
41,451,976	32,247,535	Depreciation on Infrastructure, plant and equipment	41,537,640	32,319,177
100,292	139,323	Amortisation on Intangible Assets	100,292	139,323
245,756	165,993	Loss on sale of assets	247,872	165,993
16,224,645	12,823,996	Amount expensed in respect of retirement benefit plans:	16,224,645	12,823,996
15,031,102	12,433,300	Defined contribution funds	15,031,102	12,433,300
1,193,543	390,696	Defined benefit funds	1,193,543	390,696
		22. EMPLOYEE RELATED COSTS PER THE PAYROLL		
89,586,316	77,342,596	Employee related costs- Salaries and Wages	93,623,515	80,598,030
18,733,490	15,363,840	Employee related costs- Contribution for UIF, pensions and medical aid.	18,733,490	15,363,840
4,940,276	8,347,947	Travel, motor car, accommodation, subsistence and other allowances	4,940,276	8,347,947
965,228	896,108	Housing benefits and allowances	965,228	896,108
4,361,543	2,867,735	Overtime payments	4,361,543	2,867,735
9,361,943	3,947,028	Bonus	9,361,943	3,947,028
8,749,878	6,104,789	Other benefits/allowances	8,749,878	6,104,789
136,698,673	114,870,043	Total Employee Related Costs	140,735,872	118,125,477



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2007/08	2006/07		2007/08	2006/07
R	R		R	R
		Remuneration of the Municipal Manager		
295,793	481,207	Annual Remuneration	295,793	481,207
0	110,573	Performance Bonus		110,573
56,959	-	Leave encashment	56,959	-
-	-	Acting Allowance	-	-
-	-	Cell Phone Allowance	-	-
99,905	172,861	Car Allowance	99,905	172,861
11,300	-	Back pay of remuneration	11,300	-
68,593	106,497	Contribution to UIF, Medical & Pension Fund	68,593	106,497
532,550	871,138	TOTAL	532,550	871,138
		Remuneration of the Chief Finance Officer		
191,772	378,136	Annual Remuneration	191,772	378,136
62,205	102,453	Performance Bonuses	62,205	102,453
-	-	Leave encashment	-	-
-	-	Acting Allowance	-	-
10,939	17,700	Cell Phone Allowance	10,939	17,700
61,330	135,469	Car Allowance	61,330	135,469
9,073	-	Back pay of remuneration	9,073	-
48,330	96,837	Contributions to UIF, Medical and Pension Funds	48,330	96,837
383,649	730,595	TOTAL	383,649	730,595
		The position of Chief Financial Officer was vacated on 31 October 2007		
		The position of Chief Financial Officer was filled on 1 May 2008		
		Remuneration of the Director: Administration		
211,459	387,564	Annual Remuneration	211,459	387,564
78,806	103,592	Performance Bonuses	78,806	103,592
60,985	-	Leave encashment	60,985	-
-	-	Acting Allowance	-	-
11,556	16,920	Cell Phone Allowance	11,556	16,920
53,929	129,406	Car Allowance	53,929	129,406
9,073	-	Back pay of remuneration	9,073	-
50,967	91,659	Contributions to UIF, Medical and Pension Fund	50,967	91,659
476,775	729,141	TOTAL	476,775	729,141
		Remuneration of the Director: Engineering		
406,924	380,368	Annual Remuneration	406,924	380,368
68,529	96,761	Performance Bonuses	68,529	96,761
30,492	-	Leave encashment	30,492	-
-	-	Acting Allowance	-	-
23,112	17,700	Cell Phone Allowance	23,112	17,700
133,180	135,658	Car Allowance	133,180	135,658
9,023	-	Back pay of remuneration	9,023	-
98,321	91,696	Contributions to UIF, Medical and Pension Fund	98,321	91,696
769,581	722,183	TOTAL	769,581	722,183

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MUNICIPALITY			GROUP	
2007/08	2006/07		2007/08	2006/07
R	R		R	R
		Remuneration of the Director: Strategic Management		
378,634	386,599	Annual Remuneration	378,634	386,599
49,683	70,578	Performance Bonuses	49,683	70,578
56,787	-	Leave encashment	56,787	-
-	-	Acting Allowance	-	-
23,278	5,010	Cell Phone Allowance	23,278	5,010
123,291	136,360	Car Allowance	123,291	136,360
9,073	-	Back pay of remuneration	9,073	-
89,134	87,509	Contributions to UIF, Medical and Pension Fund	89,134	87,509
729,880	686,056	TOTAL	729,880	686,056
		Remuneration of the Director: Human Resources		
408,236	386,995	Annual Remuneration	408,236	386,995
65,959	88,792	Performance Bonuses	65,959	88,792
32,142	-	Leave encashment	32,142	-
31,344	-	Acting Allowance	31,344	-
-	-	Cell Phone Allowance	-	-
135,271	136,528	Car Allowance	135,271	136,528
9,073	-	Back pay of remuneration	9,073	-
102,110	89,044	Contributions to UIF, Medical and Pension Fund	102,110	89,044
784,135	701,359	TOTAL	784,135	701,359
		Remuneration of the Director: Health & Protection		
414,389	388,830	Annual Remuneration	414,389	388,830
70,242	99,038	Performance Bonuses	70,242	99,038
-	-	Acting Allowance	-	-
23,112	17,700	Cell Phone Allowance	23,112	17,700
134,724	138,022	Car Allowance	134,724	138,022
9,073	-	Back pay of remuneration	9,073	-
90,444	83,615	Contributions to UIF, Medical and Pension Fund	90,444	83,615
741,984	727,205	TOTAL	741,984	727,205
		Remuneration of the Director: Executive support services		
379,682	60,273	Annual Remuneration	379,682	60,273
18,521	-	Performance Bonuses	18,521	-
-	-	Acting Allowance	-	-
7,344	1,108	Housing subsidy	7,344	1,108
23,112	3,600	Cell Phone Allowance	23,112	3,600
130,660	22,560	Car Allowance	130,660	22,560
9,073	-	Back pay of remuneration	9,073	-
96,803	12,781	Contributions to UIF, Medical and Pension Fund	96,803	12,781
665,195	100,322	TOTAL	665,195	100,322
		The position for Director: Executive Services was filled on 1 May 2007		



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MUNICIPALITY			GROUP	
2007/08	2006/07		2007/08	2006/07
R	R		R	R
		Remuneration of Agency Chief Executive Officer		
-	-	Salary	676,309	583,512
-	-	Allowances	142,313	133,068
-	-	Bonus	121,001	84,575
-	-	TOTAL	939,623	801,155
		Remuneration of Agency Chief Financial Officer		
-	-	Salary	518,057	478,056
-	-	Allowances	214,573	127,932
-	-	Bonus	101,320	70,066
-	-	TOTAL	833,950	676,054
		23. REMUNERATION OF COUNCILLORS		
585,222	547,282	Executive Mayor	585,222	547,282
448,960	428,979	Speaker	448,960	428,979
4,328,559	4,127,169	Mayoral Committee Members	4,328,559	4,127,169
4,360,345	4,100,766	Councillors	4,360,345	4,100,766
190,033	-	Councillors pension contribution	190,033	-
9,913,119	9,204,196	Total Councillors` Remuneration	9,913,119	9,204,196
		In-kind Benefits		
		The Executive Mayor, Speaker and Mayoral Committee Members are full time Each is provided with an office and secretarial support at the cost of the Council. Mayor has use of a 2 council owned vehicles for official duties. The Executive Mayor has two full-time driver/bodyguards		
		The salaries, allowances and benefits of the political office-bearers are within the upper limits of the framework as prescribed by section 219 of the Constitution		
		Agency Directors Remuneration		
-	-	ME Tom	10,000	12,500
-	-	S Kondlo	16,430	14,191
-	-	CV Kakana	16,755	23,492
-	-	YP Balfour	14,000	15,635
-	-	NEP Loyilane	20,303	16,237
-	-	Total Directors Remuneration	77,488	82,055

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2007/08	2006/07	25. PENSION AND MEDICAL AID EDUCTIONS	2007/08	2006/07
R	R		R	R
-	-	Opening balances	-	-
28,357,837	16,917,393	Current year payroll deductions and Council Contributions	28,357,837	16,917,393
(28,357,837)	(16,917,393)	Amount paid-current year	(28,357,837)	(16,917,393)
-	-	Amount paid-previous year	-	-
-	-	Total	-	-
		The pension fund contributions disclosed above includes contributions to the defined benefit and defined contribution funds.		
		26. GRANTS AND SUBSIDIES PAID		
2,462,406	7,675,252	EC121	2,462,406	7,675,252
4,701,472	6,693,623	EC122	4,701,472	6,693,623
3,572,723	8,365,613	EC123	3,572,723	8,365,613
106,793	2,047,797	EC124	106,793	2,047,797
397,738	574,803	EC125	397,738	574,803
2,456,283	1,756,867	EC126	2,456,283	1,756,867
12,970,708	8,227,977	EC127	12,970,708	8,227,977
914,070	3,733,566	EC128	914,070	3,733,566
-	-	Projects - AEDA	2,601,953	-
27,582,193	39,075,499	Total Grants and Subsidies	30,184,146	39,075,499
		The grants paid to all Local Municipalities are in terms of the District Municipality's Integrated Development plan. The above grants relates to priority project allocation to local municipalities.		
		27. GRANTS AND SUBSIDIES OUTSTANDING		
2,127,515	1,531,289	EC121	2,127,515	1,531,289
11,575,811	7,566,473	EC122	11,575,811	7,566,473
2,818,726	5,522,890	EC123	2,818,726	5,522,890
90,507	197,300	EC124	90,507	197,300
571,625	969,364	EC125	571,625	969,364
1,244,200	1,503,606	EC126	1,244,200	1,503,606
14,253,763	9,731,793	EC127	14,253,763	9,731,793
7,337,108	1,133,220	EC128	7,337,108	1,133,220
40,019,255	28,155,934	Total Grants and Subsidies	40,019,256	28,155,934
		The above grants relates to priority project allocation to local municipalities.		

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R	R		R	R
		28. TAXATION		
		28.1 South African normal tax		
-	-	Current tax	47,206	25,164
-	-	South African effective and nominal tax rate	28%	29%
		28.2 Taxation liability		
		- Amount payable at beginning of year	90,908	65,744
		- Current tax	47,206	25,164
		- Provision for interest and penalties	13,540	-
-	-	The Agency is of the opinion that its income should be exempt in terms of Section 10(1) (cA)(i) and (ii) of the Income Tax Act.	151,654	90,908
		As this matter has not yet been finalised with SARS, a provision for normal income tax at 28% has been made.		
		In addition provision for interest and penalties regarding the preceding year has been raised.		
		29. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
		29.1 Unauthorised expenditure		
		Reconciliation of unauthorised expenditure		
		Opening balance		
-	10,002,889	Unauthorised expenditure current year	-	10,002,889
-	-	Approved by Council or condoned	-	-
-	-	Transfer to receivables for recovery	-	-
-	(10,002,889)	Unauthorised expenditure awaiting authorisation	-	(10,002,889)
-	-		-	-
		The budget of the engineering services depreciation vote was exceeded due to unforeseen depreciation costs due to the take on of water assets, resulting in unauthorised expenditure of R10,002,889		

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R	R		R	R
		29.2 Fruitless and wasteful expenditure		
		Reconciliation of fruitless and wasteful expenditure		
-	-	Opening balance	-	-
-	-	Fruitless and wasteful expenditure current year	-	-
-	-	Condoned or written off by Council	-	-
-	-	To be recovered- contingent asset	-	-
-	-	Fruitless and wasteful expenditure awaiting condonement	-	-
-	-		-	-
		29.3 Irregular expenditure		
		Reconciliation of irregular expenditure		
		Opening balance		
7,578,487	470,456	Irregular expenditure current year	7,578,487	490,105
(46,285)	(470,456)	Condoned or written off by Council	(46,285)	(490,105)
-	-	Transfer to receivables for recovery - not yet condoned	-	-
-	-	Irregular expenditure awaiting condonement	-	-
7,532,202	-		7,532,202	-

The following are included in the R7.58 million;

- contract expenditure of R6.8million on contracts that have been extended beyond their termination dates. These contracts should not have been extended but rather been subjected to the procurement processes that are required by the municipality's supply chain policy.
- procurement procedures were not adhered to in respect of R378 918 incurred for an end of year staff function and R305 121 on office renovations, but were instead treated as emergency expenditure.
- municipal credit cards were used by the Mayor and Speaker to incur entertainment expenditure. The use of these credit cards was contrary to section 11(1) of the MFMA. This was reported in the 2006/07 audit report and the matter was immediately rectified after the issue of the 2006/07 audit report, however R36 120 had already been incurred, before the 2006/07 audit report had been issued, in the current year under review.
- also reported in the previous year, was expenditure of a private nature incurred by the then municipal manager and chief financial officer. An investigation was subsequently undertaken by the municipality and it was found that expenditure of R46 285 was incurred during the financial year under review. This amount has subsequently been recovered from the ex-officials.

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2007/08	2006/07		2007/08	2006/07
R	R		R	R
		30. INVESTMENT INCOME		
		Interest revenue		
39,535,580	33,467,259	Unlisted financial assets	39,579,400	33,467,259
1,714,456	814,381	Current Account	1,841,344	899,480
26,102	56,247	Loans	26,102	56,247
8,926,904	2,550,655	Interest charged on trade and other receivables	8,926,904	2,550,655
50,203,042	36,888,541		50,373,750	36,973,640
		31. FINANCE COSTS		
151,560	192,659	Finance leases	151,560	192,659
719,233	1,409,808	External borrowings	719,233	1,409,808
870,793	1,602,467		870,793	1,602,467
		32. AUDIT FEES PAID		
1,544,148	1,159,472	Fees	1,544,148	1,159,472
1,544,148	1,159,472		1,544,148	1,159,472
		33. CASH GENERATED FROM OPERATIONS		
67,238,871	614,116,984	Surplus for the year	66,297,400	614,807,647
		Adjustments for:		
10,008	102,593	Disposal of property, plant and equipment	12,124	100,922
41,552,268	32,386,858	Depreciation and amortization	41,637,932	32,458,500
3,895,080	6,104,791	Contributions to provisions - current	4,290,072	6,265,030
16,870,978	61,472,868	Contribution to bad debt provision	16,870,978	61,472,868
-	(648,731,676)	Non cash flow: Gain on transfer of water infrastructure from local municipalities	-	(648,731,676)
(707,208)	-	Non cash flow: Revaluation reserve off setting of depreciation	(707,208)	-
(50,203,042)	(36,888,541)	Investment income	(50,373,750)	(36,973,640)
870,794	1,602,467	Interest paid	870,794	1,602,467
79,527,749	30,166,345	Operating surplus before working capital changes	78,898,342	31,002,119
(1,517,407)	(2,315,273)	Increase in inventories	(1,517,407)	(2,315,273)
(62,465,927)	(38,841,313)	Increase in consumer debtors	(62,383,122)	(39,191,534)
131,956,521	328,794,254	Increase in deferred income	131,956,521	328,794,254
25,693,458	(7,708,032)	Increase/(Decrease) in conditional grants and receipts	27,473,619	(7,813,032)
24,564,914	7,743,477	Increase in trade and other payables	30,043,215	6,900,459
(3,172,947)	(3,473,147)	Provisions paid	(3,399,283)	(3,473,147)
352,500	(10,547,262)	Increase in VAT receivable	(391,714)	(9,830,600)
194,938,862	303,819,049	Cash generated in operations	200,680,172	304,073,246



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AMATHOLE DISTRICT MUNICIPALITY

MUNICIPALITY			GROUP	
2007/08	2006/07		2007/08	2006/07
R	R		R	R
		34. COMMITMENTS		
		Authorised capital expenditure		
		• Approved and contracted for		
491,314,950	224,130,816		491,314,950	224,130,816
491,314,950	216,045,594	Infrastructure	491,314,950	216,045,594
-	4,614,882	Community	-	4,614,882
-	-	Heritage	-	-
-	3,470,340	Other	-	3,470,340
-	-	Investment Properties	-	-
		• Approved but not yet contracted for		
797,702,641	266,881,384		797,702,641	266,881,384
770,767,873	249,518,415	Infrastructure	770,767,873	249,518,415
26,934,768	7,612,970	Community	26,934,768	7,612,970
-	-	Heritage	-	-
-	9,750,000	Other	-	9,750,000
-	-	Investment Properties	-	-
1,289,017,590	491,012,200	TOTAL	1,289,017,590	491,012,200
		This expenditure will be financed from:		
		• External Loans	-	-
1,106,944,069	-	• District Council Grants	1,289,017,590	465,564,008
69,000,000	487,541,860	• Own resources	3,470,340	9,020,509
81,250,000	3,470,340			
1,257,194,069	491,012,200		1,292,487,930	474,584,517
		Operating leases		
		Operating leases - as lessee (expense)		
		Minimum lease payments due		
		• within one year	3,853,155	2,681,945
3,498,734	2,414,998	• in second to fifth year inclusive	1,694,533	2,720,632
1,572,578	2,317,188	• later than five years	-	-
-	-			
5,071,312	4,732,185		5,547,688	5,402,577
		Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of 3 years and rentals escalate on average at 10% p.a. No contingent rent is payable.		
		Operating leases - as lessor (income)		
		Minimum lease payments due		
		• within one year	63,268	50,113
63,268	50,113	• in second to fifth year inclusive	32,744	40,091
32,744	40,091	• later than five years	-	-
-	-			
96,012	90,205		96,012	90,205
		Operating lease payments represent rentals receivable by the Municipality for certain of its properties situated in Stutterheim, Komga, Cathcart, Mount Pleasant and Macleantown.		
		Leases are negotiated for an average of 4 years and rentals escalate by an average of 12% annually.		

THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AMATHOLE DISTRICT MUNICIPALITY

MUNICIPALITY			GROUP	
2007/08	2006/07		2007/08	2006/07
R	R		R	R
		35. CONTINGENT LIABILITIES		
		The following contingent liabilities have been disclosed and not recognised:		
-	93,588	Iliso Consulting	-	93,588
-	87,592	Nedbank Ltd	-	87,592
36,783	26,000	S Hololoshe	36,783	26,000
500,596	500,000	PAS: Status quo analysis	500,596	500,000
114,881	-	Tigana Group (1)	114,881	-
203,380	-	Tigana Group (2)	203,380	-
15,274,156	-	Consumer debtors - Advance payments	15,274,156	-
317,937	-	Consumer debtors - Deposits	317,937	-
16,447,733	707,179		16,447,733	707,179

Nedbank Ltd

Amathole District Municipality rented a photocopier machine from Canon. The contract was allegedly ceded to Nedbank Ltd, which now claims outstanding rental.

Discussions are currently in progress between Amathole District Municipality and the Provincial Government. Nedbank Ltd has threatened to issue summons.

PAS: Status quo analysis

PAS has sued for services rendered and damages out of breach of contract. PAS failed to carry out the full terms of the contract and breached its obligations which has resulted in termination of the contract. The matter is the throes of proceeding to trial.

Tigana Group (1)

The Plaintiff instituted action against the Municipality for services rendered on a particular contract in October 2006. An Appearance to Defend was filed and it was subsequently found that the money was payable. Payment of the moneys has been made and the outstanding issue relates to the costs and interest.

Tigana Group (2)

Tigana Group have sent letters of demand for payment of a further invoice in respect of the Ngqushwa Demand Management System, project number 8/2/5/6/2005. ADM are presently searching their records to ascertain whether payment has been made in this regard and instructions are awaited.

The Plaintiff has indicated that Summons will be issued shortly.

Consumer debtors - Advance payments and deposits

On 1 July 2006 the municipality assumed responsibility for the provision of water and sanitation services in its district in terms of Government Notice 849 issued in terms of section 84(3)(a) of the Municipal Structures Act, 1998 (Act No. 117 of 1998).

In terms of this notice, the water and sanitation function of seven local municipalities within the district were transferred. The transaction files of the consumer debtors could not be substantiated and hence were not recognised in the accounting records of the district municipality.

**THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY**

35.2 CONTINGENT ASSET

The following contingent asset has been disclosed and not recognised:

- Give Ziyawa Construction
- Consumer debtors - Mbhashe
- Consumer debtors - Mquma
- Consumer debtors - Great Kei
- Consumer debtors - Ngqushwa
- Consumer debtors - Nkonkobe
- Consumer debtors Nxuba

Give Ziyawa Construction

Contractor rendered a defective service in this water project. This constituted a breach of contract hence the contract was subsequently cancelled. It also transpired that the contractor had been overpaid and as such had been unjustly enriched.

Consumer debtors

On 1 July 2006 the municipality assumed responsibility for the provision of water and sanitation services in its district in terms of Government Notice 849 issued in terms of section 84(3)(a) of the Municipal Structures Act, 1998 (Act No. 117 of 1998).

In terms of this notice, the water and sanitation function of seven local municipalities within the district were transferred. The transaction files of the consumer debtors could not be substantiated and hence were not recognised in the accounting records of the district municipality. Furthermore no amount has been disclosed as a reliable estimate cannot be determined.

MUNICIPALITY			GROUP	
2007/08	2006/07		2007/08	2006/07
R	R		R	R
		36. RELATED PARTIES		
		Relationships		
		Subsidiary / Municipal entity Refer to Note 3.1		
		Related party balances		
		Owing (to) by		
		Amathole Economic Development Agency	-	-
		Related Party Transactions		
		<i>Funding provided to AEDA for the operations of the agency</i>	-	-
		The account operates on a current account basis, i.e. the Agency's service providers are paid by the municipality on the Agency's behalf. No financial benefit accrues to the Agency or the municipality.		
4,177,363	(832,425)			
5,000,000	5,000,000			



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AMATHOLE DISTRICT MUNICIPALITY

37. PRIOR PERIOD ERRORS

Finance leases

Certain leases were not identified and classified as finance or operating leases in accordance with IAS 17 in the prior financial year. Leases were assessed against the criteria of IAS 17 in the current financial year. This resulted in the capitalisation of office equipment as well as recognising the corresponding liability. The prior period errors relating to leases have been corrected retrospectively.

Operating leases

The accrued rental calculated when straight lining the operating leases was incorrect in the prior year. The prior period error was corrected retrospectively.

Housing inventory

All expenditure incurred on the housing projects were capitalised as inventory. The annual financial statements did not reflect any adjustments in respect of the houses that were completed and occupied by the beneficiaries. The municipality has transferred all expenditure relating to completed and occupied houses to the Statement of Financial Performance. The error was corrected in the current financial year and was adjusted for retrospectively.

Payables - water

On 1 July 2006 the municipality assumed responsibility for the provision of water and sanitation services as required by Government Notice 849 issued in terms of section 84(3)(a) of the Municipal Structures Act, 1998 (Act No. 117 of 1998). No provision was recognised for claims in respect of unpaid water service costs that were outstanding at 1 July 2006, as no claims were submitted by the local municipalities. The municipality has recognised the payable. The error was corrected in the current financial year and was adjusted for retrospectively.

Water inventory

The unsold water on hand at year end was not disclosed as required by GAMAP 12. The municipality has quantified the water on hand at year end and disclosed the cost as part of inventory. The error was corrected in the current financial year and was adjusted for retrospectively.

Long term loans: DBSA

On 1 July 2006 the municipality assumed responsibility for the provision of water and sanitation services as required by Government Notice 849 issued in terms of section 84(3)(a) of the Municipal Structures Act, 1998 (Act No. 117 of 1998). The municipality took over the DBSA loans relating to the financing of water and sanitation infrastructure. Interest on these loans was incorrectly accrued. The error was corrected in the current financial year and was adjusted for retrospectively.

Consumer debtors

The municipality undertook a data cleansing exercise in which material errors were noted in the billing of consumer debtors. These errors were corrected in the current financial year and was adjusted retrospectively.

Other payables

Expenditure incurred on projects was incorrectly accounted for directly against the Statement of Financial Performance instead of against the accrual recognised for projects in the prior year. This error was corrected in the prior year and corrected retrospectively.

THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AMATHOLE DISTRICT MUNICIPALITY

Property plant and equipment - Infrastructure assets

On 1 July 2006 the municipality assumed responsibility for the provision of water and sanitation services as required by Government Notice 849 issued in terms of section 84(3)(a) of the Municipal Structures Act, 1998 (Act No. 117 of 1998). GAMAP 17 prescribes that where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value at the date of acquisition. The water infrastructure assets were not recognised at fair value as at 1 July 2006. The municipality has recognised the water infrastructure assets at the depreciated replacement cost, being the fair value, in accordance with GAMAP 17. In addition the motor vehicles were taken over at the incorrect value. The municipality appointed an independent valuer to determine the value of the motor vehicles. The error was corrected in the current financial year and was adjusted for retrospectively.

MUNICIPALITY		The correction of the errors resulted in adjustments as follows:	GROUP	
2007/08	2006/07		2007/08	2006/07
R	R		R	R
		Finance leases		
		Statement of Financial Position		
	25,674	Adjustment against opening retained earnings 30 June 2006		25,674
	(469,698)	Increase in finance lease liability		(469,698)
	586,042	Increase in infrastructure, plant and equipment		586,042
	(166,489)	Increase in accumulated depreciation		(166,489)
	(6,977)	Increase in trade payables (Interest accrual)		(6,977)
	(31,447)			(31,447)
		Statement of Financial Performance		
	77,835	Increase in finance charges		77,835
	127,045	Increase in depreciation		127,045
	(173,433)	Decrease in leasing and hiring costs		(173,433)
	31,447			31,447
		Operating leases - Lessors and Lessees		
		Statement of Financial Performance		
	21,117	Increase in rental income		21,117
	21,117			21,117
		Statement of Financial Position		
	(21,177)	Increase in rental due		(21,177)
	(21,177)			(21,177)

THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AMATHOLE DISTRICT MUNICIPALITY

MUNICIPALITY			GROUP	
2007/08	2006/07		2007/08	2006/07
R	R		R	R
	34,196,462	Housing inventory Adjustment against opening retained earnings 30 June 2006		34,196,462
	9,472,498	Statement of financial performance Increase cost of sales		9,472,498
	43,668,960			43,668,960
	(43,668,960)	Statement of financial position Decrease in inventory		(43,668,960)
	(43,668,960)			(43,668,960)
	393,332	Payables - water Statement of financial performance Decrease in gain on transfer of water infrastructure		393,332
	393,332			393,332
	(393,332)	Statement of financial position Increase in payables		(393,332)
	(393,332)			(393,332)
	(78,468)	Water inventory Statement of financial performance Decrease cost of sales		(78,468)
	(78,468)			(78,468)
	78,468	Statement of financial position Increase in inventory		78,468
	78,468			78,468
	340,726 5,726,507	Long term loans Statement of financial performance Increase in interest paid Decrease in gain on transfer of water assets		340,726 5,726,507
	6,067,233			6,067,233
	429,771 (644,512) (5,852,492)	Statement of financial position Increase in sundry debtors Increase in sundry creditors Increase in long term loans: DBSA		429,771 (644,512) (5,852,492)
	(6,067,233)			(6,067,233)

THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AMATHOLE DISTRICT MUNICIPALITY

MUNICIPALITY			GROUP	
2007/08	2006/07		2007/08	2006/07
R	R		R	R
		Consumer Debtors		
		Statement of financial performance		
	5,049,736	Decrease in revenue - water		5,049,736
	(10,512)	Increase in revenue - sanitation		(10,512)
	111,863	Decrease in revenue - interest		111,863
	5,151,087			5,151,087
	(5,151,087)	Statement of financial position		(5,151,087)
	(5,151,087)	Decrease in consumer debtors		(5,151,087)
		Other Creditors		
		Statement of financial performance		
	(1,370,741)	Decrease expenditure		(1,370,741)
	(1,370,741)			(1,370,741)
	1,370,741	Statement of financial position		1,370,741
	1,370,741	Decrease in other payables - project accruals		1,370,741
		Property plant and equipment - Infrastructure assets		
		Statement of financial performance		
	(309,677,444)	Increase in gain on transfer of water infrastructure assets		(309,677,444)
	(5,764,903)	Decrease in depreciation		(5,764,903)
	(315,442,347)			(315,442,347)
	312,469,612	Statement of financial position		312,469,612
	(2,792,168)	Increase in property, plant and equipment - infrastructure		(2,792,168)
	5,764,903	Decrease in property plant and equipment - other		5,764,903
	315,442,347	Decrease in accumulated depreciation		315,442,347

38. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures have been reclassified.

Commitments

The comparative commitments pertaining to operating leases was restated as leases were identified and classified in accordance with IAS 17/(AC105) as operating leases.

The restatement has no effect on the statement of financial position or statement of financial performance, as the leases had no straight-lining effect.

THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AMATHOLE DISTRICT MUNICIPALITY

39. RISK MANAGEMENT

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts and budgets are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

Deposits and all call accounts attract interest at rates that vary with prime. The municipality's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on the surplus / deficit.

At year end, financial instruments exposed to interest rate risk were as follows: balances with banks, call accounts and current accounts. Surplus funds are invested with banks for fixed terms on fixed interest rates not exceeding one year. For details refer Note 3. Interest bearing external interest loans are detailed in Appendix A and note 11.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality manages credit risk in borrowing and investing activities by dealing with only A rated financial institutions and by spreading its exposure over a range of such institutions in accordance with its investment policies. Refer note 3.

Credit risk relating to consumer debtors is managed in accordance with the Municipality's credit control and debt collection policies. Adequate provision has been made for anticipated doubtful debts. Refer note 6.

Financial assets exposed to credit risk at year end were as follows: deposits with banks, staff loans and receivables

MUNICIPALITY			GROUP	
2007/08	2006/07		2007/08	2006/07
R	R		R	R
130,000	130,000	The municipality is exposed to the following guarantees:		
		Guarantees in lieu of Eskom and the Post office	130,000	130,000
130,000	130,000		130,000	130,000
		Market risk		
		The municipality is not exposed to potentially significant exposure to market risk.		



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AMATHOLE DISTRICT MUNICIPALITY

40. NON-COMPLIANCE WITH SECTION 89(a) OF THE MUNICIPAL FINANCE MANAGEMENT ACT

The Municipality failed to adhere in determining the upper limits of the employee benefits and monitoring the cost of the managers of the Municipal Entity

41. NON-COMPLIANCE WITH SECTION 132(1) AND (2) OF THE MUNICIPAL FINANCE MANAGEMENT ACT

The 2006/07 annual report was not submitted to Provincial Legislature

42. NON-COMPLIANCE WITH SECTION 71(1) AND 54(1)(a) OF THE MUNICIPAL FINANCE MANAGEMENT ACT

The monthly budget statements were not submitted within 10 working days after month end to the Mayor. The monthly statements were submitted to the Provincial Treasury, but uncertainty surrounds compliance with the submission date.

43. NON-COMPLIANCE WITH SECTION 6(2)(a) AND 17(2) OF THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS

The Municipality failed to submit a report, to Council, on the implementation of the supply chain management policy within 30 days of the financial year end. In addition reports on awards made based on less than three quotations were not submitted within three days of the end of each month

44. EVENTS AFTER THE REPORTING DATE AS AT 30 JUNE 2008

No events subsequent events have been identified subsequent to reporting date



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY

SCHEDULE OF EXTERNAL LOANS

as at 30 June 2008

EXTERNAL LOANS	Loan Number	Interest Rate	Final Redemption Date	Balance at 01/07/2007	Corrections
LONG-TERM LOANS					
DBSA Loan - Nkonkobe	8237	11%	2014-09-30	3,744,200	5,657,623
DBSA Loan - Great Kei	10876	15%	2019-06-30	1,766,382	-
DBSA Loan - Nxuba	11416	17%	2009-06-30	78,201	-
Loan - Amahlathi	100001	4%	2009-06-30	1,082,676	-
Loan - Amahlathi	100001	4%	2009-06-30	294,964	-
Loan - Amahlathi	100001	4%	2009-06-30	113,758	-
Total long-term loans				7,080,181	5,657,623
CURRENT PORTION					
DBSA Loan - Amahlathi [In arrears]	11641	11%	2007-06-30	7,926	-
DBSA Loan - Nxuba	11240	16%	2010-12-31	9,497	-
Total short term loans				17,423	-
TOTAL EXTERNAL LOANS				7,097,604	5,657,623

APPENDIX A

Restated Balance	Corrections	Balance at 01/07/2007 Corrected	Received during the period	Redeemed written off during the period	Balance at 30/06/2008
9,401,823	-	9,401,823	-	336,031	9,065,792
1,766,382	(251,188)	1,515,194	-	39,036	1,476,158
78,201	-	78,201	-	78,201	-
1,082,676	108,636	1,191,311	-	404,062	787,249
294,964	(78,400)	216,564	-	81,567	134,997
113,758	(18,811)	94,947	-	10,515	84,431
12,737,804	(239,763)	12,498,041	-	949,414	11,548,627
7,926	-	7,926	-	3,732	4,194
9,497	-	9,497	-	9,497	0
					-
17,423	-	17,423	-	13,229	4,194
12,755,227	(239,763)	12,515,464	-	962,643	11,552,821



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY

ANALYSIS OF PROPERTY PLANT & EQUIPMENT

as at 30 June 2008

Classification	COST / REVALUATION					
	Opening Balance	Transfer In / (Out)	New Opening Balance	Additions	Disposals	Closing Balance
INFRASTRUCTURE	620,668,652	359,854,436	980,523,088	141,457,886	-	1,121,980,974
Water						
Reservoirs & Tanks	170,888,093	58,259,396	229,147,489	752,611	-	229,900,101
Supply / Reticulation		172,069,067	172,069,067	74,100	-	172,143,167
Water - Other	3,884,897	238,067	4,122,964	103,258	-	4,226,221
Water Mains		504,533	504,533	-	-	504,533
Meters	1,446,800	16,400,883	17,847,683	73,168	-	17,920,851
Sanitation						
Purification works	23,235,282	36,664,355	59,899,637	-	-	59,899,637
Sewers	90,675,095	75,718,135	166,393,230	-	-	166,393,230
Work in Progress	-	-	-	-	-	-
Infrastructure under Construction	330,538,485	-	330,538,485	140,454,749	-	470,993,235
COMMUNITY	5,834,648	-	5,834,648	-	-	5,834,648
Clinics & Hospitals	1,983,692	-	1,983,692	-	-	1,983,692
Fire Stations	3,393	-	3,393	-	-	3,393
Museum & Art Galleries	3,792,852	-	3,792,852	-	-	3,792,852
Security System	54,712	-	54,712	-	-	54,712
INVESTMENT PROPERTIES	781,714	(75,255)	706,459	-	-	706,459
Administration	781,714	(75,255)	706,459	-	-	706,459
OTHER	79,333,118	(2,087,921)	77,245,196	16,860,033	1,435,417	92,669,813
LAND AND BUILDINGS	31,457,722	75,255	31,532,977	51,030	-	31,584,007
Administration	23,434,687	88,706	23,523,393	-	-	23,523,393
Housing Schemes	1,139,915	-	1,139,915	-	-	1,139,915
Workshops & Depots	4,678,685	-	4,678,685	51,030	-	4,729,715
Land	2,204,436	(13,451)	2,190,985	-	-	2,190,985
Office Equipment	12,841,541	602,535	13,444,076	2,253,570	661,696	15,035,949
Air Conditioners	53,019	-	53,019	-	-	53,019
Computer Hardware	9,870,111	586,041	10,456,152	1,961,618	331,602	12,086,168
Operating Software	103,683	-	103,683	202,534	-	306,217
Office Machines	2,814,727	16,494	2,831,221	89,418	330,094	2,590,545
Furniture and Fittings	2,246,262	(17,271)	2,228,991	1,959,008	8,290	4,179,709
Cabinets & Cupboards	833,493	28,210	861,702	311,240	2,276	1,170,667
Chairs	215,926	2,472	218,397	108,186	4,917	321,667
Furniture and Fittings : Other	511,201	(47,363)	463,837	1,068,523	1,097	1,531,262
Tables & Desks	685,642	(589)	685,054	471,060	(0)	1,156,113
Plant and Equipment	9,991,309	43,727	10,035,036	252,734	6,543	10,281,226
Ambulance Equipment	-	-	-	-	-	-
Compressors	5,070	-	5,070	-	-	5,070
Medical Equipment	21,933	(0)	21,933	-	-	21,933
Fire Equipment	197,078	-	197,078	-	-	197,078
Fire Arms	1,775	-	1,775	-	-	1,775
Laboratory Equipment	13,455	-	13,455	65,353	-	78,808
Lawnmowers	125,089	(1)	125,088	31,696	(1)	156,784
Plant & Equipment : General	407,357	42,951	450,308	155,686	(0)	605,994
Tractors	9,189,430	-	9,189,430	-	-	9,189,430
Radio Equipment	30,121	777	30,898	-	6,544	24,355
Telecommunication Equipment	-	-	-	-	-	-
Motor Vehicles	22,796,285	(2,792,167)	20,004,118	12,343,691	758,887	31,588,921
Motor Vehicles	2,355,292	1	2,355,293	389,328	424,224	2,320,397
Fire Engines	5,153,185	-	5,153,185	-	-	5,153,185
Trucks & Bakkies	15,287,807	(2,792,168)	12,495,639	11,954,363	334,663	24,115,338
TOTAL	706,618,132	357,691,259	1,064,309,391	158,317,919	1,435,417	1,221,191,893

APPENDIX B

ACCUMULATED DEPRECIATION						
Opening Balance	Transfer In / (Out)	New Opening Balance	Additions	Disposals	Closing Balance	Carrying Value
31,744,260	(4,695,719)	27,048,541	31,338,708	-	58,387,250	1,063,593,724
14,959,151	(311,427)	14,647,724	5,258,082	-	19,905,806	209,994,294
-	-	-	10,731,326	-	10,731,326	161,411,841
2,250,732	(1,281,356)	969,376	805,561	-	1,774,936	2,451,285
-	-	-	-	-	-	504,533
271,059	(177,736)	93,323	278,248	-	371,571	17,549,280
-	-	-	-	-	-	-
2,928,932	(369,000)	2,559,932	2,931,105	-	5,491,037	54,408,600
11,334,387	(2,556,200)	8,778,187	11,334,387	-	20,112,574	146,280,656
-	-	-	-	-	-	-
-	-	-	-	-	-	470,993,235
557,151	-	557,151	260,121	-	817,272	5,017,376
279,270	-	279,270	115,896	-	395,165	1,588,527
788	-	788	130	-	918	2,475
268,120	-	268,120	133,255	-	401,374	3,391,477
8,974	-	8,974	10,841	-	19,815	34,897
95,411	-	95,411	28,933	-	124,344	582,115
95,411.21	-	95,411	28,933.00	-	124,344	582,115
17,789,822	(859,571)	16,930,251	9,824,215	1,189,661	25,564,804	67,105,008
1,292,715	-	1,292,715	514,075	-	1,806,790	29,777,217
579,668	-	579,668	223,655	-	803,323	22,720,070
29,380	-	29,380	10,082	-	39,462	1,100,453
669,201	-	669,201	274,738	-	943,939	3,785,776
14,466.70	-	14,466.70	5,600	-	20,067	2,170,918
6,289,822	163,528	6,453,350	2,411,293	629,850	8,234,793	6,801,156
50,308	-	50,308	1,414	-	51,722	1,297
4,387,570	166,488	4,554,058	2,051,625	315,434	6,290,249	5,795,919
100,897	1	100,898	108,971	-	209,869	96,349
1,751,047	(2,961)	1,748,086	249,283	314,416	1,682,953	907,592
867,616	(22,688)	844,928	1,145,160	5,651	1,984,437	2,195,272
340,689	0	340,689	388,611	1,359	727,940	442,727
87,171	2,472	89,643	111,643	3,703	197,582	124,084
170,839	(25,159)	145,681	404,965	-	550,645	980,617
268,916	(0)	268,916	239,942	589	508,269	647,844
2,736,957	11,626	2,748,583	1,097,948	5,767	3,840,764	6,440,462
-	-	-	-	-	-	-
2,533	-	2,533	1,015	-	3,548	1,522
14,731	(0)	14,731	1,288	-	16,019	5,914
28,358	-	28,358	13,138	-	41,496	155,582
1,775	-	1,775	-	-	1,775	-
32,039	(19,900)	12,139	8,589	-	20,728	58,080
49,776	19,900	69,676	45,360	-	115,036	41,748
224,631	11,626	236,257	109,472	-	345,729	260,265
2,352,992	-	2,352,992	919,085	-	3,272,077	5,917,352
30,121	-	30,121	-	5,767	24,355	-
-	-	-	-	-	-	-
6,602,712	(1,012,038)	5,590,674	4,655,739	548,394	9,698,019	21,890,901
1,104,725	-	1,104,725	451,094	424,224	1,131,595	1,188,802
690,493	-	690,493	300,182	-	990,675	4,162,510
4,807,495	(1,012,038)	3,795,457	3,904,463	124,170	7,575,750	16,539,589
50,186,645	(5,555,290)	44,631,354	41,451,978	1,189,661	84,893,671	1,136,298,223

THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY

ANALYSIS OF PROPERTY PLANT & EQUIPMENT: GROUP
as at 30 June 2008

Classification	COST / REVALUATION					
	Opening Balance	Transfer In / (Out)	New Opening Balance	Additions	Disposals	Closing Balance
INFRASTRUCTURE	620,668,652	359,854,436	980,523,088	141,457,886	-	1,121,980,974
Water						
Reservoirs & Tanks	170,888,093	58,259,396	229,147,489	752,611	-	229,900,101
Supply / Reticulation		172,069,067	172,069,067	74,100	-	172,143,167
Water - Other	3,884,897	238,067	4,122,964	103,258	-	4,226,221
Water Mains		504,533	504,533	-	-	504,533
Meters	1,446,800	16,400,883	17,847,683	73,168	-	17,920,851
Sanitation						
Purification works	23,235,282	36,664,355	59,899,637	-	-	59,899,637
Sewers	90,675,095	75,718,135	166,393,230	-	-	166,393,230
Work in Progress	-	-	-	-	-	-
Infrastructure under Construction	330,538,485	-	330,538,485	140,454,749	-	470,993,235
COMMUNITY	5,834,648	-	5,834,648	-	-	5,834,648
Clinics & Hospitals	1,983,692	-	1,983,692	-	-	1,983,692
Fire Stations	3,393	-	3,393	-	-	3,393
Museum & Art Galleries	3,792,852	-	3,792,852	-	-	3,792,852
Security System	54,712	-	54,712	-	-	54,712
INVESTMENT PROPERTIES	781,714	(75,255)	706,459	-	-	706,459
Administration	781,714	(75,255)	706,459	-	-	706,459
OTHER	79,666,564	(2,087,921)	77,578,642	16,929,015	1,440,648	93,067,010
LAND AND BUILDINGS	31,457,722	75,255	31,532,977	51,030	-	31,584,007
Administration	23,434,687	88,706	23,523,393	-	-	23,523,393
Housing Schemes	1,139,915	-	1,139,915	-	-	1,139,915
Workshops & Depots	4,678,685	-	4,678,685	51,030	-	4,729,715
Land	2,204,436	(13,451)	2,190,985	-	-	2,190,985
Office Equipment	13,010,986	602,535	13,613,521	2,297,930	666,927	15,244,523
Air Conditioners	53,019	-	53,019	-	-	53,019
Computer Hardware	10,012,897	586,041	10,598,938	2,004,889	336,833	12,266,994
Operating Software	103,683	-	103,683	202,534	-	306,217
Office Machines	2,841,386	16,494	2,857,880	90,507	330,094	2,618,293
Furniture and Fittings	2,410,263	(17,271)	2,392,992	1,983,630	8,290	4,368,332
Cabinets & Cupboards	833,493	28,210	861,702	311,240	2,276	1,170,667
Chairs	215,926	2,472	218,397	108,186	4,917	321,667
Furniture and Fittings : Other	675,202	(47,363)	627,838	1,093,145	1,097	1,719,885
Tables & Desks	685,642	(589)	685,054	471,060	(0)	1,156,113
Plant and Equipment	9,991,309	43,727	10,035,036	252,734	6,543	10,281,226
Ambulance Equipment	-	-	-	-	-	-
Compressors	5,070	-	5,070	-	-	5,070
Medical Equipment	21,933	(0)	21,933	-	-	21,933
Fire Equipment	197,078	-	197,078	-	-	197,078
Fire Arms	1,775	-	1,775	-	-	1,775
Laboratory Equipment	13,455	-	13,455	65,353	-	78,808
Lawnmowers	125,089	(1)	125,088	31,696	-	156,784
Plant & Equipment : General	407,357	42,951	450,308	155,686	(0)	605,994
Tractors	9,189,430	-	9,189,430	-	-	9,189,430
Radio Equipment	30,121	777	30,898	-	6,544	24,355
Telecommunication Equipment	-	-	-	-	-	-
Motor Vehicles	22,796,285	(2,792,167)	20,004,118	12,343,691	758,887	31,588,921
Motor Vehicles	2,355,292	1	2,355,293	389,328	424,224	2,320,397
Fire Engines	5,153,185	-	5,153,185	-	-	5,153,185
Trucks & Bakkies	15,287,807	(2,792,168)	12,495,639	11,954,363	334,663	24,115,338
TOTAL	706,951,578	357,691,259	1,064,642,837	158,386,901	1,440,648	1,221,589,090

APPENDIX B

ACCUMULATED DEPRECIATION

Opening Balance	Transfer In / (Out)	New Opening Balance	Additions	Disposals	Closing Balance	Carrying Value
31,744,260	(4,695,719)	27,048,541	31,338,708	-	58,387,250	1,063,593,724
14,959,151	(311,427)	14,647,724	5,258,082	-	19,905,806	209,994,294
-	-	-	10,731,326	-	10,731,326	161,411,841
2,250,732	(1,281,356)	969,376	805,561	-	1,774,936	2,451,285
-	-	-	-	-	-	504,533
271,059	(177,736)	93,323	278,248	-	371,571	17,549,280
-	-	-	-	-	-	-
2,928,932	(369,000)	2,559,932	2,931,105	-	5,491,037	54,408,600
11,334,387	(2,556,200)	8,778,187	11,334,387	-	20,112,574	146,280,656
-	-	-	-	-	-	-
-	-	-	-	-	-	470,993,235
557,151	-	557,151	260,121	-	817,272	5,017,376
279,270	-	279,270	115,896	-	395,165	1,588,527
788	-	788	130	-	918	2,475
268,120	-	268,120	133,255	-	401,374	3,391,477
8,974	-	8,974	10,841	-	19,815	34,897
95,411	-	95,411	28,933	-	124,344	582,115
95,411.21	-	95,411	28,933.00	-	124,344	582,115
17,891,754	(859,571)	17,032,183	9,909,880	1,192,776	25,749,286	67,317,723
1,292,715	-	1,292,715	514,075	-	1,806,790	29,777,217
579,668	-	579,668	223,655	-	803,323	22,720,070
29,380	-	29,380	10,082	-	39,462	1,100,453
669,201	-	669,201	274,738	-	943,939	3,785,776
14,466.70	-	14,466.70	5,600	-	20,067	2,170,918
6,358,679	163,528	6,522,207	2,471,353	632,965	8,360,595	6,883,928
50,308	-	50,308	1,414	-	51,722	1,297
4,449,678	166,488	4,616,166	2,106,263	318,549	6,403,880	5,863,114
100,897	1	100,898	108,971	-	209,869	96,349
1,757,796	(2,961)	1,754,835	254,705	314,416	1,695,124	923,169
900,691	(22,688)	878,003	1,170,765	5,651	2,043,117	2,325,215
340,689	0	340,689	388,611	1,359	727,940	442,727
87,171	2,472	89,643	111,643	3,703	197,582	124,084
203,914	(25,159)	178,756	430,570	-	609,325	1,110,560
268,916	(0)	268,916	239,942	589	508,269	647,844
2,736,957	11,626	2,748,583	1,097,948	5,767	3,840,764	6,440,462
-	-	-	-	-	-	-
2,533	-	2,533	1,015	-	3,548	1,522
14,731	(0)	14,731	1,288	-	16,019	5,914
28,358	-	28,358	13,138	-	41,496	155,582
1,775	-	1,775	-	-	1,775	-
32,039	(19,900)	12,139	8,589	-	20,728	58,080
49,776	19,900	69,676	45,360	-	115,036	41,748
224,631	11,626	236,257	109,472	-	345,729	260,265
2,352,992	-	2,352,992	919,085	-	3,272,077	5,917,352
30,121	-	30,121	-	5,767	24,355	-
-	-	-	-	-	-	-
6,602,712	(1,012,038)	5,590,674	4,655,739	548,394	9,698,019	21,890,901
1,104,725	-	1,104,725	451,094	424,224	1,131,595	1,188,802
690,493	-	690,493	300,182	-	990,675	4,162,510
4,807,495	(1,012,038)	3,795,457	3,904,463	124,170	7,575,750	16,539,589
50,288,577	(5,555,290)	44,733,286	41,537,643	1,192,776	85,078,153	1,136,510,938

THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY

SEGMENTAL ANALYSIS OF FIXED ASSETS PER DEPARTMENT
as at 30 June 2008

Department	COST / REVALUATION					
	Opening Balance	Transfer In / (Out)	Opening Balances	Transfer In / Out	Additions	Disposals
RATES AND GENERAL	706,618,133	47,963,517	754,581,650	309,720,394	158,325,268	1,435,417
Council General	183,635	-	183,635.24	-	38,674	-
Mayoral Committee	2,132,543	-	2,132,543	-	7,988	10,821
Executive Support Services	767,818	-	767,818	-	465,490	116,214
Municipal Manager	704,285	-	704,285	-	-	-
PIMMS	172,858	(0)	172,857	(172,857)	-	-
Internal Audit	406,361	-	406,361	-	1,486	8,400
Local Economic Development	9,502,575	-	9,502,575	-	152,858	22,757
Municipal Support Unit	279,783	-	279,783	172,857	10,962	43,301
Strategic Management unit	218,231	-	218,231	-	-	-
Information Com Technology	3,234,095	504,593	3,738,687	946,604	1,154,421	28,398
Administration	3,734,567	-	3,734,567	305,991	1,343,758	97,273
Land and Housing	28,093,105	-	28,093,105	-	10,647	4,896
Buildings	5,511,756	74,100.01	5,585,856	-	111,120	-
Calgary Museum	3,897,042	-	3,897,042	-	-	-
Supply Chain Management	47,327	-	47,327	(47,327)	-	-
Council Support & Auxiliary	535,631	-	535,631	(258,664)	(258,664)	-
Budget & Treasury Office	4,014,400	-	4,014,400	-	1,032,199	282,196
Human Resources	821,104	-	821,104	-	177,634	124,400
Engineering Services	1,807,510	-	1,807,510	(7,770)	4,522	305,774
Building and Services Planning	1,308,666	-	1,308,666	(198,728)	27,248	466
Management of WSP	1,029,345	-	1,029,345	(991,038)	-	-
Mbhashe EC 121	494,292	55,102,973	55,597,265	(1,170,374)	42,189	-
Mbhashe Ex LM Schemes	55,110,868	(55,102,973)	7,895	(7,895)	-	-
Mbhashe EX DWAF Schemes	2,326,891	-	2,326,891	(2,326,891)	-	-
Mnquma EC 122	427,357	63,193,921	63,621,278	(45,134,894)	132,268	-
Mnquma Ex LM Schemes	63,198,833	(63,193,921)	4,912	(4,912)	-	-
Mnquma EX DWAF Schemes	7,086,101	-	7,086,101	(7,086,101)	-	-
Great Kei EC 123	894,782	9,344,180	10,238,962	16,385,697	345,999	-
Great Kei Ex LM Schemes	9,382,271	(9,344,181)	38,090	(38,090)	-	-
Amahlathi EC 124	46,426	49,766,843	49,813,269	(23,440,930)	11,679	-
Amahlathi Ex LM Schemes	49,766,843	(49,766,843)	-	-	-	-
Amahlathi EX DWAF Schemes	208,303	0.40	208,304	(208,303)	-	-
Ngqushwa EC 126	412,117	11,573,664	11,985,782	24,085,969	-	-
Ngqushwa Ex LM Schemes	10,379,970	(10,371,338)	8,632	(8,632)	-	-
Ngqushwa EX DWAF Schemes	887,671	-	887,671	(887,671)	-	-
Nkonkobe EC 127	201,690	132,949,820	133,151,509	(49,425,683)	32,826	-
Nkonkobe Ex LM Schemes	86,778,216	(86,767,321)	10,895	(10,895)	-	-
Nkonkobe EX DWAF Schemes	3,452,678	-	3,452,678	(3,452,678)	-	-
Nxuba EC 128	43,389	7,328,974	7,372,363	26,873,506	34,158	-
Nxuba Ex LM Schemes	7,334,237	(7,328,974)	5,263	(5,263)	-	-
Water Service Authority	183,918	-	183,918	(1,708)	270,306	14,539
Shared Resources Water & Sanitation	-	-	-	9,037,206	11,414,563	233,882
Mbhashe Sewerage	-	-	-	7,025,068	-	-
Mnquma Sewerage	-	-	-	11,928,500	-	-
Great Kei Sewerage	-	-	-	-	-	-
Amahlathi Sewerage	-	-	-	57,512,514	-	-
Ngqushwa Sewerage	-	-	-	-	-	-
Nkonkobe Sewerage	-	-	-	29,266,195	-	-
Nxuba Sewerage	-	-	-	44,014,761	-	-
Borehole Schemes	-	-	-	217,052,833	142,981	-
VIP Sanitation	-	-	-	-	-	-
Project Management Unit	331,280,738	(0)	331,280,738	-	140,590,543	1,353
Health and Protection Services	536,379	-	536,379	-	-	56,012
Disaster Management	919,217	-	919,217	-	168,003	12,509
Municipal Health	1,003,027	-	1,003,027	-	846,936	72,226
Fire Services	5,859,282	-	5,859,282	-	12,474	-
Primary Health Care	-	-	-	-	-	-
SUBSIDISED SERVICES	-	-	-	-	-	-
ECONOMIC SERVICES	-	-	-	-	-	-
HOUSING SERVICES	-	-	-	-	-	-
TRADING SERVICES	-	-	-	-	-	-
TOTAL	706,618,133	47,963,517	754,581,650	309,720,394	158,325,268	1,435,417

APPENDIX C

ACCUMULATED DEPRECIATION

Closing Balance	New Opening Balances	Transfer In / Out	Additions	Disposals	Closing Balance	Carrying Value
1,221,191,896	50,229,770	(5,764,903)	41,618,465	1,189,661	84,893,671	1,136,298,225
222,309	364	-	53,245	-	53,609	168,700
2,129,710	1,058,916	-	308,755	10,821	1,356,850	772,860
1,117,094	474,937	-	190,475	110,241	555,170	561,924
704,285	435,950	-	92,993	-	528,943	175,342
-	70,541	(70,541)	-	-	0	(0)
399,447	168,159	-	79,839	8,400	239,598	159,848
9,632,676	2,512,964	-	991,689	22,757	3,481,896	6,150,780
420,302	123,791	70,541	86,214	36,091	244,455	175,847
218,231	158,809	-	18,668	-	177,477	40,754
5,811,314	984,543	(80,648)	824,907	28,398	1,700,406	4,110,909
5,287,043	1,318,786	27,173	805,991	94,718	2,057,232	3,229,811
28,098,856	960,738	-	441,916	3,980	1,398,674	26,700,182
5,696,976	705,795	-	290,510	-	996,305	4,700,671
3,897,042	422,353	-	233,831	-	656,184	3,240,858
-	4,582	(4,582)	-	-	-	-
18,303	198,613	(32,433)	27,697	-	193,877	(175,574)
4,764,402	1,792,423	-	1,028,662	278,528	2,542,556	2,221,846
874,338	501,544	-	197,191	115,860	582,875	291,464
1,498,489	1,443,376	(972)	205,026	305,774	1,341,657	156,832
1,136,720	576,597	(89,958)	178,782	466	664,955	471,765
38,307	348,124	(309,817)	-	-	38,307	(0)
54,469,080	4,078,971	(2,319,063)	1,761,358	-	3,521,266	50,947,814
-	439	(439)	-	-	-	-
-	581,723	(581,723)	-	-	-	-
18,618,652	8,128,669	(5,682,649)	2,458,066	-	4,904,086	13,714,566
-	1,228	(1,228)	-	-	-	-
-	790,420	(790,420)	-	-	-	-
26,970,658	1,365,019	369,216	498,795	-	2,233,030	24,737,628
-	5,821	(5,821)	-	-	-	-
26,384,018	6,295,595	(5,014,203)	1,281,392	-	2,562,785	23,821,233
-	-	-	-	-	-	-
0.40	52,076	(52,076)	-	-	-	0
36,071,751	1,422,142	(1,422,142)	2,415,596	-	2,415,596	33,656,155
-	792	(792)	-	-	-	-
-	221,918	(221,918)	-	-	-	-
83,758,652	8,548,867	(5,954,127)	1,815,467	-	4,410,207	79,348,445
-	908	(908)	-	-	-	-
-	787,121	(787,121)	-	-	-	-
34,280,027	1,007,322	1,407,217	779,273	-	3,193,811	31,086,216
-	585	(585)	-	-	-	-
437,977	131,045	(1,186)	42,116	14,539	157,436	280,542
20,217,887	-	2,087,619	3,300,711	23,388	5,364,942	14,852,945
7,025,068	-	210,901	210,901	-	421,803	6,603,265
11,928,500	-	1,494,039	3,081,139	-	4,575,178	7,353,322
-	-	-	-	-	-	-
57,512,514	-	3,392,379	3,392,379	-	6,784,757	50,727,756
-	-	-	-	-	-	-
29,266,195	-	3,658,274	3,658,274	-	7,316,549	21,949,646
44,014,761	-	54,045	437,954	-	492,000	43,522,762
217,195,814	-	4,889,042	9,452,507	-	14,341,549	202,854,264
-	-	-	-	-	-	-
471,869,928	363,580	-	103,970	579	466,971	471,402,957
480,367	372,302	-	48,171	55,446	365,026	115,341
1,074,711	429,362	-	158,787	11,160	576,990	497,721
1,777,737	570,778	-	243,042	68,514	745,306	1,032,431
5,871,756	811,182	-	422,175	-	1,233,358	4,638,399
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,221,191,896	50,229,770	(5,764,903)	41,618,465	1,189,661	84,893,671	1,136,298,225



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY

SEGMENTAL ANALYSIS OF FIXED ASSETS PER DEPARTMENT: GROUP
as at 30 June 2008

Department	COST / REVALUATION					
	Opening Balance	Transfer In / (Out)	Opening Balances	Transfer In / Out	Additions	Disposals
RATES AND GENERAL	706,618,133	47,963,517	754,581,650	309,720,394	158,325,268	1,435,417
Council General	183,635	-	183,635.24	-	38,674	-
Mayoral Committee	2,132,543	-	2,132,543	-	7,988	10,821
Executive Support Services	767,818	-	767,818	-	465,490	116,214
Municipal Manager	704,285	-	704,285	-	-	-
PIMMS	172,858	(0)	172,857	(172,857)	-	-
Internal Audit	406,361	-	406,361	-	1,486	8,400
Local Economic Development	9,502,575	-	9,502,575	-	152,858	22,757
Municipal Support Unit	279,783	-	279,783	172,857	10,962	43,301
Strategic Management unit	218,231	-	218,231	-	-	-
Information Com Technology	3,234,095	504,593	3,738,687	946,604	1,154,421	28,398
Administration	3,734,567	-	3,734,567	305,991	1,343,758	97,273
Land and Housing	28,093,105	-	28,093,105	-	10,647	4,896
Buildings	5,511,756	74,100.01	5,585,856	-	111,120	-
Calgary Museum	3,897,042	-	3,897,042	-	-	-
Supply Chain Management	47,327	-	47,327	(47,327)	-	-
Council Support & Auxiliary	535,631	-	535,631	(258,664)	(258,664)	-
Budget & Treasury Office	4,014,400	-	4,014,400	-	1,032,199	282,196
Human Resources	821,104	-	821,104	-	177,634	124,400
Engineering Services	1,807,510	-	1,807,510	(7,770)	4,522	305,774
Building and Services Planning	1,308,666	-	1,308,666	(198,728)	27,248	466
Management of WSP	1,029,345	-	1,029,345	(991,038)	-	-
Mbhashe EC 121	494,292	55,102,973	55,597,265	(1,170,374)	42,189	-
Mbhashe Ex LM Schemes	55,110,868	(55,102,973)	7,895	(7,895)	-	-
Mbhashe EX DWAF Schemes	2,326,891	-	2,326,891	(2,326,891)	-	-
Mnquma EC 122	427,357	63,193,921	63,621,278	(45,134,894)	132,268	-
Mnquma Ex LM Schemes	63,198,833	(63,193,921)	4,912	(4,912)	-	-
Mnquma EX DWAF Schemes	7,086,101	-	7,086,101	(7,086,101)	-	-
Great Kei EC 123	894,782	9,344,180	10,238,962	16,385,697	345,999	-
Great Kei Ex LM Schemes	9,382,271	(9,344,181)	38,090	(38,090)	-	-
Amahlathi EC 124	46,426	49,766,843	49,813,269	(23,440,930)	11,679	-
Amahlathi Ex LM Schemes	49,766,843	(49,766,843)	-	-	-	-
Amahlathi EX DWAF Schemes	208,303	0.40	208,304	(208,303)	-	-
Ngqushwa EC 126	412,117	11,573,664	11,985,782	24,085,969	-	-
Ngqushwa Ex LM Schemes	10,379,970	(10,371,338)	8,632	(8,632)	-	-
Ngqushwa EX DWAF Schemes	887,671	-	887,671	(887,671)	-	-
Nkonkobe EC 127	201,690	132,949,820	133,151,509	(49,425,683)	32,826	-
Nkonkobe Ex LM Schemes	86,778,216	(86,767,321)	10,895	(10,895)	-	-
Nkonkobe EX DWAF Schemes	3,452,678	-	3,452,678	(3,452,678)	-	-
Nxuba EC 128	43,389	7,328,974	7,372,363	26,873,506	34,158	-
Nxuba Ex LM Schemes	7,334,237	(7,328,974)	5,263	(5,263)	-	-
Water Service Authority	183,918	-	183,918	(1,708)	270,306	14,539
Shared Resources Water & Sanitation	-	-	-	9,037,206	11,414,563	233,882
Mbhashe Sewerage	-	-	-	7,025,068	-	-
Mnquma Sewerage	-	-	-	11,928,500	-	-
Great Kei Sewerage	-	-	-	-	-	-
Amahlathi Sewerage	-	-	-	57,512,514	-	-
Ngqushwa Sewerage	-	-	-	-	-	-
Nkonkobe Sewerage	-	-	-	29,266,195	-	-
Nxuba Sewerage	-	-	-	44,014,761	-	-
Borehole Schemes	-	-	-	217,052,833	142,981	-
VIP Sanitation	-	-	-	-	-	-
Project Management Unit	331,280,738	(0)	331,280,738	-	140,590,543	1,353
Health and Protection Services	536,379	-	536,379	-	-	56,012
Disaster Management	919,217	-	919,217	-	168,003	12,509
Municipal Health	1,003,027	-	1,003,027	-	846,936	72,226
Fire Services	5,859,282	-	5,859,282	-	12,474	-
Primary Health Care	-	-	-	-	-	-
SUBSIDISED SERVICES	-	-	-	-	-	-
ECONOMIC SERVICES	-	-	-	-	-	-
HOUSING SERVICES	-	-	-	-	-	-
TRADING SERVICES	-	-	-	-	-	-
DEVELOPMENT AGENCY	333,446	-	333,446	-	68,982	5,231
	333,446	-	333,446	-	68,982	5,231
TOTAL	706,951,579	47,963,517	754,915,096	309,720,394	158,394,250	1,440,648

APPENDIX C

ACCUMULATED DEPRECIATION						
Closing Balance	New Opening Balances	Transfer In / Out	Additions	Disposals	Closing Balance	Carrying Value
1,221,191,896	50,229,770	(5,764,903)	41,618,465	1,189,661	84,893,671	1,136,298,225
222,309	364	-	53,245	-	53,609	168,700
2,129,710	1,058,916	-	308,755	10,821	1,356,850	772,860
1,117,094	474,937	-	190,475	110,241	555,170	561,924
704,285	435,950	-	92,993	-	528,943	175,342
-	70,541	(70,541)	-	-	0	(0)
399,447	168,159	-	79,839	8,400	239,598	159,848
9,632,676	2,512,964	-	991,689	22,757	3,481,896	6,150,780
420,302	123,791	70,541	86,214	36,091	244,455	175,847
218,231	158,809	-	18,668	-	177,477	40,754
5,811,314	984,543	(80,648)	824,907	28,398	1,700,406	4,110,909
5,287,043	1,318,786	27,173	805,991	94,718	2,057,232	3,229,811
28,098,856	960,738	-	441,916	3,980	1,398,674	26,700,182
5,696,976	705,795	-	290,510	-	996,305	4,700,671
3,897,042	422,353	-	233,831	-	656,184	3,240,858
-	4,582	(4,582)	-	-	-	-
18,303	198,613	(32,433)	27,697	-	193,877	(175,574)
4,764,402	1,792,423	-	1,028,662	278,528	2,542,556	2,221,846
874,338	501,544	-	197,191	115,860	582,875	291,464
1,498,489	1,443,376	(972)	205,026	305,774	1,341,657	156,832
1,136,720	576,597	(89,958)	178,782	466	664,955	471,765
38,307	348,124	(309,817)	-	-	38,307	(0)
54,469,080	4,078,971	(2,319,063)	1,761,358	-	3,521,266	50,947,814
-	439	(439)	-	-	-	-
-	581,723	(581,723)	-	-	-	-
18,618,652	8,128,669	(5,682,649)	2,458,066	-	4,904,086	13,714,566
-	1,228	(1,228)	-	-	-	-
-	790,420	(790,420)	-	-	-	-
26,970,658	1,365,019	369,216	498,795	-	2,233,030	24,737,628
-	5,821	(5,821)	-	-	-	-
26,384,018	6,295,595	(5,014,203)	1,281,392	-	2,562,785	23,821,233
-	-	-	-	-	-	-
0.40	52,076	(52,076)	-	-	-	0
36,071,751	1,422,142	(1,422,142)	2,415,596	-	2,415,596	33,656,155
-	792	(792)	-	-	-	-
-	221,918	(221,918)	-	-	-	-
83,758,652	8,548,867	(5,954,127)	1,815,467	-	4,410,207	79,348,445
-	908	(908)	-	-	-	-
-	787,121	(787,121)	-	-	-	-
34,280,027	1,007,322	1,407,217	779,273	-	3,193,811	31,086,216
-	585	(585)	-	-	-	-
437,977	131,045	(1,186)	42,116	14,539	157,436	280,542
20,217,887	-	2,087,619	3,300,711	23,388	5,364,942	14,852,945
7,025,068	-	210,901	210,901	-	421,803	6,603,265
11,928,500	-	1,494,039	3,081,139	-	4,575,178	7,353,322
-	-	-	-	-	-	-
57,512,514	-	3,392,379	3,392,379	-	6,784,757	50,727,756
-	-	-	-	-	-	-
29,266,195	-	3,658,274	3,658,274	-	7,316,549	21,949,646
44,014,761	-	54,045	437,954	-	492,000	43,522,762
217,195,814	-	4,889,042	9,452,507	-	14,341,549	202,854,264
-	-	-	-	-	-	-
471,869,928	363,580	-	103,970	579	466,971	471,402,957
480,367	372,302	-	48,171	55,446	365,026	115,341
1,074,711	429,362	-	158,787	11,160	576,990	497,721
1,777,737	570,778	-	243,042	68,514	745,306	1,032,431
5,871,756	811,182	-	422,175	-	1,233,358	4,638,399
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
397,197	101,932	-	85,665	3,115	184,482	212,715
397,197	101,932	-	85,665	3,115	184,482	212,715
1,221,589,093	50,331,702	(5,764,903)	41,704,130	1,192,776	85,078,153	1,136,510,940



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE:
as at 30 June 2008

2006/07 Actual Income	2006/07 Actual Expenditure	2006/07 Surplus/ (Deficit)	
R	R	R	
1,079,579,199	465,462,215	614,116,984	RATE AND GENERAL SERVICES
1,070,200,098	456,083,114	614,116,984	Community Services
10,911,627	-	10,911,627	Levies
3,679	65,634,282	(65,630,603)	Council General
16,961	7,574,047	(7,557,086)	Mayor and Committee
-	300,061	(300,061)	Grants-in-aid
13,320	5,511,861	(5,498,541)	Executive Support Services
-	-	-	Speaker Support
166,312,884	7,889,280	158,423,604	Municipal Manager
10,008	1,087,835	(1,077,826)	PIMMS
20,439	2,383,353	(2,362,915)	Internal Audit
2,933,807	8,951,869	(6,018,061)	Local Economic Development
1,835,193	5,256,496	(3,421,303)	Municipal Support Manager
1,663	1,410,412	(1,408,749)	Strategic Manager
98,110	7,473,148	(7,375,038)	Information Com Technology
1,738,186	58,077,310	(56,339,124)	Projects
71,283	10,597,662	(10,526,379)	Administration
11,649,881	3,981,385	7,668,496	Land and Housing
3,620,387	5,322,645	(1,702,259)	Buildings
59,605	497,893	(438,288)	Calgary Museum
825	1,464,364	(1,463,539)	Supply Chain Management
19,131	6,287,787	(6,268,655)	Council Support and Auxiliary Services
1,384,557	18,355,577	(16,971,021)	Financial Services
941,532	941,532	-	Budget Reform
1,204,104	9,806,350	(8,602,246)	Human Resources
57,115,632	58,119,532	(1,003,900)	Engineering Services
5,546,690	4,828,521	718,169	Building and Services Planning
765,493,423	128,934,698	636,558,725	WSA
4,024,324	4,325,689	(301,365)	Water Services
4,904,673	4,852,246	52,427	Water Shared Services
5,145,667	4,347,456	798,211	Project Management Unit
3,694,196	3,137,245	556,951	Health and Protection Services
6,856,132	5,909,575	946,557	Disaster Management
14,572,179	12,823,002	1,749,177	Municipal Health Services ADM
9,379,101	9,379,101	0	Fire Services
9,379,101	9,379,101	0	Municipal Health services LM's
0	0	0	Subsidised Services
0	0	0	Ambulance and Rescue Services
0	0	0	Health Nursing Services
0	0	0	Economic Services
0	0	0	
0	0	0	HOUSING SERVICE
0	0	0	
0	0	0	TRADING SERVICES
0	0	0	
1,079,579,199	465,462,215	614,116,984	TOTAL



APPENDIX D

2007/08 Actual Income	2007/08 Actual Expenditure	2007/08 Actual Surplus/(Deficit)	2007/08 Budgeted Surplus/(Deficit)
R	R	R	R
580,853,470	513,614,600	67,238,870	(244,583,363)
572,944,175	505,821,517	67,122,658	(244,583,363)
106,238	-	106,238	-
8,759	8,071,704	(8,062,944)	(9,677,456)
730,387	7,447,258	(6,716,872)	(7,849,896)
-	157,058	(157,058)	(500,000)
18,037	8,613,276	(8,595,239)	(11,847,878)
-	7,865,654	(7,865,654)	-
221,901,429	8,112,366	213,789,063	(8,349,896)
-	4,947	(4,947)	-
34,051	2,955,608	(2,921,557)	(3,646,899)
4,286,814	10,785,357	(6,498,543)	(8,770,519)
7,344	4,786,622	(4,779,277)	(6,549,758)
3,336,930	4,962,341	(1,625,410)	(2,267,109)
10,282	15,179,181	(15,168,899)	(18,209,199)
16,871,211	38,422,337	(38,422,337)	(26,978,348)
(609,625)	14,084,099	2,787,112	(15,008,185)
103,088	18,828,209	(19,437,835)	(6,098,786)
82,450	2,910,761	(2,807,673)	(3,372,895)
-	554,821	(472,370)	(803,164)
-	-	-	-
-	-	-	-
6,711,523	21,373,051	(14,661,528)	(30,755,919)
501,280	422,954	78,326	(35,507)
3,651,770	14,620,399	(10,968,629)	(11,371,233)
98,854,151	100,629,611	(1,775,460)	(2,104,659)
38,660	5,083,766	(5,045,107)	(6,257,749)
1,474	2,051,445	(2,049,971)	-
196,592,129	110,957,380	85,634,749	8,716,382
986,334	59,503,677	(58,517,342)	(58,488,535)
2,982,396	4,790,296	(1,807,900)	5,745,153
151,457	4,119,664	(3,968,207)	(4,848,919)
3,143,529	5,095,398	(1,951,869)	(2,439,870)
732,451	4,082,939	(3,350,488)	(5,251,669)
1,463,286	7,490,971	(6,027,685)	(6,355,439)
10,246,340	11,858,367	(1,612,027)	(1,205,411)
7 909 295	7 793 083	116 212	0
7,909,295	7,793,083	116,212	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
580,853,470	513,614,600	67,238,870	(244,583,363)



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE: GROUP
as at 30 June 2008

2006/07 Actual Income	2006/07 Actual Expenditure	2006/07 Surplus/ (Deficit)	
R	R	R	
1,079,579,199	460,462,215	619,116,984	RATE AND GENERAL SERVICES
1,070,200,098	451,083,114	619,116,984	Community Services
10,911,627	-	10,911,627	Levies
3,679	65,634,282	(65,630,603)	Council General
16,961	7,574,047	(7,557,086)	Mayoral Committee
-	300,061	(300,061)	Grants-in-aid
13,320	5,511,861	(5,498,541)	Executive Support Services
-	-	-	Speaker Support
166,312,884	2,889,280	163,423,604	Municipal Manager
10,008	1,087,835	(1,077,826)	PIMMS
20,439	2,383,353	(2,362,915)	Internal Audit
2,933,807	8,951,869	(6,018,061)	Local Economic Development
1,835,193	5,256,496	(3,421,303)	Municipal Support Manager
1,663	1,410,412	(1,408,749)	Strategic Manager
98,110	7,473,148	(7,375,038)	Information Com Technology
1,738,186	58,077,310	(56,339,124)	Projects
71,283	10,597,662	(10,526,379)	Administration
11,649,881	3,981,385	7,668,496	Land and Housing
3,620,387	5,322,645	(1,702,259)	Buildings
59,605	497,893	(438,288)	Calgary Museum
825	1,464,364	(1,463,539)	Supply Chain Management
19,131	6,287,787	(6,268,655)	Council Support and Auxiliary Services
1,384,557	18,355,577	(16,971,021)	Financial Services
941,532	941,532	-	Budget Reform
1,204,104	9,806,350	(8,602,246)	Human Resources
57,115,632	58,119,532	(1,003,900)	Engineering Services
5,546,690	4,828,521	718,169	Building and Services Planning
765,493,423	128,934,698	636,558,725	WSA
4,024,324	4,325,689	(301,365)	Water Services
4,904,673	4,852,246	52,427	Water Shared Services
5,145,667	4,347,456	798,211	Project Management Unit
3,694,196	3,137,245	556,951	Health and Protection Services
6,856,132	5,909,575	946,557	Disaster Management
14,572,179	12,823,002	1,749,177	Municipal Health Services ADM
9,379,101	9,379,101	0	Fire Services
9,379,101	9,379,101	0	Municipal Health services LM's
0	0	0	Subsidised Services
0	0	0	Ambulance and Rescue Services
0	0	0	Health Nursing Services
0	0	0	Economic Services
0	0	0	
0	0	0	HOUSING SERVICE
0	0	0	
0	0	0	TRADING SERVICES
0	0	0	
236 770	4 546 108	(4 309 338)	DEVELOPMENT AGENCY
236 770	4 546 108	(4 309 338)	
0	25 164	(25 164)	TAXATION - AGENCY
0	25 164	(25 164)	
1,079,815,969	465,033,487	614,782,482	TOTAL



APPENDIX D

2007/08 Actual Income	2007/08 Actual Expenditure	2007/08 Actual Surplus/(Deficit)	2007/08 Budgeted Surplus/(Deficit)
R	R	R	R
580,853,470	508,614,600	72,238,870	(244,583,363)
572,944,175	500,821,517	72,122,658	(244,583,363)
106,238	-	106,238	-
8,759	8,071,704	(8,062,944)	(9,677,456)
730,387	7,447,258	(6,716,872)	(7,849,896)
-	157,058	(157,058)	(500,000)
18,037	8,613,276	(8,595,239)	(11,847,878)
-	7,865,654	(7,865,654)	-
221,901,429	3,112,366	218,789,063	(8,349,896)
-	4,947	(4,947)	-
34,051	2,955,608	(2,921,557)	(3,646,899)
4,286,814	10,785,357	(6,498,543)	(8,770,519)
7,344	4,786,622	(4,779,277)	(6,549,758)
3,336,930	4,962,341	(1,625,410)	(2,267,109)
10,282	15,179,181	(15,168,899)	(18,209,199)
16,871,211	38,422,337	(38,422,337)	(26,978,348)
(609,625)	14,084,099	2,787,112	(15,008,185)
103,088	18,828,209	(19,437,835)	(6,098,786)
82,450	2,910,761	(2,807,673)	(3,372,895)
-	554,821	(472,370)	(803,164)
-	-	-	-
-	-	-	-
6,711,523	21,373,051	(14,661,528)	(30,755,919)
501,280	422,954	78,326	(35,507)
3,651,770	14,620,399	(10,968,629)	(11,371,233)
98,854,151	100,629,611	(1,775,460)	(2,104,659)
38,660	5,083,766	(5,045,107)	(6,257,749)
1,474	2,051,445	(2,049,971)	-
196,592,129	110,957,380	85,634,749	8,716,382
986,334	59,503,677	(58,517,342)	(58,488,535)
2,982,396	4,790,296	(1,807,900)	5,745,153
151,457	4,119,664	(3,968,207)	(4,848,919)
3,143,529	5,095,398	(1,951,869)	(2,439,870)
732,451	4,082,939	(3,350,488)	(5,251,669)
1,463,286	7,490,971	(6,027,685)	(6,355,439)
10,246,340	11,858,367	(1,612,027)	(1,205,411)
7 909 295	7 793 083	116 212	0
7,909,295	7,793,083	116,212	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
2 032 387	7 973 859	(5 941 472)	0
2 032 387	7 973 859	(5 941 472)	0
0	47 206	(47 206)	0
0	47 206	(47 206)	0
582,885,857	516,635,664	66,250,193	(244,583,363)



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)
for the financial year ended 30 June 2008

	2007/08 Actual	2007/08 Budget	2007/08 Variance
	R	R	R
REVENUE			
Service Charges	76,641,036	86,916,868	(10,275,832)
Regional Service Charges	106,238		106,238
Rental of facilities & Equipment	179,960	123,767	56,193
Income for agency Service	17,859,594	14,355,951	3,503,643
Government grants & Subsidies	431,548,846	434,936,276	(3,387,430)
Other income	4,079,006	127,935,213	(123,856,207)
Gain on transfer of water infrastructure	-		-
Gains on disposal of PPE	235,748		235,748
Total Revenue	530,650,428	664,268,075	(133,617,647)
EXPENDITURE			
Employee related costs	136,698,673	159,577,063	(22,878,390)
Remuneration of Councillors	9,840,841	11,312,681	(1,471,840)
Bad Debt provision	16,870,978	39,036,211	(22,165,233)
Collection Costs	3,639	830,461	(826,822)
Depreciation	41,552,268	70,561,591	(29,009,323)
Repairs & Maintenance	13,382,335	17,277,835	(3,895,500)
Grants & Subsidies Paid	3,470,350	8,361,039	(4,890,689)
Grants & Subsidies Paid: Capital	24,111,842	59,216,513	(35,104,671)
General expenses- other	266,567,122	210,907,541	55,659,581
Loss on disposal of PPE	245,756	-	245,756
Internal charges	-	-	-
Total Expenditure	512,743,805	577,080,935	(64,337,130)
OPERATING SURPLUS/ (DEFICIT)	17,906,622	87,187,140	(69,280,518)
Investment income	50,203,042	3,083,782	47,119,260
Finance costs	870,794	2,968,282	(2,097,488)
NET SURPLUS/(DEFICIT) FOR THE YEAR	67,238,871	87,302,640	(20,063,770)

APPENDIX E1

	2007/08 Variance	Explanation for Significant Variances greater than 10% vs Budget
	%	
	-12%	Incompleteness of the records of the Local Municipalities consumers
	100%	Abolishment of RSC levies with effect 1 July 2006
	45%	Calgary conference facility rented out internally and externally
	24%	PDOH subsidy exceeded budget
	-1%	
	-97%	Operating income from previous years included in budget
	0%	
	100%	
	-20%	
	-14%	
	-13%	
	-57%	Database cleansing exercise & improved credit control
	-100%	Abolishment of RSC levies with effect 1 July 2006
	-41%	Estimated depreciation corrected due to correct valuation of water assets
	-23%	Effective water maintenance and management
	-58%	Low levels of spending vs expected level
	-59%	Low levels of spending vs expected level
	26%	Conditional grants-conditions met
	100%	
	100%	Allocation of vehicle cost to water function
	-11%	
	1528%	Low levels of expenditure on projects vs investments
	-71%	Capitalisation of finance leases and LM water and sanitation loans taken over



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) - GROUP
for the financial year ended 30 June 2008

	2007/08 Actual	2007/08 Budget	2007/08 Variance
	R	R	R
REVENUE			
Service Charges	76,641,036	86,916,868	(10,275,832)
Regional Service Charges	106,238		106,238
Rental of facilities & Equipment	179,960	123,767	56,193
Income for agency Service	17,859,594	14,355,951	3,503,643
Government grants & Subsidies	433,222,365	434,936,276	(1,713,911)
Other income	4,267,166	127,935,213	(123,668,047)
Gain on transfer of water infrastructure	-	-	-
Gains on disposal of PPE	235,748	-	235,748
Total Revenue	532,512,107	664,268,075	(131,755,968)
EXPENDITURE			
Employee related costs	140,735,872	159,577,063	(18,841,191)
Remuneration of Councillors	9,926,526	11,312,681	(1,386,155)
Bad Debt provision	16,870,978	39,036,211	(22,165,233)
Collection Costs	3,639	830,461	(826,822)
Depreciation	41,637,932	70,561,591	(28,923,659)
Repairs & Maintenance	13,429,395	17,277,835	(3,848,440)
Grants & Subsidies Paid	6,072,303	8,361,039	(2,288,736)
Grants & Subsidies Paid: Capital	24,111,842	59,216,513	(35,104,671)
General expenses- other	262,681,303	210,907,541	51,773,762
Loss on disposal of PPE	247,872	-	247,872
Total Expenditure	515,717,663	577,080,935	(61,363,272)
OPERATING SURPLUS/ (DEFICIT)	16,794,444	87,187,140	(70,392,697)
Investment income	50,373,750	3,083,782	47,289,968
Finance costs	870,794	2,968,282	(2,097,488)
SURPLUS/(DEFICIT) BEFORE TAX	66,297,400	87,302,640	(21,005,240)
Less: Agency taxation	(47,206)	0	(47,206)
NET SURPLUS/(DEFICIT) FOR THE YEAR	66,250,194	87,302,640	(21,052,446)

APPENDIX E1

	2007/08 Variance	Explanation for Significant Variances greater than 10% vs Budget
	%	
	-12%	Incompleteness of the records of the Local Municipalities consumers
	100%	Abolishment of RSC levies with effect 1 July 2006
	45%	Calgary conference facility rented out internally and externally
	24%	PDOH subsidy exceeded budget
	0%	
	-97%	Operating income from previous years included in budget
	0%	
	100%	
	-20%	
	-12%	
	-12%	
	-57%	Database cleansing exercise & improved credit control
	-100%	Abolishment of RSC levies with effect 1 July 2006
	-41%	Estimated depreciation corrected due to correct valuation of water assets
	-22%	Effective water maintenance and management
	-27%	Low levels of spending vs expected level
	-59%	Low levels of spending vs expected level
	25%	Conditional grants-conditions met
	100%	
	-11%	
	1534%	Low levels of expenditure on projects vs investments
	-71%	Capitalisation of finance leases and LM water and sanitation loans taken over



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY

ACTUAL VERSUS BUDGET
(ACQUISITION OF PROPERTY PLANT AND EQUIPMENT):
for the financial year ended 30 June 2008

	2007/08 Actual	2007/08 Budget	2007/08 Variance
	R	R	R
LAND AND BUILDINGS			
Administration	9,090,592	10,547,422	(1,456,830)
Housing Schemes	-	-	-
Workshops & Depots	51,030	-	51,030
Work in progress - water	131,364,157	131,364,157	(0)
	140,505,779	141,911,579	(1,405,800)
INFRASTRUCTURE			
Reservoirs & Tanks	752,611	-	-
Water - Other	177,358	-	-
Meters	73,168	-	-
Plant and equipment - General	155,686	1,199,404	56,468
Laboratory equipment	65,353	-	-
Sewers	31,696	-	-
	1,255,872	1,199,404	56,468
COMMUNITY			
Clinics & Hospitals	-	-	-
Fire Stations	-	-	-
Museum & Art Galleries	-	-	-
Security System	-	-	-
INVESTMENT PROPERTIES			
	-	-	-
OTHER			
Air Conditioners	-	-	-
Computer Hardware	1,961,618	4,523,481	(2,359,329)
Computer Software	202,534	-	-
Office Machines	89,418	-	-
Cabinets & Cupboards	311,240	-	-
Chairs	108,186	-	-
Furniture and Fittings : Other	1,068,523	2,116,694	(68,267)
Tables & Desks	471,060	-	-
Motor Vehicles	389,328	-	-
Tractors	-	-	-
Trucks & Bakkies	11,954,363	15,361,105	(3,017,414)
	16,556,270	22,001,280	(5,445,010)
TOTAL	158,317,921	165,112,263	(6,794,342)

APPENDIX E2

	2007/08 Variance	Explanation for Significant Variances greater than 10% vs Budget
	%	
	-14%	Calgary Museum project in progress
	0%	
	NA	Combined with Buildings Administration
	0%	
	NA	Combined with Plant & Equipment: General
	NA	Combined with Plant & Equipment: General
	NA	Combined with Plant & Equipment: General
	100%	Combined with Plant & Equipment: General
	NA	Combined with Plant & Equipment: General
	NA	Combined with Plant & Equipment: General
	0%	
	0%	
	0%	
	0%	
	0%	
	0%	
	-52%	Combined with Computer Software
	NA	Combined with Computer Hardware
	NA	Combined with Furniture and fittings: other
	NA	Combined with Furniture and fittings: other
	NA	Combined with Furniture and fittings: other
	-3%	Combined with Furniture and fittings: other
	NA	Combined with Furniture and fittings: other
	NA	Combined with Furniture and fittings: other
	0%	Combined with Trucks and Bakkies
	-20%	Combined with Motor Vehicles
	-25%	
	-4%	



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY

ACTUAL VERSUS BUDGET
(ACQUISITION OF PROPERTY PLANT AND EQUIPMENT): GROUP
for the financial year ended 30 June 2008

	2007/08 Actual	2007/08 Budget	2007/08 Variance
	R	R	R
LAND AND BUILDINGS			
Administration	9,090,592	10,547,422	(1,456,830)
Housing Schemes	-	-	-
Workshops & Depots	51,030	-	51,030
Work in progress - water	131,364,157	131,364,157	(0)
	140,505,779	141,911,579	(1,405,800)
INFRASTRUCTURE			
Reservoirs & Tanks	752,611	-	-
Water - Other	177,358	-	-
Meters	73,168	-	-
Plant and equipment - General	155,686	1,199,404	56,468
Laboratory equipment	65,353	-	-
Sewers	31,696	-	-
	1,255,872	1,199,404	56,468
COMMUNITY			
Clinics & Hospitals	-	-	-
Fire Stations	-	-	-
Museum & Art Galleries	-	-	-
Security System	-	-	-
INVESTMENT PROPERTIES			
	-	-	-
OTHER			
Air Conditioners	-	-	-
Computer Hardware	2,004,889	4,523,481	(2,316,058)
Computer Software	202,534	-	-
Office Machines	90,507	-	-
Cabinets & Cupboards	311,240	-	-
Chairs	108,186	-	-
Furniture and Fittings : Other	1,093,145	2,116,694	(42,556)
Tables & Desks	471,060	-	-
Motor Vehicles	389,328	-	-
Tractors	-	-	-
Trucks & Bakkies	11,954,363	15,361,105	(3,017,414)
	16,625,252	22,001,280	(5,376,028)
TOTAL	158,386,903	165,112,263	(6,725,360)

APPENDIX E2

	2007/08 Variance	Explanation for Significant Variances greater than 10% vs Budget
	%	
	-14%	Calgary Museum project in progress
	0%	
	NA	Combined with Buildings Administration
	0%	
	NA	Combined with Plant & Equipment: General
	NA	Combined with Plant & Equipment: General
	NA	Combined with Plant & Equipment: General
	100%	Combined with Plant & Equipment: General
	NA	Combined with Plant & Equipment: General
	NA	Combined with Plant & Equipment: General
	0%	
	0%	
	0%	
	0%	
	0%	
	0%	Combined with Computer Software
	-51%	Combined with Computer Hardware
	NA	Combined with Furniture and fittings: other
	NA	Combined with Furniture and fittings: other
	NA	Combined with Furniture and fittings: other
	NA	Combined with Furniture and fittings: other
	-2%	Combined with Furniture and fittings: other
	NA	Combined with Trucks and Bakkies
	NA	
	0%	Combined with Motor Vehicles
	-20%	Combined with Motor Vehicles
	-24%	
	-4%	



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AMATHOLE DISTRICT MUNICIPALITY

DISCLOSURE OF GRANTS & SUBSIDIES IN TERMS OF MFMA as at 30 June 2008

Name of Grant	Name of Organ of State	QUARTERLY RECEIPTS						
		March 07	June 07	Sept 07	Dec 07	March 08	March 07	June 07
MSIG	HLG&TA	477,524					324,075	
Reviewed IDP	HLG&TA		100,000		350,000		(199,597)	-
Budget Reform	NT						88,586	
MSP Project Management	DHLG&TA						193,902	
Performance Management	DHLG&TA				150,000		131,530	40,232
Seta	LGW Seta						1,145,882	25,666
MSIG:Road Management System	DHLG&TA		400,000					-
Community Develop Program	DHLG&TA							
Disaster Management Funds	DHLG&TA		2,000,000			990,000		445,595
HIV/AIDS Funds	Dep Health							
LED Strategy	DHLG&TA	818,000						
Development Craft centre	DEDEA			3,000,000				
PHP Funds	DHLG&TA	12,995,334					5,193,896	2,154,110
Nkonkobe Drought Relief	DWAF						58,508	
Land Reform & Settle Plan Proj	DLA	159,953					78,561	23,060
Development-BNG	HLG&TA			386,290	350,000	44,500	45,594	144,193
ECDOT Funds	ECDOT	462,181		10,500,000	3,000,000	7,500,000		157,693
Bucket Eradication	HLG&TA	3,207,932						3,187,778
CMIP	HLG&TA	31,919,298	42,000,000	58,731,401	68,838,386	44,695,000	41,693,059	30,064,952
DWAF	DWAF						4,240,128	648,628

APPENDIX F

QUARTERLY EXPENDITURE			GRANTS & SUBSIDIES DELAYED/WITHHELD					Reason for delay/ withheld	Compliance with DORA	Reason for non-compliance
Sept 07	Dec 07	March 08	March 07	June 07	Sept 07	Dec 07	March 08			
-			N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
72,751	22,711	52,952	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
			N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
			N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
	109,355	56,261	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
59,971	2,138	2,632	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
41,175			N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
		715,960	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
829,253	1,004,587	855,647	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
		98,628	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
			N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
1,080	-	-	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
2,345,171	1,542,991	4,470,577	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
			N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
-	63,698	-	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
250,051	87,239	17,492	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
467,638	208,026	39,040	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
2,310,774	6,642,196	2,845,668	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
52,648,584	47,269,829	71,009,869	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
2,869,380	(1,227,118)	711,653	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY AND GROUP

GRANT FUNDING

for the financial year ended 30 June 2008

CONDITIONAL GRANTS AND RECEIPTS	Balance at 01/07/2007	Contributions during the Year
Performance Management	311,592	-
Reviewed IDP	-	(240,000)
Gama Implementation	400,000	-
MSIG Interest	62,566	37,322
MSIG Performance management for LM's	-	-
Operations & Maintenance Systems	369,553	16,610
Establishment Plans Renewals	40,720	-
Ward Com Participation	34,372	-
MSIG:Road Management System		-
MSIG : Mnquma	62,558	-
MSIG :Nkonkobe	9,186	-
MSIG :Nxuba	60,021	-
PMS: Mbashe	16,258	(17,640)
PMS :Mnquma	31,883	(34,592)
PMS:Great Kei	13,683	(8,675)
PMS:Amahlathi	37,426	(40,607)
PMS:Buffalo City	50,508	(7,659)
PMS:Ngqushwa	50,508	(12,837)
PMS:Nkonkobe	49,180	-
PMS:Nxuba	50,537	(5,318)
PMS:Amathole	280,595	127,328
Mbashe:IDP	86,264	-
Mnquma:IDP	71,350	-
Great Kei: IDP	70,600	-
Amahlathi:IDP	73,956	-
Buffalo City:IDP	160,416	-
Ngqushwa:IDP	9,829	-
Nkonkobe:IDP	109,557	-
Nxuba:IDP	115,950	-
ADM:IDP	-	-
IDP-Road Shows		240,000
Budget Reform	1,295,676	-

ANNEXURE 1

Other Income	Interest on Investments	Expenditure during the Year	Balance at 30/06/2008
-	-	205,848	105,744
450,000	-	148,414	61,586
-	-	65,905	334,095
-	151,466	155,656	95,699
150,000	-	-	150,000
-	-	258,093	128,070
-	-	21,053	19,667
-	-	28,800	5,572
400,000	-	-	400,000
-	-	-	62,558
-	-	-	9,186
-	-	45,697	14,324
-	1,382	-	0
-	2,710	-	0
-	862	5,870	0
-	3,181	-	0
-	890	43,739	0
-	1,263	38,935	0
-	668	49,848	0
-	721	45,939	0
750,000	68,682	512,959	713,646
139,000	17,060	181,469	60,854
139,000	9,629	204,746	15,233
139,000	11,107	215,119	5,589
139,000	12,592	139,807	85,740
139,000	15,894	218,982	96,327
139,000	9,855	-	158,684
139,000	11,655	136,020	124,192
139,000	10,491	196,347	69,093
250,000	12,630	176,250	86,380
-	1,433	241,433	0
-	37,838	1,094,993	238,521

THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AMATHOLE DISTRICT MUNICIPALITY AND GROUP

GRANT FUNDING

for the financial year ended 30 June 2008 Continued

CONDITIONAL GRANTS AND RECEIPTS	Balance at 01/07/2007	Contributions during the Year
SETA: Implementation	88,162	-
Dev Inter-Gov Framework	142,936	-
Skilling Retrenched Staff	11,943	-
By-Laws	46,770	-
Identify M/Com Response	31,178	-
Info financial statements at Nxuba	16,610	(16,610)
DWAF Once off Training	920,407	-
LG SETA MSU	35,775	(37,322)
Training-Councillors		-
Learnership SETA	-	-
Land use Management	365,669	-
Development of Libraries for LMS	4,717,566	-
Vuna Awards-PMS	147,067	-
Capacity Building for councillors	69,652	-
Free Basic Services Strategy Development	334,276	-
Community Development Program	709,787	-
Effective D/M Framework	32,967	(35,768)
Disaster Management Plans	18,020	5,409
Disaster: Management Centre	142,899	35,768
Disaster : Rebuild Fund	4,876,457	-
Disaster Management Forums	22,106	-
Disaster Risk Assessment 05/06	4,985	(5,409)
Contingency Fund For incidents	621,619	-
Capacity Building 05/06	20,050	-
Capacitate and Resources Center	381,834	-
Institutional Capacity Building	506,156	-
DIMS Capacity Building	110,992	-
Mainstream Dis.man.	31,712	-
Conduct Awareness Programme	2,750	-
Training Equipment	205,298	-
Stipends	509,354	(427,208)

Other Income	Interest on Investments	Expenditure during the Year	Balance at 30/06/2008
-	2,896	90,407	652
8,629	14,094	-	165,659
-	1,126	-	13,068
-	348	42,677	4,440
-	2,939	-	34,117
-	-	-	0
-	75,083	279,026	716,464
-	1,548	-	0
2,100,000	17,262	1,990,003	127,260
1,206,089	9,974	1,211,659	4,404
-	33,852	6,528	392,993
4,085,000	539,022	796,469	8,545,119
-	13,012	1,000	159,079
-	55,654	4,418	120,888
-	31,508	-	365,784
-	61,125	715,960	54,952
-	2,802	-	0
-	1,336	7,718	17,047
-	11,092	77,497	112,263
-	410,554	1,120,605	4,166,407
-	536	21,800	842
-	424	-	0
1,230,000	76,138	935,175.46	992,581
580,000	21,115	359,644	261,522
680,000	82,820	138,611	1,006,043
-	35,182	250,344	290,995
-	4,293	84,043	31,242
-	2,159	26,019	7,852
500,000	11,882	118,583	396,048
756,100	38,981	376,117	624,262
1,209,600	72,677	558,660	805,763

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AMATHOLE DISTRICT MUNICIPALITY AND GROUP

GRANT FUNDING

for the financial year ended 30 June 2008 Continued

CONDITIONAL GRANTS AND RECEIPTS	Balance at 01/07/2007	Contributions during the Year
Protective Clothing	98,538	-
DPLG Operational costs	40,887	-
Fire Services Bakkies for Nxuba and Nkonkobe		427,208
HIV/AIDS NGO's	2,962,012	-
HIV/AIDS Laboratory Services	62,025	-
District Aids Council	2,232	-
Tertiary Institutional Training	33,221	-
ECSECC HIV/AIDS	81,436	-
Section 78 Assessment	-	-
Paprika project-Healdtown/Lamyeni Spring Water	264,435	-
Gcaleka Cultural Village	2,776,283	-
Youth Fund	56,963	-
Dube Communal Veg Garden	276,956	-
Printing Project Mdantsane Art Centre	22,902	-
MK Veterans	353,847	-
Hamburg Heritage initiative	94,203	-
Heritage Jazz Festival	27,467	-
Development Craft centre	-	-
Capacity Building for LM's	557	-
District Advisory Forum		-
District Economic Forum	13,558	-
Ngcingwane Lencane Community	1,970	-
Beekeeping Project	214,944	-
Mini Maize Project	48,600	-
Rabbit Production	381,026	-
Duncan Village Youth Project	152,649.88	-
Ludiza Irrigation Scheme-Vuna Awards	422,057	-
Skills Development Centre	2,805,844	-
Balfour Sawmills	303,888	-
Highlands Resort	202,592	-
Peddie Brick Making	202,592	-

Other Income	Interest on Investments	Expenditure during the Year	Balance at 30/06/2008
399,000	17,285	262,534	252,288
458,634	19,412	265,936	252,997
-	-	-	427,208
-	278,350	98,628	3,141,734
-	5,846	-	67,872
-	210	-	2,442
-	3,131	-	36,353
-	7,238	51,299	37,374
280,000	2,392	-	282,392
-	19,157	77,109	206,482
-	120,127	2,896,409	0
-	3,328	53,083	7,207
-	25,334	18,300	283,990
-	1,819	11,349	13,371
-	31,682	65,199	320,330
-	8,879	-	103,082
-	-	-	27,467
3,000,000	169,700	1,080	3,168,620
280,000	4,664	4,501	280,720
122,755	2,054	-	124,809
-	597	5,520	8,636
-	28	1,999	0
-	5,705	193,260	27,390
-	1,009	49,609	0
-	34,392	24,150	391,268
-	5,528	112,254	45,924
-	34,017	81,411	374,664
-	259,063	75,132	2,989,775
-	28,644	-	332,531
-	19,096	-	221,687
-	19,056	121,714	99,933

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GRANT FUNDING

for the financial year ended 30 June 2008 Continued

CONDITIONAL GRANTS AND RECEIPTS	Balance at 01/07/2007	Contributions during the Year
Mooiplaas Brickyard	202,592	-
Elliotdale Brick making	202,592	-
Inkuthalo Hydroponics	202,592	-
Inxuba Furniture Making	101,296	-
LED Strategy	735,081	-
Co-operatives specialist		-
Tourism Survey	-	-
Butterworth Cleaning Campaign		-
Cizela Tractor		-
Komanshini	60,778	-
Teko Springs	661	-
Needs Camp	151,797	-
Hogsback	333,855	-
Haga Haga	250,391	-
Willowvale	443,145	418,000
Elliotdale	298,683	-
Lower Blinkwater	259,044	-
Symon (Etandsburgh)	215,876	-
Ndevana	43,358	-
Kwaseven	333,855	(362,229)
New rest	292,240	(317,077)
Eskiet	50,078	(54,334)
Nqamakwe	166,927	(181,115)
Msobomvu	333,855	-
Xujwa	166,927	(181,115)
Hertzog	166,927	-
Great kei Planning Funds	111,425	-
Mnquma Planning Funds	111,428	-
Ngqushwa Planning Funds	182,330	-
Nkonkobe Planning Funds	127,632	-
Great kei Survey	102,306	-

Other Income	Interest on Investments	Expenditure during the Year	Balance at 30/06/2008
-	19,096	-	221,687
-	20,701	-	223,292
-	17,491	-	220,083
-	9,548	-	110,844
-	69,965	-	805,046
400,000	25,694	-	425,694
318,000	17,644	52,713	282,931
500,000	13,874	432,849	81,025
100,000	-	-	100,000
-	4,783	-	65,561
-	117	-	778
-	14,254	-	166,051
-	23,966	140,351	217,470
-	23,601	-	273,992
-	37,587	109,545	789,187
-	27,478	27,001	299,161
-	24,417	-	283,461
-	20,348	-	236,223
-	3,685	-	47,043
-	28,374	-	0
-	24,837	-	0
-	4,256	-	0
-	14,187	-	0
-	31,468	-	365,323
-	14,187	-	0
-	15,695	-	182,623
-	10,503	-	121,928
-	10,591	-	122,020
-	16,125	-	198,455
-	11,774	48,625	90,781
-	9,545	-	111,851

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GRANT FUNDING

for the financial year ended 30 June 2008 Continued

CONDITIONAL GRANTS AND RECEIPTS	Balance at 01/07/2007	Contributions during the Year
Mnquma Survey	25,324	-
Ngquswha Survey Funds	222,843	-
Nkonkobe Survey	155,989	-
Lewis Survey	-	315,250
Layout Plan : Bolo	-	495,250
Prudoe Eng Design	32,441	-
Dongwe Eng Design	38,661	-
Macleantown Infra	4,159	-
Kubusie Establishment Grant	208,077	-
Ndlovini Establishment Grant	17,059	-
Ducats Establishment Grant	114,105	-
Maclean/t Estab Grant	20,329	-
Prudoe Estab Grant	84,670	-
Dongwe Prudoe Estab Grant	107,632	-
Teko Springs Estab Grant	63,274	-
Needs Camp Estab Grant	101,541	-
Teko Springs Top Structure	4,813,873	-
Prudoe Top Structure	2,274,952	-
Dongwe Top Structure	3,126,589	-
Needscamp Top Structure	926,695	-
Ducats Top Struc Subsidy	2,454,222	-
Kubusi Top Structure	11,982,009	-
Macleantown Top Structure	1,002,878	-
Ndlovini Top Structure	60,992	-
Lilyvale Kayb Establishment Grant	3,411	-
Kaysers beach Housing Project	513,040	-
Lilyvale Top Structure	1,874,292	-
Lilyvale Eng Designs		-
Fingoland Regional Authority	216,920	-
Mngqesha Great Place	1,211	-
Nqadu Great Place	22,569	-

Other Income	Interest on Investments	Expenditure during the Year	Balance at 30/06/2008
-	2,649	-	27,973
-	18,695	42,490	199,049
-	12,664	37,800	130,853
-	2,693	-	317,943
-	4,230	-	499,480
-	3,058	-	35,499
-	3,644	-	42,305
-	392	-	4,551
-	17,413	47,707	177,783
-	1,348	2,990	15,416
-	10,712	530	124,287
-	1,916	-	22,245
-	7,866	3,624	88,913
-	9,890	5,094	112,428
-	5,808	2,755	66,328
-	9,571	-	111,112
-	400,790	936,994	4,277,668
-	203,704	406,050	2,072,607
-	258,723	739,488	2,645,824
116,600	74,182	257,831	859,645
143,392	171,484	1,062,099	1,706,999
293,775	866,490	6,944,935	6,197,339
-	94,529	-	1,097,407
-	4,671	15,297	50,366
-	322	-	3,733
58,560	52,119	-	623,719
-	176,666	-	2,050,958
23,760	382	17,820	6,322
-	20,446	-	237,366
-	114	-	1,325
-	1,800	12,122	12,247

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AMATHOLE DISTRICT MUNICIPALITY AND GROUP

GRANT FUNDING

for the financial year ended 30 June 2008 Continued

CONDITIONAL GRANTS AND RECEIPTS	Balance at 01/07/2007	Contributions during the Year
Line Mapping	96,549	-
Nkonkobe Drought Relief	191,368	-
Nkonkobe Drought Relief dplg	1,095,689	-
Ngqushwa Drought relief	1,034,495	-
DWAF Once Of Accommodation	524,605	-
Dwarf Refurbishment	2,359,557	-
Qhingqala Access Road	550,961	-
Rural Access Roads	758,779	-
Chanta Development Fund	5,525,779	-
Dwesa Cwebe Restitutional	9,403,888	-
DBSA Support to DM	37,400	-
Planning Grant dla	2,687,860	-
Restitution Award dla	52,023,297	-
Sanitation Projects	1,554,088	-
Development Planning-BNG	375,851	-
Beneficiary Administration-BNG	192,914	-
Geo-Technical Investigation-BNG	322,073	-
Environmental Impact Assessment	1,306,264	-
Geo Hydrology	1,456,955	-
Elliotdate BNG Houses		-
Grants in aid 2006/2007	2,377,516	-
Land Reform & Settle Plan Proj	433,354	30,000
CMIP VAT Savings	747,918	-
Ndlovini (CMIP VAT)	54,036	-
EDOT Funds	3,711,342	-
Dept Sport 2003/04	17,950	-
Sports fields	5,269	-
6 Village Green Projects	128,973	-
Peddie Sport Facility	347,931	-
Dept Sport 2004/05	2,371,319	-
H&LG Survey Funds	1,097,828	-

Other Income	Interest on Investments	Expenditure during the Year	Balance at 30/06/2008
-	5,264	57,663	44,150
-	9,296	121,429	79,234
-	67,282	569,792	593,179
-	95,052	28,241	1,101,306
-	49,448	-	574,053
1,178,000	188,843	629,413	3,096,987
-	-	-	550,961
-	41,976	520,383	280,372
-	453,032	1,681,136	4,297,675
-	883,004	325,889	9,961,002
-	3,525	-	40,925
-	243,676	141,826	2,789,710
-	4,901,357	218,455	56,706,199
-	146,485	-	1,700,573
350,000	35,996	213,964	547,883
-	16,714	17,867	191,760
-	12,134	267,145	67,062
-	123,125	-	1,429,390
-	131,537	-	1,588,492
430,790	13,833	301,447	143,176
-	187,816	722,645	1,842,687
-	39,750	86,758	416,346
-	62,870	-	810,787
-	-	49,672	4,363
21,000,000	1,392,261	872,396	25,231,207
-	1,692	-	19,642
-	497	-	5,766
-	11,462	27,800	112,634
-	32,750	915	379,766
-	188,441	1,298,169	1,261,590
-	73,542	529,880	641,490

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AMATHOLE DISTRICT MUNICIPALITY AND GROUP

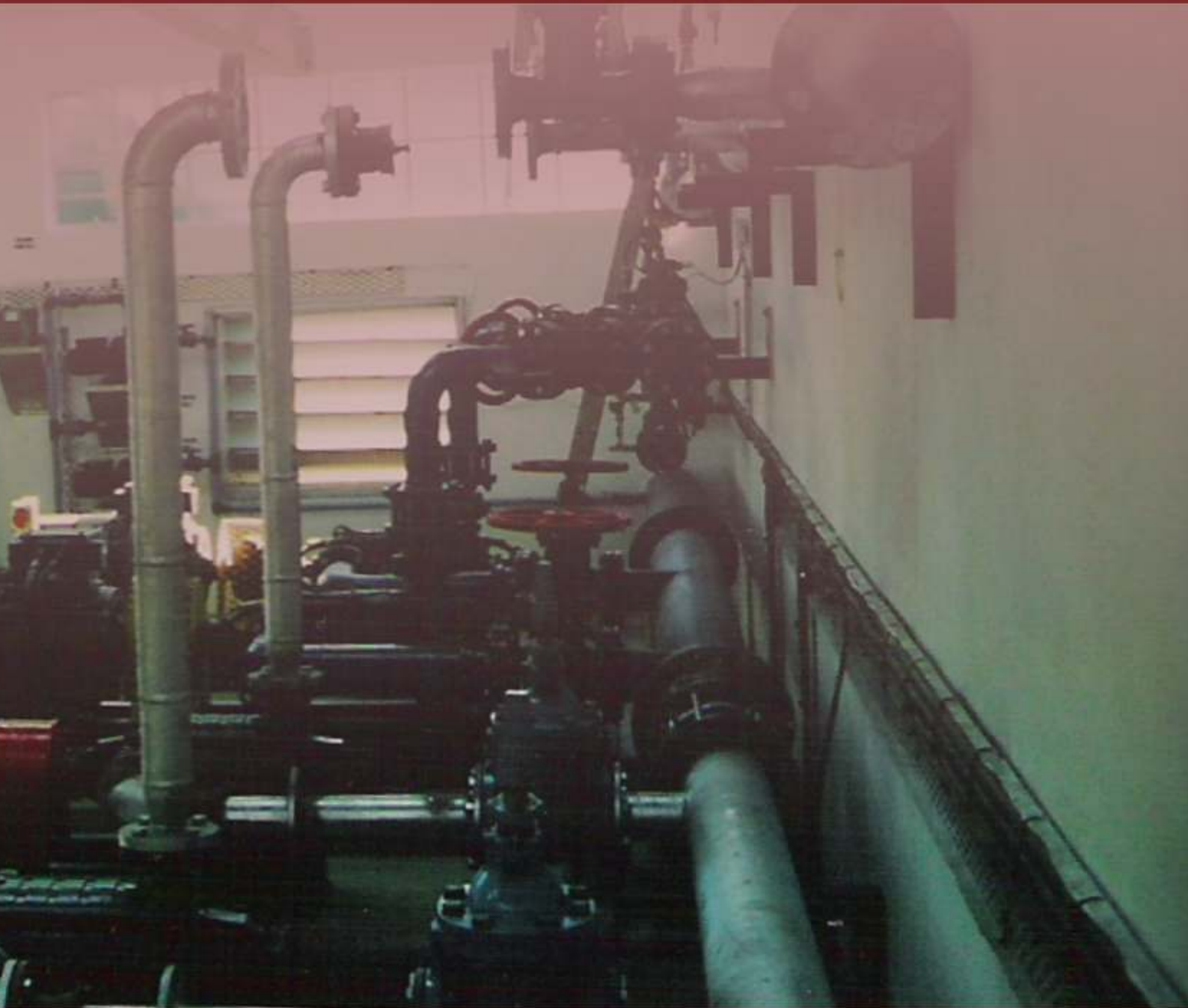
GRANT FUNDING

for the financial year ended 30 June 2008 Continued

CONDITIONAL GRANTS AND RECEIPTS	Balance at 01/07/2007	Contributions during the Year
H&LG Development Planning	816,459	(132,630)
DWAF Interest		1,162,329
CMIP interest	3,357,674	224,503
Bucket Eradication	7,069,919	-
DWAF-Bulk water Supply Scheme		-
DWAF	2,893,551	-
CMIP	(4,638,744)	(25,296)
TOTAL MUNICIPALITY	169,361,519	1,391,535
Industrial Development Corporation	2,259	2,500,000
Eastern Cape development Bank	-	285,789
European Union	-	615,259
Development Bank of South Africa	-	52,632
TOTAL AEDA	2,259	3,453,680
TOTAL: GROUP GRANTS & RECEIPTS	169,363,778	4,845,215

Other Income	Interest on Investments	Expenditure during the Year	Balance at 30/06/2008
-	72,256	67,843	688,242
-	8,233	790,891	379,672
102,806	1,996	2,915,516	771,463
8,491,000	530,732	14,986,416	1,105,236
9,800,000	283,618	2,907,976	7,175,642
-	(1,112,174)	3,002,543	-1,221,165
214,264,787	608,502	201,774,241	8,435,008
277,579,277	15,951,768	264,590,381	199,693,719
		1,209,991	1,292,268
		285,789	0
		177,740	437,519
		-	52,632
0	0	1,673,520	1,782,419
277,579,277	15,951,768	266,263,901	201,476,138





CHAPTER 5

In this chapter:

Functional Area Service Delivery Reporting ◀

This section of the report deals with financial and non-financial performance information about the various functions performed by the ADM.

Each function has been reported on in terms of:

- Overview
- Description of the activity
- Analysis of the function
- Key performance area

Under the Engineering Services, the ADM has the following functions in respect of service delivery:

- Water Services Authority for Amahlathi (EC124), Great Kei (EC123), Mbhashe (EC 121), Mquma (EC 122), Ngqushwa (EC12), Nkonkobe (EC127) and Nxuba (EC128) Municipalities;
- Roads / Transport Authority for Ngqushwa (EC 126) Municipality;
- Planning Authority for Transportation; and
- Planning and Monitoring Function for Solid Waste

The electricity function is currently shared between Eskom and local municipalities.

Performance Highlights

During the year under review, the Amathole District Municipality (ADM) attained a number of achievements and successes, inter alia:

Water Services

Divisional Function Overview

The function of the Water Services Planning and Construction (WSA) Division is the planning of water services and ensuring the effective, efficient, affordable, economical and sustainable access to water services infrastructure, which promote sustainable livelihoods and economic development.

In addition to this primary function, the division is also responsible for the regulation of water services provision and water services providers within the ADM's area of jurisdiction and within the policy and regulatory frameworks set by DWAF through enactment of by-laws and the regulation of contracts.

In order to deliver on this function, the division has to undertake different planning exercises such as Water Services Development Planning and feasibility studies. The division is also involved in implementing various projects for interim water services provision such as its Drought Relief and Safe Water Supply Programmes.

The Water Services Planning and Construction Division has experienced historical challenges in the areas of the provision

and supply of water services. In 2005 all schools and clinics were supposed to have gained access to water. By December 2007 the bucket system should be eradicated; in 2008 all people should have access to basic water [due to funding limitations ADM adopted a strategy to supply safe water to all especially risk areas by December 2008] and by 2010 all people should have access to basic sanitation.

Water Services Development Plan

The Water Services Development Plan (WSDP) is required by the Water Services Act and it forms part of and provides input into the IDP of the municipality, as required by the Municipal Systems Act 32 of 2000 (as amended).

In terms of Section 3(3) of the Municipal Systems Act, a WSDP should provide for measures to realise each citizen's rights to basic water supply and basic sanitation. The principles and planning, control and review cycle as described in the Municipal Systems Act envisages that a WSDP should, as part of the IDP process, identify priorities, objectives, key performance indicators and targets for water services within the area of jurisdiction of the municipality for which the plan is prepared. This should form part of an overall performance management system for the municipality.



The WSDP is reviewed annually. In the 2006/2007 financial year, ADM developed a new WSDP for the period of 2006 to year 2011. The 2009/10 review is anticipated to be significant to account for the gaps that were identified by DWAF and eagerness of Council to use WSDP as a decision making tool especially when it comes to project prioritisation, as well as the declaration of national targets in respect of water and sanitation services delivery to be aligned to Millennium Developmental Goals target of 2014.

The ADM faces enormous challenges in this sector. Estimates reveal that, to meet national government's targets of providing water and sanitation to all by 2014, funding of R1, 78 billion is required. Funding confirmed in the next three (3) year capital programme amounts to R550 million, leaving the required funding allocation in the future years up to 2014 of R1, 2 billion.

The safe or interim water supply programme was a new strategy that was identified during the last year's WSDP process. The grant funding from the Municipal Infrastructure Grant is not sufficient to eradicate both water and sanitation targets, thus the strategy seeks to ensure that to those areas which have not received water supply at RDP standards by 2008, a safe or interim water supply would be provided, however the system would be less than RDP standard.

Water Services Feasibility Studies

The ADM prepared its first WSDP in 2000, which was reviewed in 2003. The outcomes of the 2000 WSDP showed that there were gaps in terms of the water services information. Most gaps were identified in the areas of Mbhashe and Mquma Municipalities, where most of the backlog in water and sanitation is being experienced.

Feasibility studies have been undertaken in most parts of these municipalities including, most recently, Great Kei River Basin Water Supply Scheme Detailed Feasibility Study, completed during the 2007/08 financial year.

The Department of Water Affairs and Forestry allocated some funding towards updating the existing feasibility studies through its Bulk Infrastructure Grant (BIG) especially on project that required bulk infrastructure implementation. Investigations during these studies will include examining surface water and ground water potentials, sustainable sanitation solutions based on DWAF ground water protocol standards, capital costs, operating and maintenance costs, water resources, bulk distribution, scheme boundaries and proposed phased implementation.

Drought Relief Programme

Recent droughts experienced in parts of the Eastern Cape have necessitated the allocation of disaster relief to communities to assist in the provision of their basic need for water.

According to the Government Gazette Volume 474 of December 2004 (No. 27124) emergency funding was allocated in terms of the Division of Revenue Act (DoRA) No. 5 of 2004. In the ADM, the Amahlathi, Mbhashe and Mquma Municipalities were the first to be identified as areas affected by drought and later Ngqushwa and Nkonkobe Municipalities followed suit. Projects addressing the situation have been implemented since 2005 throughout the affected areas. Recently Ngqushwa and Nkonkobe Municipalities Drought Relief Programmes were completed but in most cases water quality has been failing to meet human consumption standards.

Safe Water Supply Programme

In January 2007, ADM took a resolution to deliver safe water to all by 2008, i.e. to ensure that every village does have a safe water source. Initially safe water provision was based on equipping existing/new boreholes in the village but now further technologies such as spring protections, stream capture etc. have been identified. Delivery of safe water

Elliotdale Weir



Dwesa Weir





Cwebe Weir

supply is less than RDP standard i.e. water carting distance is more than 200m. The Safe Water Supply Programme cost estimate is approximately R38 million and the available funding is R9 million, leaving a shortfall of R29 million. Approximately 27 550 people have now been served with safe water supply in almost 88 villages in both Mbashe and Mquma Local Municipalities.

Water Services Authority Capacity Building Business Plan

The ADM was assigned responsibility for potable water supply systems and domestic waste-water and sewerage disposal systems in terms of the provisions of Chapter 5, Section 84 of the Municipal Structures Act 117 of 1998 (as amended).

The ADM had not had this function or responsibility before. Consequently, it did not possess all the necessary structures, systems and resources to manage these functions and responsibilities. In view of this, the Department of Water Affairs and Forestry (DWAF) has undertaken a programme to assist municipalities to develop the required Water Services Authority (WSA) capacity.

A business plan was commissioned as part of the programme which would:

- Identify the status quo of existing WSA capacity;
- Identify gaps and problems to be addressed for the municipality to efficiently and effectively fulfil its WSA responsibilities;
- Set out the objectives formulated to address WSA capacity gaps identified;
- Set out the strategies developed to achieve these objectives;

- Set out the ADM's Implementation Plan, including actions, programmes and projects to give effect to strategies developed to achieve the objectives; and
- Set out an overall budget.

Implementation of the Action Plan was completed in 2005. However, most outstanding issues, namely the adoption of the Water Services Policy, Differentiation between WSA and WSP roles and responsibility, Infrastructure Safety Plan, Customer Charter, Water Information Management System and Sanitation Plan, will be carried over to a new Water Services Business Plan which was developed during the 2006/07 and 2007/08 financial years. Department of Water Affairs and Forestry made a promise of allocating funding of approximately R18 million.

BoTT Programme

The BoTT programme is a three-year R60 million contract programme dealing with both urban and rural water services (i.e. water and sanitation) implemented in the Mbashe and Mquma Municipalities, which started in January 2004. In February 2006, a decision was taken to implement some projects outside the BoTT contract, so as not to exceed the ceiling amount of R60 million, by calling for individual competitive construction bids.

The latter part of the 2006/07 financial year has been a major challenge to the Joint Venture service provider with the demise of the construction partner and the repercussion is still evident as it has resulted in delaying the completion of the programme.

During the 2007/08 financial year, R2.43 million was spent in the BoTT programme servicing another 3 villages (pop 12060) with water and 4 villages (pop 3316) with double pit urine diversion toilets. It is expected that when this programme comes to an end a total of 61,800 people would have benefited directly. The BoTT Programme has also provided bulk mains designed to extend most of the water systems to other villages in the areas for future projects.

Operations and Maintenance

After the ADM successfully concluded an assessment of Water Services Provisioning options in terms of Section 78 of the MSA, it took an informed decision in August 2006 to adopt an internal model of water service delivery. Furthermore, in areas where there were capacity problems, organs of state would be contracted to fill these gaps. In this regard, in June 2007, the ADM took transfer of all water and sanitation infrastructure as well as operating staff, from seven local municipalities; namely Mbashe, Mquma, Great Kei, Amahlathi, Nqushwa, Nkonkobe and Nxuba. In addition to the transfer of local municipality staff and infrastructure the



ADM also took transfer of DWAF water infrastructure and staff.

The operations and maintenance (O&M) division has faced many challenges related to the transfer of water and sanitation assets as well as operating staff. Much of the water and sanitation infrastructure was very old and in a poor operating condition and the division is still building its capacity to effectively deal with the maintenance backlogs. There have also been numerous challenges integrating former local municipality staff and DWAF staff into a consolidated operations and maintenance team. This has now been completed, however, and the O&M division has since embarked on the difficult task of recruiting staff to fill critical vacant posts. With the current skills shortage in the water sector, this exercise is proving challenging.

Despite the many challenges the O&M division has had to overcome it has managed to:

- Implement its Water Management Information system (WMIS), which amongst other things will enable the division to better manage and account for its assets.
- Implement water conservation and demand management initiatives, whereby non-revenue water is now calculated monthly and steps can now be taken to reduce these losses.
- Divide the area into regions and areas and appoint regional and area managers. This will help to improve service delivery.
- Implement a refurbishment plan to improve the state of water and sanitation bulk infrastructure.
- Implement a dam monitoring programme
- Engage the services of the Amatola Water Board to operate key water and waste water treatment facilities.
- Successfully implement emergency strategies to overcome the effects of drought and limited water resource planning in the past.

Land and Housing

BNG Comprehensive Plan Pilot Project

Elliotdale Rural Sustainable Human Settlement Pilot Project

Since ADM was appointed as an implementing agent with regard to this pilot project being aimed at poverty alleviation the following key result areas have since been set for the attainment of the set goal :

The project will on completion result in the following:

Area 1:

- The poverty and vulnerability of residents in the target area will be reduced and their level of economic and social improvement enhanced.
- Residents housed in habitable, healthy, safe and affordable houses will secure tenure and access to affordable and reliable basic services.
- Residents live in a safe and a secure public environment with access to good quality, educational, transportation, recreational and cultural facilities.
- Individual and household livelihood and coping strategies have been strengthened through the provision of affordable, efficient and effective educational, health, welfare security and emergency services.
- The economic circumstances of residents have been enhanced through improved positioning within the labour market and increased local enterprise start-ups, resulting in survival growth.

Area 2:

- Improving rural productivity and efficiency in an equitable and inclusive manner which improves the access for the poor, and for the benefit and growth of the Elliotdale area.
- Public transport, service efficiency and equity is improved through the promotion of compact development and the integration of the targeted areas into Mbashe Local Municipality transportation systems
- Commercial development in town and surrounding areas has been enhanced through skills transfer and number of people trained
- The number of households living in informal housing development in the Elliotdale area has been reduced.
- Water and energy efficiency has been secured through appropriate measures.



Area 3:

- The enhancement of the capacity of National Provincial and Local Government to execute integrated and sustainable settlement at large scale and requisite speed.
- National, Provincial and Local policy on informal settlement upgrading and integrated settlement development has been tested and lessons incorporated into policy review processes.
- Working models for inter-governmental co-operation and the mobilizations of the private and public sectors have been developed and disseminated
- The skills, technologies, systems and procedures appropriate to settlement upgrading at scale have been developed and extended

The following achievements have been made since then;

- A clear Social Contract agreement has been attained with regard to mobilization of communities in terms of participation in the project.
- A broad Project Steering Committee represented by 2 Community members per each (13) village, including the Traditional Leaders of each village and the Ward Councillors as ex-officio members is in place.
- A Co-operative Agreement between structures of government has been entered into, and was signed by the National Minister, Provincial MEC, Mayors of ADM and Mbhashe and the Traditional Leader of AmaBomvana Tribal Authority.
- The process of Sales Administration has commenced with a total of more than 3000 beneficiaries have been screened and passed the system.
- Since the process involves a development planning approach, a Service Provider is in place currently drafting an integrated development plan for the area, wherein clear development opportunities will be pronounced for the area.

This approach will be running parallel to the identification of short term projects which will be the selection of infrastructure projects for immediate implementation as soon as the situational analysis is complete.

- The process of Land Rights Enquiry in terms of the Interim Protection of land Rights Act, read with Communal Land Rights Act have been concluded, with certificates secured from the communities, awaiting the final approval of the National Minister of Land Affairs.
- Appointment of professionals to deal with geotechnical investigation and environmental impact assessment are on site
- Fostering of relations with DBSA on their Programme of "Building Sustainable Communities" on "SIYENZA MANJE" Programme.
- Solicit support of the Mbhashe Local Council on implementation of the project

Therefore with this pilot project encompassing the vision for Elliotdale, as a home for all who live and work there, means transforming the deepening social challenges to improve the lives of the community.

Therefore vigorous efforts to address such social and economic issues related to poverty will be set in place, with key strategies and mechanisms to take forward the area of Elliotdale through the "BNG" approach.

Restitution at Catha, Dwesa-Cwebe

The process of implementing identified projects within the development plans of these areas is progressing well.

To cite a few examples of development progress in the area the following have since been completed to the satisfaction of the communities:

Catha R6m

- Afforestation: The development of a Wattle Forest is nearing completion, with assistance from the KZN companies, through a private public partnership approach, where communities have benefited with skills transfer. The Pine Forest has also commenced.
- Agriculture: The development of 7 hectares for irrigation is progressing well; the environmental assessment on grazing land is also completed; community gardens for food security is also commencing.
- LED: The development of a community museum for the area has since been completed, aimed as a tourism attraction; Spring Water studies have been done with assistance from University of Fort Hare.
- Infrastructure : The resurfacing of internal roads and school fencing have since commenced and completed respectively.
- Community Development: The registration of the community into a trust through Community Property Association has been completed

DWESA - CWEBE : R12m

Various projects have since been achieved in the area and some of these include:

- Electrification
- Planning and surveying
- Haven Hotel upgrading
- Resource Centres
- Agriculture : Commercial & Community Gardens
- CPA Registration

Betterment Restitution for 9 Keiskammahoek villages : R 45m



The following achievements have been registered thus far:

- A clear Social Contract agreement has been attained with regard to mobilization of communities in terms of participation in the development approach of the programme.
- A broad Project Steering Committee represented by 2 Community members per each (13) village, and the Ward Councillors as ex-officio members is in place.
- Since the process involves a development planning approach, a Service Provider is in place currently drafting an integrated development plan for the area, wherein clear development opportunities will be pronounced for the area.
- This approach will be running concurrent / parallel to the identification of short term projects which will be the selection of infrastructure projects for immediate implementation as soon as identified in the situational analysis phase.

Municipal Health Services

Amathole District Municipality is constantly trying to expand the Municipal Health Services delivery to ensure that all areas including the rural areas which previously did not have access to these services are covered.

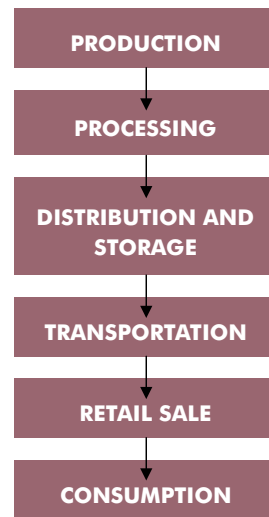
Food Control

Food Control in respect of acceptable microbiological and chemical standards and quality of all food for human consumption and optimal hygiene control throughout the food supply chain from point of origin, to the point of consumption was monitored. Food inspections were carried out at production distribution and consumption points. Informal street trading is also monitored. The promotion of safe handling of meat and meat products was carried out in all known butcheries in the area including abattoir inspections where there are no meat inspectors. Those that are not known were encouraged to come forward through various food hygiene campaigns to come and register so that they can be inspected and be issued with a Certificate of Acceptability which they are required to have by law.

During 2007/08 the Inspection of food handling premises was undertaken. The aim was to ensure that food handling premises complied with relevant legislation namely Foodstuffs, Cosmetics and Disinfectants Act no 54 of 1978. The food caterers' registration and training programme continued throughout the year. Approximately 60 food caterers were trained in health and hygiene related issues. The training was in the form of workshops and issuing of food handling preparation and handling guidelines. The training targeted all the food caterers in the Amathole District Municipality database (ADM) with one of the aims to encourage those that are not registered to come forward. As

part of the food monitoring programme a total of 20 food samples were taken for testing. The test results showed an 80% compliance with food legislation. A follow-up was made on all those that did not comply.

The food and milk control programme which was up and running throughout 07/08 focused on the following:



The inspection of dairy farms and sampling of raw milk continued throughout 2007/08. Raw milk samples taken showed a slight improvement in compliance compared with the compliance trend of the previous year. There are 60 dairy farms in the Amathole District Municipality area selling milk to the general public. Two hundred and ninety five (295) raw milk samples were taken during 2007/08 and out of the 295 samples taken, 238 raw milk samples complied with regulations relating to milk and dairy products promulgated under Foodstuffs, Cosmetics and Disinfectants Act No. 54 of 1972. Of the 57 raw milk samples which did not comply with legislation, re-sampling was done. Contamination of raw milk normally takes place during the milking period, therefore in all the cases of non-compliance, health and hygiene awareness programmes were carried out focusing on milkers and milking parlour management.

During 2007/08 the proliferation of sour milk vendors continued. The selling of sour milk has become a popular means of generating income especially in rural areas. In trying to reduce the risk of sour milk contamination, workshops were conducted targeting sour milk vendors and suppliers. The workshops focused mainly on the following:

- Transportation of milk/sour milk
- Supply to vendors
- Sour milk containers
- Decanting
- Storage
- Labelling

Surveillance and Prevention of Communicable Diseases

During 2007/08 health and hygiene promotion campaigns continued. The campaign was aimed at prevention of communicable diseases. The focus areas were around Mbashe and Mquma Municipalities especially the villages and the emphasis was on waterborne diseases. An assessment of the situation revealed that the lack of clean drinking water is still a challenge in the villages. Lack of sanitation (toilets) also contributes towards the risk of communicable diseases outbreaks in certain areas. The campaign covering these areas during 2007/08 applied the Participatory Hygiene and Sanitation Training (PHAST) approach. Health education was conducted to families and school children. Among the topics that were covered during the health talks in those areas were the following:

- Disinfecting water using bleach or boiling it
- Washing hands before the handling of food
- Washing hands with soap after visiting the toilet or relieving themselves

Water Quality Monitoring

The monitoring of water quality and availability including mapping of water sources continued during 2007/08. The aim was to ensure that drinking water is accessible and safe. There are 72 sampling sites in the Amathole District Municipality area. The analysis of water covers bacteriological and chemical parameters.

During the period of 2007/08 a total number of nine hundred and sixty one (961) samples were taken from fixed sampling points as well as random samples, 824 water samples complied with SANS 241:2006.

The compliance for the year was 85.5%; remedial measures were taken for the 14.5% non-complying sites. The Amathole District Municipality water quality monitoring programme is linked with the Department of Water Affairs and Forestry electronic water quality monitoring reporting system on website (e-wqms). This is to facilitate the provision of information on the status of water quality to a wide range of stakeholders.

Disposal of the Dead

During 2007/08 our activities focused on the control, restriction or prohibition of businesses of undertakers, mortuaries and other places or facilities for the storage of dead bodies. Regular inspections were carried out throughout the year. Other activities included the control and monitoring of exhumations and reburials of human remains.

During 2007/08 a total of 84 funeral parlours were inspected to assess compliance with relevant legislation. Fifty (50) funeral parlours complied with legislation and 34 did not comply, indicating 60% compliance. The purpose of the inspection of funeral parlours and hygienic disposal of human remains is to prevent and control the spread of communicable diseases. Burial of 12 paupers was coordinated by the Amathole District Municipality.

Waste Management

A clean-up campaign was done in Nxuba, Nkonkobe and Great Kei. These areas were targeted because there was an increase in illegal dumping. The illegal dumping sites were cleaned and "NO DUMPING" signs were mounted. A workshop was also conducted in Nkonkobe and Nxuba targeting nursing and general staff on health care waste. Waste generators have been slow in familiarising themselves with sorting and recycling of waste.

Environmental Pollution

Most of the environmental pollution in this region is as a result of poor waste management practices. This has a negative impact on air, land and water in terms of illegal burning of refuse, illegal disposal of waste water as well as illegal dumping of domestic waste. Regional waste disposal sites covering the Amathole District Municipality area were also inspected.

HIV and AIDS

The district HIV prevalence rate on tested women that visited clinics for ante-natal care for the year was 28.3%. Out of 223 health facilities, 217 are offering Voluntary Counselling and Testing (VCT) and undertaking the Prevention of Mother to Child Transmission programme.



Post Test Club launch
at Stutterheim

There were nineteen accredited ARV sites and 14,563 clients on treatment as at end June 2008. Awareness of VTC has been created and all health facilities are providing VCT to ensure accessibility of antiretroviral treatment to existing twenty sites, and these are; East London Hospital Complex [Cecilia Makiwane and Frere hospitals], Bisho Hospital, Grey Hospital, Nompumelelo Hospital, Stutterheim State Aided Hospital, S S Gida Hospital, Butterworth Hospital, Ngqamakhwe Community Health Centre, Tafalofefe Hospital, Victoria Hospital, Middledrift Community Health Centre, Elliotdale Health Centre, Dutywa Health Centre, Willovale Health Centre and NGO (PEPFAR) owned sites, such as Qumra Hospital in Great Kei, Hamburg (Ngqushwa), Masibambane (Amahlathi), Sophumelela and Ikhwezi Lokusa in Buffalo City.

ADM's partnership with Uganda Kampala Central Division has led to the establishment of Post Test Clubs at Amahlathi, Buffalo City and Great Kei municipalities, which will be rolled out to other municipalities.

Fire Services

The aim of fire services is to reduce the number of fires through awareness and educational campaigns and to reduce the loss of life and property due to fires, and any other life threatening incident.

ADM Fire Services rendered in Mbhashe, Mquma, Great Kei and Ngqushwa Municipalities attended to fires as per the table below.

Date	Mbhashe			Mquma			Great Kei			Ngqushwa			Total
	Fires	MVA	S/S	Fires	MVA	S/S	Fires	MVA	S/S	Fires	MVA	S/S	
January 07	12	6	0	14	4	0	8	2	0	7	3	0	56
February 07	7	2	0	11	5	0	6	1	0	5	2	2	41
March 07	12	4	1	17	3	0	11	2	0	8	3	0	61
April 07	10	2	0	14	4	0	10	2	1	9	2	0	54
May 07	10	5	1	21	7	0	9	4	0	11	1	0	69
June 07	12	4	1	20	4	0	11	5	0	10	2	0	69
July 07	27	5	2	50	5	2	46	5	2	17	4	2	167
August 07	22	8	3	18	3	0	34	5	0	30	4	0	127
Sept 07	16	4	1	26	11	1	8	4	0	26	3	2	102
October 07	5	16	3	6	2	1	4	5	0	8	0	1	51
November 07	1	18	7	4	11	2	7	7	0	30	1	0	88
December 07	3	19	12	5	5	0	3	5	2	2	3	3	62
TOTAL 2007	137	93	31	206	64	6	157	47	5	163	28	10	947



Date	Mbhashe			Mnquma			Great Kei			Ngqushwa			Total
	Fires	MVA	S/S	Fires	MVA	S/S	Fires	MVA	S/S	Fires	MVA	S/S	
January 08	5	10	2	4	5	2	6	6	4	3	0	2	49
February 08	2	8	2	4	4	0	1	5	2	3	1	0	32
March 08	3	7	4	6	22	2	1	6	2	4	2	0	59
April 08	2	3	0	9	5	0	1	5	1	8	0	2	36
May 08	10	5	1	21	7	0	9	4	0	11	1	0	68
June 08	15	9	0	7	6	2	4	3	0	11	5	0	62
July 08	22	4	3	21	2	2	11	3	0	15	5	0	88
August 08	10	4	4	4	0	0	20	0	1	21	2	0	66
Sept 08	8	4	1	19	3	0	23	2	1	15	1	1	78
October 08	2	3	0	9	3	0	5	7	1	3	0	0	33
November 08													
December 08													
TOTAL 2008	61	49	12	81	54	8	38	39	10	58	14	4	572

Key: Fires = All types of fires [vegetation, formal and informal structures]
 MVA = Motor vehicle accidents attended to
 S/S = Special Services which include e.g. Motor Vehicle Accident Cleanups and attending to hazardous material spills

Community Safety Services

The Mayor's Cup games at Mnquma were attended by seven local municipalities who participated in the final event. The event was attended by more than 500 youth. The programme seeks to engage the youth in sport activities and thus to deter criminal activities.

Amathole District Municipality is taking part in the provision of tourism safety along the coastal areas during the Easter and summer holidays. During the Easter of 2008, 32 Tourism Safety Monitors were trained for the Great Kei coastal area.

Solid Waste

The ADM was assigned authority from July 2005 to provide solid waste management services under the current authorisation of powers and functions as specified in the Municipal Structures Act 117 of 1998 (as amended).

The ADM's responsibility to support and monitor local municipalities, as well as developing partnerships with other

spheres of government and the private sector in pursuing the objectives of the National Waste Management Strategy remains vital.

The ADM has just completed review of the district Integrated Waste Management Plan in accordance with the National Waste Management Strategy. The transfer station facilities that go with the Eastern Regional Waste site are in the pipeline.

Construction of the Eastern Regional Solid Waste project, which serve Mnquma and Mbhashe municipalities, has been completed and is due to come into operation during the 2007/08 financial year.

The closure and rehabilitation of the Ducats landfill site has been completed. The closure of the Second Creek and Mdantsane NU2 landfill sites is at the planning stage.

The establishment of a waste transfer station in Fort Beaufort is nearing completion. The successful implementation of this project will result in closure of a (prohibited) landfill site in Fort Beaufort. The ADM is moving away from the development of small and unnecessary waste sites, which are uneconomical to manage or operate.



The ADM recently upgraded the Komga Solid Waste Site in Great Kei Municipality. The Elliotdale solid waste disposal site in Mbhashe Municipality is at the design stage.

Feasibility studies on sustainable recycling and composting were conducted and have resulted in the initiation of a buy-back centre in Butterworth, which has now been incorporated into the regional waste site. The ADM has spent R1 million on purchasing bailing and packaging equipment, which will form part of the recycling centre operations.

The ADM has embarked on an awareness campaign for waste minimisation. Education and awareness material has been developed in the form of posters and brochures, which were distributed during the following environmental celebrations held around the district:

- Wetlands Day - Hosted by DEAT
- National Water Week - Hosted by DWAF
- Cleaning Campaign Week - Hosted by Buffalo City Municipality

The establishment of a Waste Management Stakeholder Forum has now been incorporated into the District Engineering Forum with the short term goal of normalising waste services in the district and is ensuring a legitimate approach to waste management. This forum will realise the objective of being a centre for information dissemination and planning.

The solid waste disposal by-law was adopted by the ADM Council on the 26 May 2006, as per requirements of Section 21 of the Constitution. It is currently with the Government Gazette for promulgation. The by-law should enable efficient and effective regulation of waste management activities in the district.

All municipalities in the district dispose of their waste in landfill sites. In terms of the Environmental Conservation Act, sites are required to be engineered and operated under license issued by DEAT. The number of licensed or permitted sites has increased from seven (7) in 2002 to 15 sites in 2008, out of 27 operational sites in the district.

Waste Site	Size	Status	Comments
Eastern Regional Solid Waste Site	M	Permit Issued	GMB+
East London Regional	L	Permit Issued	GLB+
King Williams's Town	M	Permit Issued	GMB+
Ducats B/bay	S	Permit Issued	Closed and Rehabilitation in progress
Dimbaza	S	Permit Issued	Closed
Riegerton Waste Site	S	Direction Issued	Garden Refuse Waste Site
Alice	C	Permit Issued	GCB-
Middledrift	C	Permit Issued	GCB-
Peddie	C	Direction Issued	GCB-
Stutterheim	GSB+	Permit Issued	GSB+
Keiskammahoek	C	Permit Issued	GCB-
Hamburg	C	Direction Issued	Transfer Station
Xmas Rock	C	Direction Issued	Private Land
Seavale	C	Direction Issued	Private Land
Bedford	C	Permit Issued	GCB-

Local Economic Development

The white paper on local economic development and Constitution of the Republic spells out that a district municipality has a responsibility of promoting local economic development in the areas under its jurisdiction. This is done in a number of ways which include: creating a conducive environment for businesses to thrive, attract investors to its area of jurisdiction, getting involved and promote specific sectors, reducing costs of doing business amongst other issues, providing technical advice in different sectors. The LED within the Amathole District Municipality involves the heritage, agriculture, tourism, manufacturing environment management

Tourism

In terms of the Constitution of the Republic of South Africa, local government has a mandate to promote social and economic development. One of the means of achieving this goal is tourism development. This issue is also highlighted in the ADM IDP. Assisting SMME's involved in tourism is also seen as crucial in achieving this objective.

ADM has developed a Tourism Master Plan which identifies tourism development areas within the district. The following are the community projects that have been implemented by the ADM;

- Bawa Falls project:- community based project, accommodation establishment and conference centre, assisting the project with operations while they are awaiting for the appointment of a private partner.
- Catha Chalets:- development of a business plan for the construction of chalets, the actual construction and furnishing of the chalets.
- Craft Centres:- assisted local crafters in attending the Grahamstown Festival and MACUFE Festival, to sell their craft products.
- Local Tourism organization; assisted 6 LM's with establishments of LTO offices, and development of the Friendly N6 brochures.

Annual Tourism Events

The ADM, as part of a marketing strategy, assists local tourism events financially. It also co-hosts the following events.

- Port Festival - March
- Hamburg Beach Festival - March
- Wild Coast Wet 'n Wild Sports Festival - June
- Xmas in July - July
- ADM Mayors Challenge - September
- Craft Mania - September
- Bedford Garden Festival - October
- Mquma Jazz and Arts Festival - December

The ADM has recently developed the Tourism Master Plan which is the guiding document that identifies the tourism potential within the district.

Development of SMMEs

The ADM is supporting a number of SMMEs in skills development and the marketing of their products. The following support has been provided to our emerging tourism product owners;

- Development of brochures e.g. Umngeni B&B based in Mdantsane
- Assisted with the attendance of the Tourism Festivals to market their products e.g. Umgwali Cultural Village in Amahlathi LM; Livo Tour Operator in Buffalo City LM; Ilifa Local Tourism in Nxuba LM; and assisted SMMEs to attend the Tourism Indaba held in Durban on 10-12 May 2008.
- Linking SMMEs with other tourism stakeholders to give them exposure in the tourism field e.g. through District Tourism Organisation which provides a networking platform for the emerging tourism product owners.
- Assisting in terms of developing business plans and linking the SMME's with relevant institutions that deal with developing business plans e.g. SEDA, TEP and the ECTB
- Assist with financial and technical support e.g. assisted Imonti Tours on World Travel Show held in London, assisted 5 crafters to market their wares at the Grahamstown Arts Festival
- Linking SMME's with other government tourism stakeholders

Marketing & Exhibitions

The ADM also participates in a number of exhibitions to market Amathole as a tourism destination. These include the following;

- Cape Town Mall Exhibition
- Durban Mall Exhibition
- Christmas in July
- Grahamstown Arts Festival
- Tourism Indaba

Crafters at Grahamstown





Business Unlimited Expo

The ADM exhibition stall which showcases district tourism attractions was developed and the promotional material such as DVDs and tourism brochures were also developed and distributed to the exhibition shows. ADM has also featured in different magazines e.g. Sawubana Magazine, Amathole coffee table booklet, Madiba Action etc.

Heritage

In 2007/08 financial year, one heritage site, Dr. John Know Bokwe memorial grave, was rehabilitated as part of the Heritage Sites Rehabilitation Project. The project covers the following:

- Consists of 1 (one) km road access;
- Installation of signage;
- Erection of the interpretation board; and
- The actual site rehabilitation
- After the site rehabilitation, the project becomes a viable springboard for economic development and becomes a tourism site.

Prof D Swartz at the Early African Intellectuals Book Launch



A pictorial portable exhibition that depicts the life histories of the identified individuals that formed the first phase of the Early Modern African Intellectuals Heritage Trail Project was mounted. This pictorial exhibition has been housed in various heritage institutions including the Bartholomeu Dias Museum in Mossel Bay and Queenstown Museum in Queenstown; while the other version of the exhibition was displayed in different cultural places in the district. A booklet about the life histories of these individuals (Ntsikana, Rev. T. Soga, Dr. W.B.M Rubusana, J.T, Jabavu and S.E.K. Mqhayi) was published and distributed throughout the country.

As part of heritage awareness campaign and capacity building initiative in local municipalities and communities, the Unit undertook workshops and other initiatives for different targeted groups. The Amathole Teachers Heritage Challenge which targeted both educators and learners was undertaken as an integral part of an awareness initiative. The Challenge promoted two of the four heritage routes.

In September, cleaning of identified heritage sites was undertaken as part of heritage month. Due to financial constraints and availability of community members, the sites that were cleaned were in Buffalo City Municipality. In line with heritage sites cleaning campaigns, two visitors Information Centres were officially opened, and handed over to the Local Municipalities. .

Environment

The rehabilitation projects such as Let's Keep Mquma Clean, alien vegetation removal and Pelargonium were implemented with the assistance from various stakeholders. The Butterworth cleaning up project received funding to the value of R500,000 from the Department of Economic Development and Environmental Affairs (DEDEA) which was spent in full during the projects' operations. Forty recruited individuals were involved, working in the Mquma Local Municipality's urban centres.

Launch of African Heritage Rally



The alien vegetation project for the Keiskammahoek area was assisted through contributions from the Border Rural Committee (BRC). R280,000 was spent in full for the clearing and spacing of wattle in the area and ADM contributed by developing a business plan for the project. 67 Individuals were recruited for the project and a lot of areas along water courses were cleared of alien invaders. Spacing was done in areas whereby this economically important plant is targeted for propagation and maintenance. Partnerships were established with Natal Timber Enterprise (NTE), South African Pulp and Paper Industry (SAPPI) in order to ensure that a business is established from the operations of the community.

The pelargonium project operated for the greater part of the year without funding being availed to it. The commitment of the communities involved ensured that the project continued despite the lack of funding and 40 volunteers were involved in the preparation of the land for propagation. Some vegetables were planted by those involved for subsistence purposes. A business plan for the project was developed which indicated that the project has a bankable business case.

A number of awareness sessions were hosted in order to build capacity for ADM's local municipalities. The main focus was on the environmental legislations and ADM environmental management policy. The institution participated in a number of cooperative governance initiatives and engaged authorising agents on a number of EIA initiatives undertaken by the institution. The Environmental Management Forum also sat regularly and it provides a platform for environmental role players to discuss issues that are affecting their region.

A number of stakeholder awareness sessions were also hosted around water issues, Arbour Week celebrations and cleaning up of our environment. These initiatives were hosted in collaboration with other stakeholders such as government departments and non-governmental organisations that are operational within ADM's area of jurisdiction.

Agriculture

The unit undertook the following projects during the year under review:

- Training for the bee-keeping project beneficiaries was undertaken.
- Construction of a vegetable tunnel for seven youths from Mbashe Municipality was started.
- The installation of irrigation equipment in a five-hectare garden at Zintukwini village in Ngqamakhwe was started.
- The unit organised two information days during the financial year and these included beef information day at Dabane and maize production information day at Elliotdale.
- The unit also provided technical advice to various projects.
- Facilitated continuation of the food security programme through the service of the mechanization machinery.

Highlights of ASPIRE - Amathole Beyond Limits:

- Small-town regeneration concepts are developed for 40% of Amathole's small towns.
- Utilising a strategic branding process, the agency is redefined to become "Aspire: Amathole beyond limits".
- Successful advocacy was made to National Treasury of Aspire's small-town regeneration programme.
- Funding of R300-million was secured for stimulation of small-town economies in Amathole.
- Aspire actively participates in the drawing up of national guidelines for the establishment of development agencies in South Africa.
- The agency hosted the second Small Towns Conference in September 2007, igniting debate on small towns among national participants.
- Strengthened relationships with local municipalities resulted in diminished mistrust of the agency and the small-town concept.
- Reciprocal partnerships were formed with key partners in development, such as ECDC, DBSA and the Border-Kei Chamber of Business.
- Interventions that will anchor economic development in each corridor are now ready to enter the implementation stage.



Tractor handover at Chizela



Information Technology

ADM has deployed networks and systems in order to respond to the information technology (IT) requirements for council to operate. The objective is to improve and enhance communication within the district by establishing video conference facilities. This will facilitate meetings between municipalities, provincial and national government. Also, it will facilitate public addresses to the communities. The establishment is currently deployed at the head office of the municipality thus enabling Amathole District Municipality for video conferencing.

The governance of IT is done through a Master Strategic Plan, which is a strategy and systems plan where IT needs to be aligned to the business strategic objectives. This assists the municipality with sound electronic information systems development and deployment.

Disaster recovery of information systems is managed by a Disaster Recovery Plan which has been developed for ADM. This includes the business continuity aspects in case a disaster happens affecting information systems and network infrastructure. This will enable the municipality to continue carrying out its operations when disaster happens.

The GIS system is used for planning and is integrated with other information systems such as DIMS (District Information Management System) and WMIS (Water Management Information System). This is mostly used for generating maps with data for planning purposes. This has been extended for land use management to other local municipalities within the district for town planning. This puts reliance on the local municipalities to update the system with current and latest cadastral data.

Supply Chain Management (SCM)

Supply Chain Manage in the ADM is rendered through the Administration Department. Compliance with the SCM policy is monitored by the Assistant Director of the Supply Chain Management Unit of the municipality. The SCM Unit offers support to tenderers through its helpdesk and ensures that Historically Disadvantaged Companies are favoured when awarding contracts. Contracts/tenders above R200,000 are adjudicated by the ADM Bid Adjudication Committee. The SCM Unit advises and provides secretariat support to the Bid Specification, Bid Evaluation, and Bid Adjudication Committees. For the procurement of goods and services below R200,000 ADM has established a supplier/service provider database where historically disadvantaged suppliers/service providers are given preference. The approval of minor contracts is within the Municipal Manager's delegated authority and this approval is regulated through a process where the recommendations by the departments to appoint service providers/contract suppliers is verified by the SCM Unit.

Details of tender/procurement activities:

• Total number of times that tender committee met during the past year	19
• Total number of tenders considered	87
• Total number of tenders approved	87
• Average time taken from tender advertisement to award of tender	8 weeks

Details of bid adjudication committee:

1.	Mr Y Zote : Chief Financial Officer (Chairperson)
2.	Mr X Nondwangu : Acting Director : Administration
3.	Mr N Jonker : Director : Engineering Services
4.	Ms N Solomon : Director : Health and Protection Services
5.	Ms A Dabula : Acting Director : Human Resources
6.	Mr. A. Fani/Mr M. Mapuma: Strategic Manager
7.	Mr Z Sam : Director : Office of the Speaker
8.	Ms N Venter : Deputy Director : BTO (Additional Member)
9.	Vacant : Deputy Director : Transport : Building and Services Planning (Additional Member)
10.	Ms S Taleni : Deputy Director : Health and Protection Services (Additional Member)
11.	Mr M Mapuma : Agricultural manager (Additional Member)
12.	Ms M Kerr : Assistant Director : Finance (Additional Member)

Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1. Capital Projects over R1 million allocated to 100% HDI owned Companies	93.24%	50.00%
2. Capital Projects less than R1 million allocated to HDI's	94.70%	70.00%
3. Non-Capital Projects allocated to HDI's - Target Achieved.	87.82%	60.00%
4. Overall performance of Council. Total allocation to HDI's = 78.60%	89.36%	60.00%

Communications

Communication Strategy

The ADM Communications Strategy for 2007-2012 was adopted by Council in February 2008 and was again reviewed at a stakeholder workshop on 31 July 2008. This document is reviewed annually and contains an annual communications cycle that serves as a guiding framework for communication activities and programmes in the municipality.

Interface between Council, Staff and the community

The ADM publishes a community newsletter twice a year, viz in December and June, as a supplement to the Daily Dispatch. These newsletters contain articles of the ADM's achievements and reflect on projects from various ADM departments. The June community newsletter contains the Executive Mayor's State of the District Address (SODA) which serves as a public record of the ADM's achievements, performance and activities over the past financial year, and also summarises IDP projects and programmes for the new financial year.

An HIV and Aids community newsletter is also printed as a supplement to the Daily Dispatch. It is also distributed throughout the district and is used as a medium for discussion amongst the broader community of the district to report on new developments regarding Aids, conferences, research, and provides information about where people can obtain medical assistance etc. The feedback has been very positive and increasingly we are getting contributions from more and more community members for the newsletter.

The ADM is mindful of the main languages utilized within the district and both the community newsletter and the HIV/Aids newsletters are printed in English and isiXhosa.

Customer Care and Service Centres have been established at the ADM headquarters at 40 Cambridge Street in East London as well as all local municipalities. As the Water Services Authority for 7 local municipalities since July 2006, the ADM has centralised billing services for water and sanitation and hence it thus makes sense to combine customer care services with the billing services. Community members are able to pay for their water and sanitation accounts, query their accounts, register as indigents, lodge any query or complaint and obtain any ADM and Government information from these centres. All Customer Care Assistants have received training in frontline communications. It is intended to further expand this training to include information sharing of government services and their criteria as well as the customer care reporting system that is currently being developed.

The communications unit has also fulfilled the mandate of the SALGA National Conference for Local Government Communicators in facilitating the establishment of Local Communicator Forums (LCF) at all local municipalities within the district, with the exception of Buffalo City. The LCFs serve as an interfacing platform between local government and communities (as members of ward committees, CDWs, and representatives of community structures and government departments are invited to attend) where programmes and projects are coordinated and any information or other needs of local communities are brought to the table for discussion and resolution.

The head office staff of the ADM received training in Batho Pele principles in June 2007 as part of the first phase of the roll out plan. It is planned to roll out the training to field workers during the 2008-2009 financial year.

Staff members are regularly briefed via email on upcoming events and happenings within the institution; and include details on promotions, new employees, deaths, marriages, births, sporting events, lifestyle and health issues etc. An intranet service is shortly due to be implemented. An internal editorial committee with representatives from each department has been established to assist in gathering stories and information and to update website information.

Public Place Where Municipal Documents Are Available To The Public

In accordance with the Promotion of Access to Information Act No 2 of 2000, the ADM has published a manual in 3 official languages (isiXhosa, English and Afrikaans) which details how members of the public can access records of the ADM. The ADM has embarked upon an electronic document

management system and files are scanned and archived in accordance with the standards set by the National Archives. Currently, members of the public can register an application for records and submit same to the Accounting Officer, which is also the Municipal Manager. Records are kept by the Administration Department, 12th floor, Caxton House, Cnr Cambridge and Caxton Streets, East London.

Public Participation

Imbizo events are held in April and October every year. The dates for the National Imbizo Focus Weeks are set by Cabinet and provide an opportunity for all spheres of government to go out and meet the local communities and to talk about government services that are available for the public. These meetings also provide the local communities with an opportunity to meet their political leaders and to voice their comments, needs, and issues in an unmediated fashion.

The ADM collaborates with local municipalities in hosting the National Imbizo Events and the details are sent to and collated by the Office of the Premier and Government Information Management System for the deployment of Ministers and MECs. This past year, imbizos were held at Pikoli in Ngqushwa on 22 October 2007, at Centane in Mquma Municipality on 23 October 2007, and at Nothenga in Amahlathi Municipality on 24 October 2007.

In accordance with the Local Government Municipal Systems Act, the ADM holds regular Integrated Development Plan (IDP)

Representative Forum meetings in drafting its IDP. At the beginning of the planning cycle, advertisements are placed in the local newspaper calling for interested parties to contact the ADM.

Once the IDP and budget have been drafted, the ADM further embarks upon IDP and Budget Roadshows to the communities at all local municipalities. This is done in conjunction with the support and assistance of the local municipalities who assist the ADM's Community Liaison Officers, through their Ward Councillors, to mobilize the ward community members to attend the roadshow events. The Draft IDP is summarized and presented to communities in English and isiXhosa for comment and discussion. Records of these meetings are kept and a Q&A document is drafted to keep track of the responses and to disseminate to other government departments for follow up and actioning, where necessary, through intergovernmental forum meetings. Once all the comments and discussions have been taken into consideration towards an amended IDP and Budget, the above process is followed up by a Council Open Day, where ward committees and members of the community are invited and where the amended/Draft IDP and Budget is again presented for the last time before it is submitted to Council for adoption. Council procedures are relaxed for the Council Open Day to allow the communities to speak and voice their comments after the presentations have been made. These comments are again collated into a question and answer (Q&A) document.

The roadshow schedule for the review of the Draft IDP/Budget of 2007-2008 was as follows:

Date	Time	Venue	Municipality/Community
14 April 2008	10h00	Lutheran Hall, Stutterheim	Amahlathi Municipality
14 April 2008	14h00	Lutheran Hall, Stutterheim	Amahlathi Ratepayers
15 April 2008	10h00	Dutywa Town Hall	Mbhashe Municipality
17 April 2008	10h00	Happy Rest Hall, Alice	Nkonkobe Municipality
17 April 2008	14h00	Happy Rest Hall, Alice	Nkonkobe Ratepayers
18 April 2008	10h00	Adelaide Town Hall	Nxuba Municipality
22 April 2008	10h00	Nqadu Great Place	Nqadu Great Place
23 April 2008	10h00	Mngqesha Great Place	Mngqesha Great Place
24 April 2008	10h00	Peddie Town Hall	Ngqushwa Municipality
25 April 2008	07h30	Hemingways Hotel	Business Breakfast
29 April 2008	10h00	Komga Town Hall	Great Kei Municipality
29 April 2008	14h00	Komga Town Hall	Great Kei Municipality Ratepayers
30 April 2008	10h00	Msobomvu Hall, Butterworth	Mquma Municipality **
30 April 2008	14h00	Msobomvu Hall, Butterworth	Mquma Ratepayers**
13 May 2008	10h00	Calgary Conference Centre	Council Open Day

In addition to the above, a number of forum meetings are hosted where communities actively participate in the decision-making process of Council. These include Gender Forums, Youth Forums, the Disability Forum, the District Aids Council, the Disaster Management Forum, the Community Safety Forum, the Heritage Reference Group, LED Forum etc.

The ADM also assists the Government Communication Information System and the Office of the Premier in the live televising of the State of the Nation Address (SONA) and the State of the Province Address (SOPA) which are usually held at different locations within the district. The purpose of these televised events is to bring government to the local communities. The speeches are usually translated where necessary and the communities are presented with an opportunity to voice their concerns, needs and issues and to ask questions relating to the speech. This year the SONA was televised live to the community at Kwelerha on 8 February 2008 and the SOPA was televised live at Dutywa on 14 February 2008.

The Executive Mayor also presents the State of the District Address at the final Council meeting of the financial year (usually in May annually). The speech reflects upon the achievements and performance of the ADM over the past financial year and highlights programmes and projects of the IDP in the new financial year. Numerous stakeholders, including business, Non-Governmental Organisations, Civil Based Organisations, Faith-Based Organisations, IDP Representative Forum members, Ward Committees and members of the community are invited to attend the Council meeting. This past year, the Council meeting was held on 30 May 2008 and the Executive Mayor's State of the District Address was published as a community newsletter in June 2008 and distributed as a supplement to the Daily Dispatch newspaper.

The ADM also engages volunteers within the community in a wide range of activities, including community health care, disaster management, community water forums etc. Training is provided where necessary (eg first aid, fire fighting etc).

Competitions have been held at schools eg on Disaster Management and the communities are also engaged in a number of other activities such as drama, choral singing, display of crafts at exhibitions etc.

Launch of Childrens Advisory Council



SPU Mens Forum Launch Nkonkobe



A range of promotional activities are held throughout the year, as per the communications cycle, including health awareness programmes, Water Week, Sanitation Week, Heritage and Tourism Month, 16 Days of Activism of no violence against women and children, Youth Month, Women's Month, etc, which also serve to promote the interests of special groups such as the youth, gender, disabled etc.

The ADM assists local municipalities in coordinating information and service delivery days. These are usually held at clustered ward meetings at local municipalities during the course of the year, to promote and ensure greater access to government services for local community members which serve to help improve their lives.

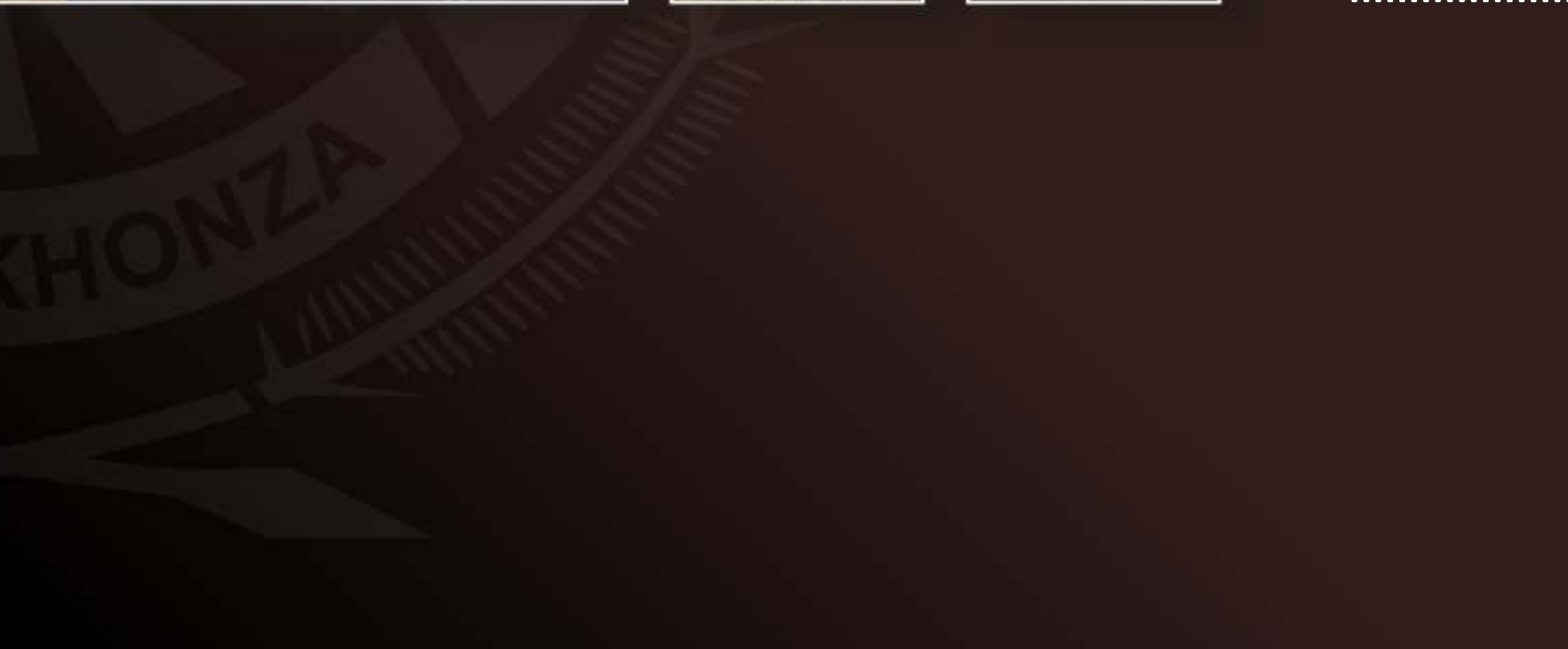
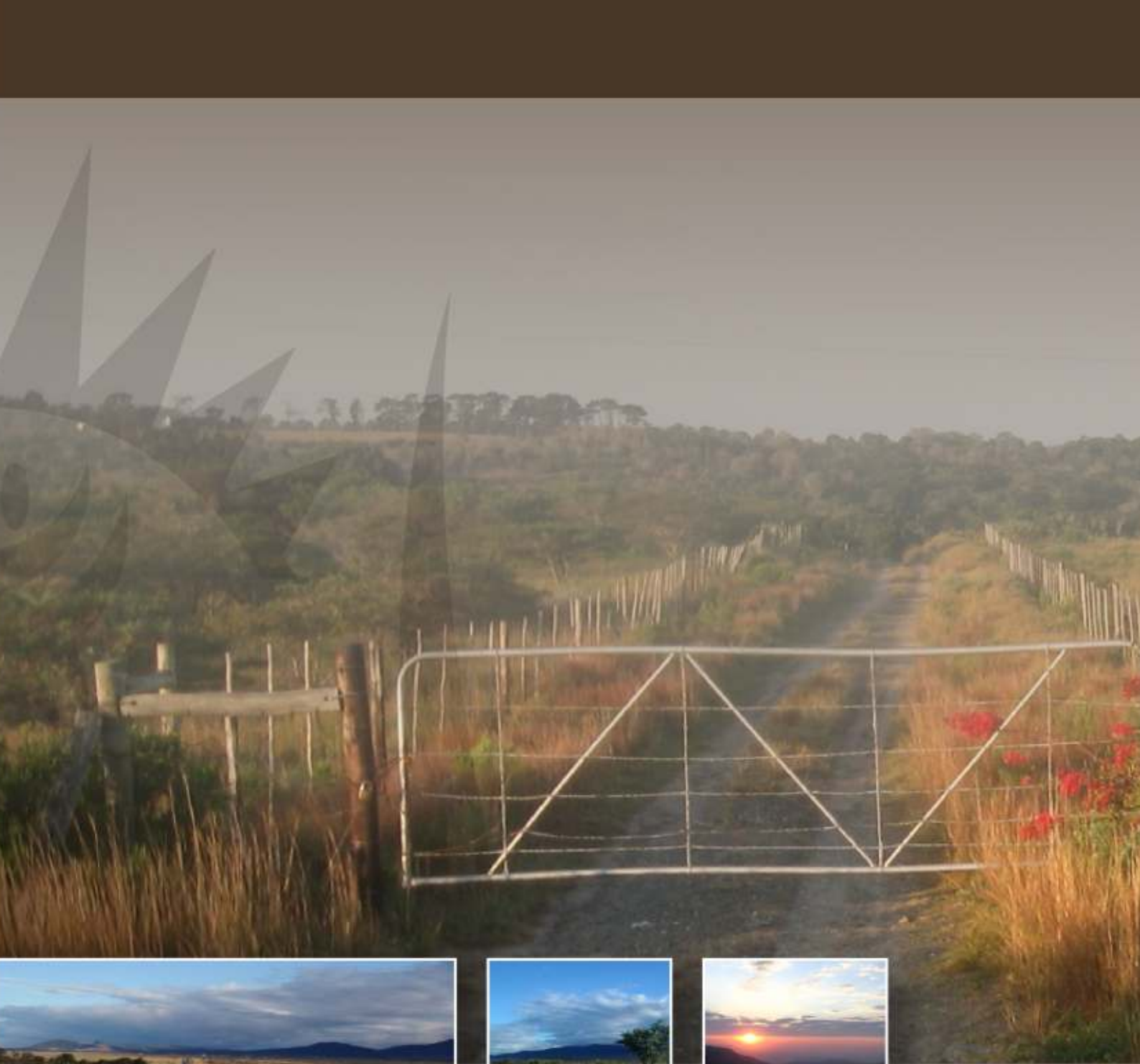


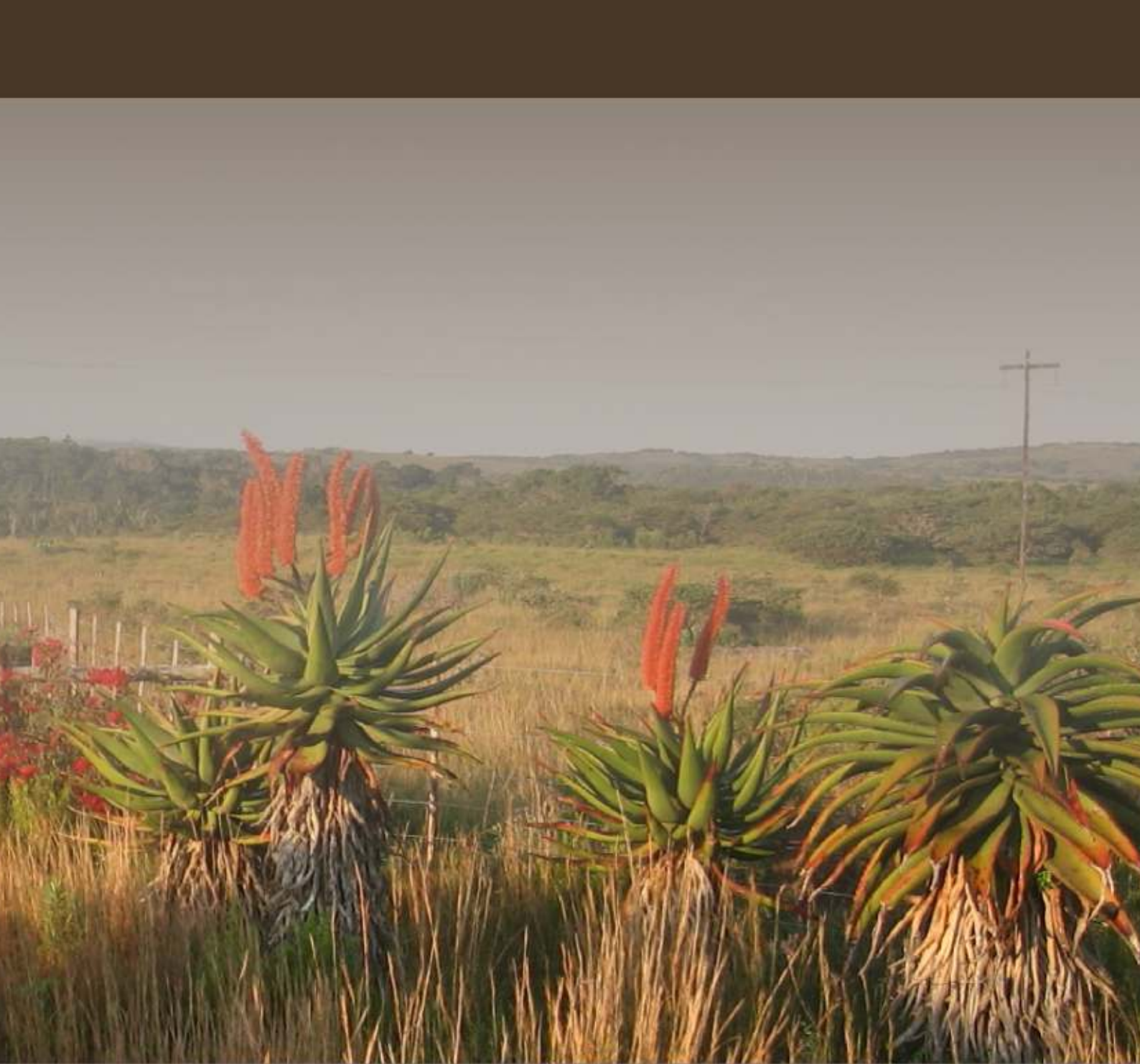
Womens Month Roleplaying



Womens Month door to door campaign







CHAPTER 6

In this chapter:

- Performance Audit Committee's Review on Performance Results and Systems ◀
- Municipal Scorecard ◀

Amathole District Municipality Performance Audit Committee Review of Performance Results and Systems for the year ended 30 June 2008

1. Introduction

In terms of municipal legislation the Municipal Financial Management Act 56 of 2003, the Municipal Systems Act 32 of 2000 and the Planning and Performance Management Regulations of 2000, a municipality must, inter alia, implement a system to monitor performance and consequently establish a Performance Audit Committee. Amathole District Municipality (ADM) appointed a Performance Audit Committee in 2003. The Committee aims to provide an objective review and assessment of performance of the municipality, the employees and the performance management system itself to provide advice and recommendations thereof.

In terms of the Government Gazette, dated 1 August 2006, substantial changes were envisaged in terms of the performance management system in place in Municipalities. For the financial year ending 30 June 2008, there has been no compliance with the legislation. It is within context that this report has been prepared for consideration.

2. Summary of Meetings held during the 2008 financial year ended 30 June 2008

The committee met four times during the 2008 financial year on the following dates; 20 July 2007, 5 October 2007 and 2 April 2008. The review of the 31 December 2007 scorecards did not take place and the review of the 30 June 2008 scorecards took place during January 2009. The primary reasons for the delay in completing the reviews are due to the fact that the Internal Audit Department did not adequately function in terms of providing support to the Committee in respect to the verification of information.

3. Committee Members

The Committee consisted of the following voting members during the 2007/2008 financial year.

- Ms L Smith (Chairperson), CA(SA)
- Mr J Goldberg (resigned 23 September 2008)
- Mr M Sibarn (resigned 18 March 2008)
- Mr C Ramoo, CA(SA)
- Mr D Sonamzi (appointed 18 March 2008)

For the purpose of the performing the 30 June 2008 reviews, Ms T Mqweta (Chairperson of the Audit Committee), was in attendance.

In terms of the Government Gazette No29089 dated 1st August 2006, the committee responsible for evaluating the performance of the managers reporting to the Municipal Manager should be constituted as follows:

- Municipal Manager
- Chairperson of the Performance Audit Committee or audit Committee in the absence of a Performance Audit Committee
- Member of the Mayoral or Executive Committee
- Municipal Manager from another Municipality

For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons must be established -

- Executive Mayor or Mayor;
- Chairperson of the performance audit committee or the audit committee;
- Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;
- Mayor and/or municipal manager from another municipality; and
Member of a ward committee as nominated by the Executive Mayor or Mayor

In terms of the above, it is clear that current composition of the committee tasked with evaluating the performance of managers reporting to the Municipal Manager and the Municipal Manager is not in compliance with the Gazette.

It was the understanding of the Committee that the review of the current system would take place and this would include the composition of the committee to ensure compliance. Since 2006, the Committee is not aware of any such review taking place around the system. In March 2008, the Committee was re-appointed and requested to continue with the evaluation process as in prior years.



4. Evaluation process followed

We would like to highlight the process that is followed in the evaluation of the Managers and Municipal Manager:-

Description	Expected Timing	Responsible	Status
Completion and sign off of performance contracts	July annually	Municipal Manager and Executive Mayor	Completed Engineering Human Resources Health and protection Administration Municipal Managers Not completed/no evidence Budget and Treasury Strategic Management Office of the speaker
Quarterly reviews (1st and third -verbal) and 2nd and 4th quarter formal	Quarterly	Municipal Manager and Executive Mayor	Unknown
Internal audit of the 1st and 2nd quarter scorecards	January - February annually	Internal Audit Department	Not completed timeously
Submission of six monthly review for the period ended 31 December 2007	March - April annually	Performance Audit Committee	Not completed by the time that the Committee required the information to report when they met on 2 April 2008
Internal audit of the 3rd and 4th quarter scorecards	July - August Annually	Internal Audit Department	Completed in January 2009
Submission of annual review for the year ended 30 June 2008	October - December annually	Performance Audit Committee	Completed in January 2009

The non-adherence and non-functioning of the performance management system has resulted in the integrity of the process being questionable and has a direct impact on staff morale and will have a direct impact on the overall performance of the Municipality in terms of its strategic objectives.

terms of the previous performance management system. In addition, we would like to report that our committee is not constituted in terms of the Government Gazette regulations and will have to be reviewed for the 30 June 2009 year.

5. Findings of the Committee

During the course of the evaluation process the Committee identified a number of short comings and would like to highlight the following: -

5.1 Lack of compliance with the Government Gazette issued 1 August 2006

Our previous reports for the year ended 30 June 2006, for the six month report ended 31 December 2006 and the report issued for the 30 June 2007 referred to the Government Gazette issued on 1 August 2006 relating to the Performance Management System of a Municipality. Our report therefore has been based on the information presented to us, i.e. in

5.2 Role of internal audit

The entire evaluation process is dependent on the verification of data provided by relevant managers. This evidence of performance is subject to verification by the Internal Audit Department and forms the basis of interaction between the Committee and the relevant managers and ultimately determines the final performance score.

During the review process, the Committee noted a number of targets that have been verified as been met, but upon closer scrutiny revealed that these targets had indeed not been met or inadequately verified. Based on the engagement during the review process the Committee is of the view that limited reliance can be place on the work of the Internal Audit Department. This seriously compromises the process.



5.3 Proper Supporting documentation for the Performance Measures

As previously reported, proper assumptions supporting the various performance measures were not adequately documented resulting in varying interpretations of the measures by the relevant manager, Performance Audit Committee Members and the Municipal Manager.

5.4 Policy regarding the payment of performance bonuses

A number of Senior Management (Section 57 employees) have left the employ of ADM during the year. Positions were not filled timeously and this has resulted in employees acting in these positions. There is no policy regarding whether those who acted in the positions will be entitled to a performance bonus.

There also exists a policy vacuum in terms of the payment of bonuses to staff exiting the municipality during the financial year and/or after the end of the financial year. Furthermore, within the performance contracts, not all contracts stated that a maximum of 14% of the annual remuneration of the employee would be paid as a bonus. This is the requirement in terms of the Government Gazette dated 1 August 2006.

5.5 Performance measures not adequately prepared

The committee is of the view that certain targets set by Departments are not "stretch targets", which minimizes the impact of the performance management system in terms of improving service delivery and contributes to mediocre performance. Council and the Municipal Manager should properly review the scorecards to ensure that the targets are aimed at driving exceptional performance. Furthermore, certain targets are not "outcome based", e.g. a target is rather having a workshop, rather than measuring the impact of the objective. Targets should be specific, measurable, relevant and time based.

Certain targets have the incorrect assumptions, e.g. the % of portable water, assumes that the population does not grow and the same figure is used in the denominator of this calculation.

5.6 Duplication of performance measure

Duplicate performance measures in both the District and Departmental scorecards should be reviewed carefully to ensure appropriateness. Where it is found appropriate to have duplicated performance measures these should be documented as part of the supporting documentation referred to above.

5.7 Adjustments to the scorecard during the year

Where performance measures are adjusted during the year and this has been agreed with the Municipal Manager (Departmental Scorecards) or the Executive Mayor (District Scorecard), this should be properly documented.

Certain adjustments were made and agreed between the relevant manager and Municipal Manager in the third quarter, however no evidence of the Municipal Managers reasoning for agreeing with these adjustments was provided. There was also no replacement of performance targets where targets were removed.

5.8 Lack of adequate review

The quarterly district and departmental scorecards should be properly signed and dated by the Departmental Head and Municipal Manager / Executive Mayor. There was no evidence that the Municipal Manager had met with each Head of Department nor that the Municipal Manager met with the Executive Mayor on a quarterly basis.

There is also no evidence that all the Managers met to review performance against the District Scorecard as a Management Team and this again reduces the effectiveness of the performance management system.

5.9 Numbering of indicators

Key performance indicators are not adequately numbered and this makes it difficult to review them from an audit perspective. The scorecards should firstly be on excel and then each indicator should be numbered and in addition, a summary should be prepared for the front of the quarterly report.

5.10 Adjustments to the District Scorecard

It was found that the District Scorecard initially given to us to review did not agree to the District Scorecards used by the Department Heads and Municipal Managers. Although the differences were of a minor nature, there should be no adjustment to the district scorecard (as per the performance agreement of the Municipal Manager) without the written consent of the Mayor.

6. The performance of the head of departments and municipal manager

As a result of the evaluation that took place on the 16th January 2009 using the evidence provided by the Internal Audit Department and review of the scorecards, the following final scores were determined:

Department	2005 Combined Targets Met	2007 Combined Targets Met	2008 Targets Met	2008 Combined Targets Met
Municipal Manager Only district	78%	89%	65%	65%
BTO (Finance) Departmental District	90%	95%	68% 25%	47%
Engineering Departmental District	85%	85%	89% 89%	89%
Administration Departmental District	91%	97%	53% 86%	70%
Health Protection Departmental District	87%	87%	85% 100%	93%
Human Resources Departmental District	78%	82%	62% 47%	55%
Strategic Department Departmental District	62%	63%	29% 46%	38%

It should be noted that there is no scorecard for the Office of the Speaker. The above scores are based on the evaluation process followed by the Performance Audit Committee, however due to our findings; we cannot verify the above scores.

Furthermore, the External Audit Report for the year ended 30 June 2008, states that key performance indicators and targets were not always consistent with those reflected in the annual performance report, In addition, as well as that the external auditors could not obtain sufficient evidence to confirm the stated performance.

7. Conclusion

Given our findings as detailed in this report, the Committee is not in a position to recommend to the Council the payment of performance bonuses for the financial year ended 30 June 2008. The Committee wishes to indicate that the reason for not recommending payment is based entirely on the fact that the performance management system has not functioned effectively throughout the period under review and the verification process followed does not provide us with sufficient comfort that the final scores are correct. We believe that the way forward is to procure the services of qualified auditors to verify the scores as per the relevant scorecards or for Council to make a decision on what payment is made. Furthermore, Council will have to implement a policy regarding the payment of performance bonuses for Acting Managers as well as Management who leave the employ of the Municipality at year end / during the year and after year end (i.e. when the evaluation process has not been completed).



L SMITH (CHAIRPERSON)
on behalf of the Performance Audit Committee
20 January 2009

Municipal Scorecard Financial Year: 2007/08

DEVELOPMENT IMPACT PERSPECTIVE

Priority Area	Objective	Objective Code	Indicator	Indicator Code	Measurement Source and Frequency	Base-line
Economic Growth, Poverty alleviation and Job Creation	Increase tourists arrivals and expenditure in the district	MS DEVP OBJ 1	Tourism survey [research study]	MS DEVP OBJ 1 IND 1	Annual survey	0
	To create favourable environment for film making	MS DEVP OBJ 2	Established film resource centre	MS DEVP OBJ 2 IND 1	Bi annual	0
	To develop, conserve and promote heritage resources	MS DEVP OBJ 3	No. of projects implemented as per heritage resource management strategy	MS DEVP OBJ 3 IND 1	Quarterly reports	0
	To promote and support the development of small towns renewal	MS DEVP OBJ 4	Adopted Small Towns Development Strategy	MS DEVP OBJ 4 IND 3	Quarterly reports	0
	To facilitate development of a vibrant and sustainable agricultural sector	MS DEVP OBJ 5	Number of partnerships established with commercial farmers	MS DEVP OBJ 5 IND 1	Quarterly reports	2
Institutional Capacity and co-ordination Environmental Management	To improve Co-ordination between ADM and other stakeholders for effective service delivery	MS DEVP OBJ 6	No. of partnerships with key economic development partners.	MS DEVP OBJ 6 IND 1	Quarterly reports	4
	District-wide co-ordination and enhancement of environmental management related activities	MS DEVP OBJ 7	No. of awareness sessions conducted	MS DEVP OBJ 7 IND 1	Quarterly reports	10
			No. of rehabilitation initiatives undertaken	MS DEVP OBJ 7 IND 2	Quarterly reports	10

	30 Sept	ACTUAL	31 Dec	ACTUAL	31 March	ACTUAL		30 June	ACTUAL	Internal Audit	Indicator Custodian
	-	N/A	-	N/A	-	N/A		Research Complete	Not met		Strategic Manager
	-	N/A	Agreement with Eastern Cape IT Initiative	Not Achieved	-	N/A		Established Film Resource Centre	Not met		Strategic Manager
	-	N/A	2	Not Achieved	3	Not Achieved		3	3		Strategic Manager
	-	N/A	-	N/A	-	N/A		Final strategy Adopted	Not met		Strategic Manager
	-	N/A	-	N/A	-	N/A		1	Not achieved		Strategic Manager
	-	N/A	2	Not Achieved	-	N/A		2	Not Achieved		Strategic Manager
	1	1	1	1	1	4		1	1		Strategic Manager
	-	N/A	-	N/A	-	N/A		10	10		Strategic Manager



Priority Area	Objective	Objective Code	Indicator	Indicator Code	Measurement Source and Frequency	Base-line
HIV & AIDS	Contribute towards improvement of outcomes of HIV and Aids by 2014	MS DEVP OBJ 8	No. of support groups established	MS DEVP OBJ 8 IND 1	Quarterly Reports	4
			No of VCT programmes undertaken	MS DEVP OBJ 8 IND 2	Quarterly Reports	0
	Maintain a fully functional home based care programme	MS DEVP OBJ 9	No. of Home Based Care Programmes implemented	MS DEVP OBJ 9 IND 1	Quarterly Reports	0
Disaster Management	Enhance effective management of disasters within the district	MS DEVP OBJ 10	No. of Awareness Campaigns/training held	MS DEVP OBJ 10 IND 1	Quarterly Reports	8
			No of programmes towards mitigation of disasters	MS DEVP OBJ 10 IND 2	Quarterly Reports	0
Health Services	Reduce the outbreak of diseases by 20% in 2009	MS DEVP OBJ 11	No of Health Promotion Activities undertaken	MS DEVP OBJ 11 IND 1	Quarterly Reports	3
			Diseases surveillance programme undertaken	MS DEVP OBJ 11 IND 2	Quarterly reports	0
Fire Services	To reduce fire incidents by 10% in 2010	MS DEVP OBJ 12	No of reported fire incidents	MS DEVP OBJ 12 IND 1	Quarterly reports	480
			No of community awareness campaigns	MS DEVP OBJ 12 IND 2	Quarterly reports	16
			No of training programs conducted per year	MS DEVP OBJ 12 IND 3	Quarterly reports	16
Community safety services	Contribute to the reduction of social crime by 2010	MS DEVP OBJ 13	No of Community Safety programs implemented	MS DEVP OBJ 13 IND 1	Quarterly Reports	1
Solid Waste	To ensure reduction in waste disposal by 50% in 2012	MS DEVP OBJ 14	Operationalize recycling processes at ERSWS and quantify the reduction of waste disposal at ERSWS	MS DEVP OBJ 14 IND1	Quarterly reports	5% waste reduction already covered throughout district as per report 06/07

	30 Sept	ACTUAL	31 Dec	ACTUAL	31 March	ACTUAL	Internal Audit	30 June	ACTUAL	Internal Audit	Indicator Custodian
	1	4	1	1	1	4		1	1		Dir: Health & Protection Services
	1	1	1	3	1	1		1	4		Dir: Health & Protection Services
	1	1	1	2	1	1		1	2		Dir: Health & Protection Services
	4	4	4	4	4	5		4	9		Dir: Health & Protection Services
	1	1	1	2	1	1		1	1		Dir: Health & Protection Services
	2	2	2	3	2	2		2	2		Dir: Health & Protection Services
	-	-	-	-		N/A		Disease Surveillance Plan completed	Disease Surveillance Plan completed		Dir: Health & Protection Services
	476	320	472	65	468	140		464	166		Dir: Health & Protection Services
	4	27	4	32	4	41		4	35		Dir: Health & Protection Services
	4	21	4	19	4	15		4	22		Dir: Health & Protection Services
	1	1	1	1	1	1		1	6		Dir: Health & Protection Services
	Expression of interest called for CBO operator for ERSWS recycle centre	Expressions of interest called for CBO operator for ERSWS recycle centre. (Being adjudicated)	Contract in place with CBO to operate ERSWS recycle centre	Contract not in place. Still awaiting approval by ADM Committee	Tender to appoint CBO - Operator has closed	Tender to appoint CBO - Operator has closed and was discussed at HOD's on 13 March 2008		Site hand over to Operator and contract signed with ADM	Site not handed over to Operator. Still at BAC. Contract not signed with ADM		Dir: Engineering Services



Priority Area	Objective	Objective Code	Indicator	Indicator Code	Measurement Source and Frequency	Base-line
Transport	To reduce the walking distance to public transport facilities and services to within 2KM of all residential settlements by 2022	MS DEVP OBJ 15	Focused attention at Mngquma [only LM with PTSP] in 2007/8 to further reduce walking distances of villages > 2 km	MS DEVP OBJ 15 IND 1	Quarterly Report	78.3% already covered throughout district as per report 06/07
District Spatial Development Framework	Ensure a coherent strategic spatial development framework for the district	MS DEVP OBJ 16	Key milestones towards a revised district spatial Development Framework	MS DEVP OBJ 16 IND 1	Quarterly Reports	SDF in place
Human Settlements	To facilitate the development of sustainable and viable settlements within the district by 2014	MS DEVP OBJ 18	Review of the Housing Strategy	MS DEVP OBJ 18 IND 1	Quarterly Reports	Sector Plan in place
			Review of the Land Reform and Settlement Plan	MS DEVP OBJ 18 IND 2	Quarterly Reports	Sector Plan in place

SERVICE DELIVERY PERSPECTIVE

Water	To provide adequate potable water to all by 2008	MS SEVP OBJ 1	% households, businesses and institutions with access to adequate water supplies	MS SEVP OBJ 1 IND 1	Quarterly Reports	75.15%
	To provide adequate sanitation to all by 2010	MS SEVP OBJ 2	% households, businesses and institutions with access to adequate sanitation services	MS SEVP OBJ 2 IND 1	Quarterly Reports	25.63%
	Eradication of Bucket System by Dec 2007	MS SEVP OBJ 3	No. of households in the DM area with Bucket toilets	MS SEVP OBJ 3 IND 1	Quarterly Reports	5789
Transport	To ensure adequate transport systems for the efficient movement of people and goods through proper planning and consistent implementation	MS SEVP OBJ 4	Key milestones towards adequate transport planning at local and district level [ITP = Integrated Transport Plan] [PTSP = Public Transport Services Plan]	MS SEVP OBJ 4 IND 1	Quarterly Reports	1 ITP & 1 PTSP (Mngquma)
Institutional Land & Housing	To ensure that category B municipalities are fully capacitated to fulfil their roles and functions with regard to Land & Housing function by 2010	MS SEVP OBJ 5	No of LMs that are adequately undertaking Land Housing responsibilities	MS SEVP OBJ 5 IND 1	Quarterly Reports	5 LMs undertaking land & housing function

	30 Sept	ACTUAL	31 Dec	ACTUAL	31 March	ACTUAL	Internal Audit	30 June	ACTUAL	Internal Audit	Indicator Custodian
	Identify areas of immediate intervention in Mngquma through PTSP	Priorities identified to increase coverage in Mngquma from PTSP	Develop action plan for Mngquma to deal with problem areas	Action plan for Mngquma developed to deal with problem areas	Quantify and cost interventions for funding applications	Quantified and cost interventions for funding applications done		Funding application submitted to Dot for prioritised interventions	Funding application submitted to Dot for prioritised interventions		Dir: Engineering Services
	No reporting	Not Achieved	Draft Situational Analysis	Achieved	Key Objectives and Strategies	Achieved		Reviewed District Spatial Dev. Framework	Achieved		Dir: Admin
	No reporting	Not Achieved	Draft Situational Analysis	Achieved	Key Objectives and Strategies	Key Objectives and Strategies		Reviewed Housing Strategy	Achieved		Dir: Admin
	No reporting	Achieved	Draft Situational Analysis	Achieved	Key Objectives and Strategies	Achieved		Reviewed Land Reform and Settlement Plan	Not achieved		Dir: Admin
	76.89%	76.74%	81.83%	76.75%	81.56%	80.14%		83.09%	83.09%		Dir: Engineering Services
	27.95%	25.68%	29.20%	27.71%	29.12%	29.00%		29.14%	29.20%		Dir: Engineering Services
	4052	5 703	0	2463	0	296		0	0		Dir: Engineering Services
	ITP Gap analysis & 2 PTSP Status Quo Analysis	ITP Gap analysis & 1 PTSP - Mbashe re-advertised due to non-responsive bids	Complete ITP Analysis & PTSP analysis	ITP Analysis completed - draft report submitted and 1 PTSP analysis completed	Motility strategies phase to Nkonkobe PTSP	Motility strategies phase to Nkonkobe PTSP prepared		3 PTSP (Nkonkobe PTSP). Advertise Mbashe PTSP consultant bid	3 PTSP (Nkonkobe PTSP). Mbashe PTSP advertised/consultants appointed		Dir: Engineering Services
	-		-	Achieved	-	Achieved		7	7		Dir: Admin



Priority Area	Objective	Objective Code	Indicator	Indicator Code	Measurement Source and Frequency	Base-line
Solid Waste	Ensure that all eligible residents have access to safe and legal waste services in the District by 2014	MS SEVP OBJ 6	Key milestones to provision of one additional legal waste landfill site in the district	MS SEVP OBJ 6 IND 1	Quarterly Reports	4 LMs use permitted sites only (Ngqushwa, Nkonkobe, BCM & Nxuba)
Local Amenities	All households to have access to basic social amenities within 2 - 10km walking distance by 2022	MS SEVP OBJ 7	Progress in sourcing funds to further improve access to basic social amenities	MS SEVP OBJ 7 IND 1	Quarterly Reports	Community facility information System developed
Support to local municipalities	To provide technical support to local municipalities and to improve service delivery	MS SEVP OBJ 8	Operating manuals for relevant Engineering services developed	MS SEVP OBJ 8 IND 1	Quarterly Reports	No LMs with guidelines on rendering services
	To ensure that local municipalities submit their financial statements	MS SEVP OBJ 9	No. of financial statements submitted to AG	MS SEVP OBJ 9 IND 1	Quarterly Reports	6
	To ensure legislative compliance by all local municipalities	MS SEVP OBJ 10	No. of legislative compliance checklist submitted	MS SEVP OBJ 10 IND 1	Quarterly Reports	1
	To ensure learning and sharing within the district	MS SEVP OBJ 11	No. of DIMAFO meetings	MS SERVP OBJ 11 IND 1	Quarterly Reports	0
	Provide IT technical support to local municipalities	MS SEVP OBJ 12	No support initiatives	MS DEVP OBJ 12 IND 1	Quarterly Reports	0
Fire Services	Enhance provision and standardization of fire services within the District	MS SEVP OBJ 13	No. of Training Programs conducted	MS SEVP OBJ 13 IND1	Quarterly Training Reports	8
			Regulatory framework developed to ensure compliance	MS SEVP OBJ 13 IND 2	Quarterly Reports	Norms and standards in place



	30 Sept	ACTUAL	31 Dec	ACTUAL	31 March	ACTUAL	Internal Audit	30 June	ACTUAL	Internal Audit	Indicator Custodian
	Report prepared identifying challenges in Amahlathi / Great Kei Municipality	Achieved Report in place and action plan for Great Kei / Amahlathi in place	Develop an action Plan for Great Kei/ Amahlathi to eliminate illegal waste disposal	Develop an action plan for Amahlathi to eliminate illegal waste disposal	Approval of Action Plan by Great Kei/ Amahlathi Council	Action plan submitted but not yet approved due to postponement of Amahlathi Council meeting		1 additional municipality to have a permitted legal waste site	Application for Great Kei submitted to DEAET on 3 September 2007 - response received		Dir: Engineering Services
	Identify potential sources of funds for development of a Sector Plan	Department of Sport letter written. SASSA and Social Development also contracted	Lobby for funding and identify partners	Potential funders approached such as Dept of Social Dev and Dept of Sport	Submit funding application for sector plan	Funding available on provisional budget		A response letter received from the targeted Funder	Appears on ADM IDP - 30 May 2008		Dir: Engineering Services
	Process Plan submitted and commence with assessment at 7 Lms	Process Plan submitted and commence with assessment at 7 LMs	Status Quo assessment done at LMs - report submitted	Assessment done at LMs - findings built into Operating Systems and Manuals	Generic Manuals prepared	Generic Manuals prepared		Customised Manuals for each LM prepared	Customised Manuals for each LM prepared		Dir: Engineering Services
	-	N/A	-	N/A	-	N/A		6	7		Strategic Manager
	-	N/A	1 per functional area	1 per functional area	-	N/A		1 per functional area	1 per functional area		Strategic Manager
	1	1	1	0	1	0		1	1		Strategic Manager
	-	N/A	-	N/A	-	N/A		7	0		Strategic Manager
	2	21	2	19	2	15		2	22		Dir: Health & Protection Services
	-	-	-	-	-	N/A		By-Laws developed	By-Laws developed		Dir: Health & Protection Services



Priority Area	Objective	Objective Code	Indicator	Indicator Code	Measurement Source and Frequency	Base-line
Health Services	Provide municipal health services to ensure compliance with the National Health Act	MS SEVP OBJ 14	No. of programs implemented	MS SEVP OBJ 14 IND 1	Quarterly Reports	3
			Regulatory framework developed to ensure compliance	MS SEVP OBJ 14 IND 2	Quarterly Reports	By- law [crematoria & cemetery] in place
Economic Growth, Poverty Alleviation and Job Creation	To rehabilitate the identified heritage sites	MS SEVP OBJ 15	No. of sites rehabilitated and maintained	MS SEVP OBJ 15 IND 1	Quarterly reports	5

RESOURCE MANAGEMENT PERSPECTIVE

Service Delivery Model: cross cutting	To ensure that designated groups are adequately integrated into ADM's plans and activities	MS RESP OBJ 1	% impact of ADM plans and activities on the designated groups	MS RESP OBJ 1 IND 1	Quarterly Reports	30%
			% compliance with the legislative framework	MS RESP OBJ 1 IND 2	Quarterly Reports	32%
	Positioning ADM as a model of excellency through learning and sharing	MS RESP OBJ 2	No. of information sharing interactions held between ADM and external partners	MS RESP OBJ 2 IND 1	Quarterly Reports	0
Co-ordination and Integration	To provide enhanced communication within the District	MS RESP OBJ 3	No. of District Communication Forums	MS RESP OBJ 3 IND 1	Quarterly reports	4
	To develop and review the institutional strategic document	MS RESP OBJ 4	Adopted Integrated Development Plan	MS RESP OBJ 4 IND 1	Quarterly report	0
Maximising Internal Governance Systems	To create a healthy working environment within ADM	MS RESP OBJ 5	% person days lost to absenteeism	MS RESP OBJ 5 IND 1	Quarterly reports	1,58%
			% Staff turnover	MS RESP OBJ 5 IND 2	Quarterly reports	0,0143%
			% of employees utilising the EAP	MS RESP OBJ 5 IND 3	Quarterly reports	16%
			Reduction in number of labour disputes	MS RESP OBJ 5 IND 4	Quarterly reports	0
			Reduction of disputes referred to CCMA and Bargaining Council	MS RESP OBJ 5 IND 5	Quarterly reports	1



	30 Sept	ACTUAL	31 Dec	ACTUAL	31 March	ACTUAL	Internal Audit	30 June	ACTUAL	Internal Audit	Indicator Custodian
	1	1	1	1	1	1		1	2		Dir: Health & Protection Services
	-	-	-	-	-	N/A		By-Laws developed	By-Laws developed		Dir: Health & Protection Services
	0	N/A	1	0	2	0		2	0		Strategic Manager

	1%	2%	5%	5%	10%	10%		15%	36%		Strategic Manager
	-	N/A	-	N/A	-	N/A		40%	66.7%		Strategic Manager
	2		2	1	2	0		2	Not met		Strategic Manager
	1	1	1	1	1	Target could not be met - no quorum		1	2		Strategic Manager
	Adopted process plan	Adopted process plan	Situational analysis report	Situational analysis report	Draft IDP	Adopted draft IDP		Final IDP adopted	Final IDP adopted		Strategic Manager
	2%	0.02	2%	0.02	2%	0.02		2%	0.02%		Dir: Human Resources
	3%	0.7%	3%	1.12%	3%	0.46%		3%	0.91%		Dir: Human Resources
	20%	55.4%	7%	13%	9%	15%		12%	14%		Dir: Human Resources
	1	0	1	0	1	0		1	0		Dir: Human Resources
	1	0	3	0	2	0		2	0		Dir: Human Resources



Priority Area	Objective	Objective Code	Indicator	Indicator Code	Measurement Source and Frequency	Base-line
Maximising Internal Governance Systems	To create a healthy working environment within ADM	MS RESP OBJ 5	Reduction in number of disciplinary hearings	MS RESP OBJ 5 IND 6	Quarterly reports	3
			Reduction in number of grievances received	MS RESP OBJ 5 IND 7	Quarterly reports	1
			Reduction in No. of Occupational injuries	MS RESP OBJ 5 IND 8	Quarterly Reports	18
	Ensure compliance with the employment equity	MS RESP OBJ 6	% increase of black employees in levels 1-3	MS RESP OBJ 6 IND 1	Quarterly reports	74%
			% increase of black employees in levels 1-6	MS RESP OBJ 6 IND 2	Quarterly reports	83%
			Maintain the % of black employees in all levels	MS RESP OBJ 6 IND 3	Quarterly reports	93%
			% increase of female employees in levels 1-3	MS RESP OBJ 6 IND 4	Quarterly reports	22%
			% increase of female employees in levels 1-6	MS RESP OBJ 6 IND 5	Quarterly reports	38%
			% increase of female employees in all levels	MS RESP OBJ 2 IND 6	Quarterly reports	27%
			Maintain the % of disabled employees	MS RESP OBJ 6 IND 7	Quarterly reports	0.15%
	To meet the HDI targets set for capital and non-capital projects as per SCM policy	MS RESP OBJ 7	% of procurement on non-capital projects from companies that are HDI	MS RESP OBJ 7 IND 1	Quarterly reports	60%
			% of procurement on capital projects with a value less than R1 million that is from companies that are HDI	MS RESP OBJ 7 IND 2	Quarterly report	70%
			% of procurement on capital projects with a value of R1 million and more that is from companies that are HDI	MS RESP OBJ 7 IND 3	Quarterly reports	50%
			Overall Performance of the Council	MS RESP OBJ 7 IND 4	Quarterly reports	60%



	30 Sept	ACTUAL	31 Dec	ACTUAL	31 March	ACTUAL	Internal Audit	30 June	ACTUAL	Internal Audit	Indicator Custodian
	5	4	4	1	3	3		3	0		Dir: Human Resources
	3	0	2	0	2	1		2	0		Dir: Human Resources
	10	6	8	8	7	1		6	0		Dir: Human Resources
	N/A	N/A	N/A	N/A	-	N/A		80%	73%		Dir: Human Resources
	N/A	N/A	N/A	N/A	-	N/A		87%	82%		Dir: Human Resources
	N/A	N/A	N/A	N/A	-	N/A		70%	94%		Dir: Human Resources
	N/A	N/A	N/A	N/A	-	N/A		35%	31%		Dir: Human Resources
	N/A	N/A	N/A	N/A	-	N/A		45%	46%		Dir: Human Resources
	N/A	N/A	N/A	N/A	-	N/A		35%	33%		Dir: Human Resources
	N/A	N/A	N/A	N/A	-	N/A		2%	0.1%		Dir: Human Resources
	60%	Achieved 92.20	60%	Achieved 87.70%	60%	Achieved 86.74%		60%	Achieved		Dir: Admin
	70%	Achieved 97.77	70%	Achieved	70%	Achieved 81.25%		70%	Achieved		Dir: Admin
	50%	Achieved 92.67	50%	Achieved	50%	Achieved		50%	Achieved		Dir: Admin
	60%	Achieved 89.57	60%	Achieved	60%	Achieved 89.57%		60%	Achieved		Dir: Admin



Priority Area	Objective	Objective Code	Indicator	Indicator Code	Measurement Source and Frequency	Base-line
	Alignment of IT Strategy to ADM Business Strategy	MS RESP OBJ 8	No. of initiatives implemented as per IT strategy	MS RESP OBJ 8 IND 1	Quarterly Reports	0
	Business Continuity	MS RESP OBJ 9	Adopted Disaster Recovery Plan	MS RESP OBJ 9 IND 1	Quarterly Reports	0
	Improve financial management in line with financial management requirements	MS RESP OBJ 10	Number of programmes to improve financial management	MS RESP OBJ 10 IND 1	Annual financial report	2
	Address all matters associated with audit report	MS RESP OBJ 11	% of material exceptions addressed	MS RESP OBJ 11 IND 1	06/07 audit plan/ annual	100%
Maximise financial viability	Ensure 100% receipt of funds registered in the DoRA	MS RESP OBJ 12	% gazetted funds received versus the Gazetted amount	MS RESP OBJ 12 IND 1	Annual/ Financial records	100%
	To ensure that ADM remains financially viable	MS RESP OBJ 13	Positive working capital	MS RESP OBJ 13 IND 1	Quarterly Financial Report	1:1

GOVERNANCE PERSPECTIVE

Service Delivery model: co-ordination and integration	Form strategic partnerships with service providers, parastatals and government departments involved in delivery of services within ADM	MS GOVP OBJ 1	No of partnerships formed	MS GOVP OBJ 1 IND 1	Quarterly Reports	2
Service Delivery model: Cross cutting	To ensure establishment of national and international partnerships	MS GOVP OBJ 2	No of established national partnerships	MS GOVP OBJ 2 IND 1	Quarterly Reports	6
			No of established international partnerships	MS GOVP OBJ 2 IND 2	Quarterly Reports	4
Building Partnerships and Participation	To ensure integration of communication strategy in all ADM programmes by 2007/08	MS GOVP OBJ 3	% progress in the integration of communication strategy in all ADM programmes	MS GOVP OBJ 3 IND 1	Quarterly Report	0
			Reviewal of the Communication strategy	MS GOVP OBJ 3 IND 2	Quarterly Report	Strategy in place
	To ensure public participation in ADM programmes	MS GOVP OBJ 4	Adopted public participation policy	MS GOVP OBJ 4 IND 1	Quarterly reports	0



	30 Sept	ACTUAL	31 Dec	ACTUAL	31 March	ACTUAL	Internal Audit	30 June	ACTUAL	Internal Audit	Indicator Custodian
	-	N/A	-	N/A	-	N/A		7	4		Strategic Manager
	ToR for Disaster Recovery Plan	Terms of Reference drafted	Appoint Service Provider	Not Appointed	Draft Disaster Recovery Plan	No draft Disaster Recovery Plan		Adopted Disaster Recovery Plan	DRP not adopted		Strategic Manager
	-	N/A	-	N/A	-	N/A		2	0		Chief Finance Officer
	-	N/A	-	N/A	-	N/A		100%	Not met		Chief Finance Officer
	-	N/A	-	N/A	-	N/A		100%	100%		Chief Finance Officer
	1:1	1:1	1:1	3:1	1:1	4:1		1:1	3:1		Chief Finance Officer

	-	N/A	-	N/A	-	N/A		1	1		Strategic Manager
	1		1	0	1	0		1	Not met		Strategic Manager
	-	N/A	1	0	-	N/A		1	Not met		Strategic Manager
	2%	Not met	5%	10%	10%	15%		15%	20%		Strategic Manager
	-	N/A	Adopted communication strategy	Strategy not adopted	-	Strategy adopted by Council on 28/3/08		-	Strategy adopted by Council on 28/3/08		Strategic Manager
	-	N/A	-	N/A	-	N/A		Adopted policy	Partly met - Council noted policy as "work in progress"		Strategic Manager







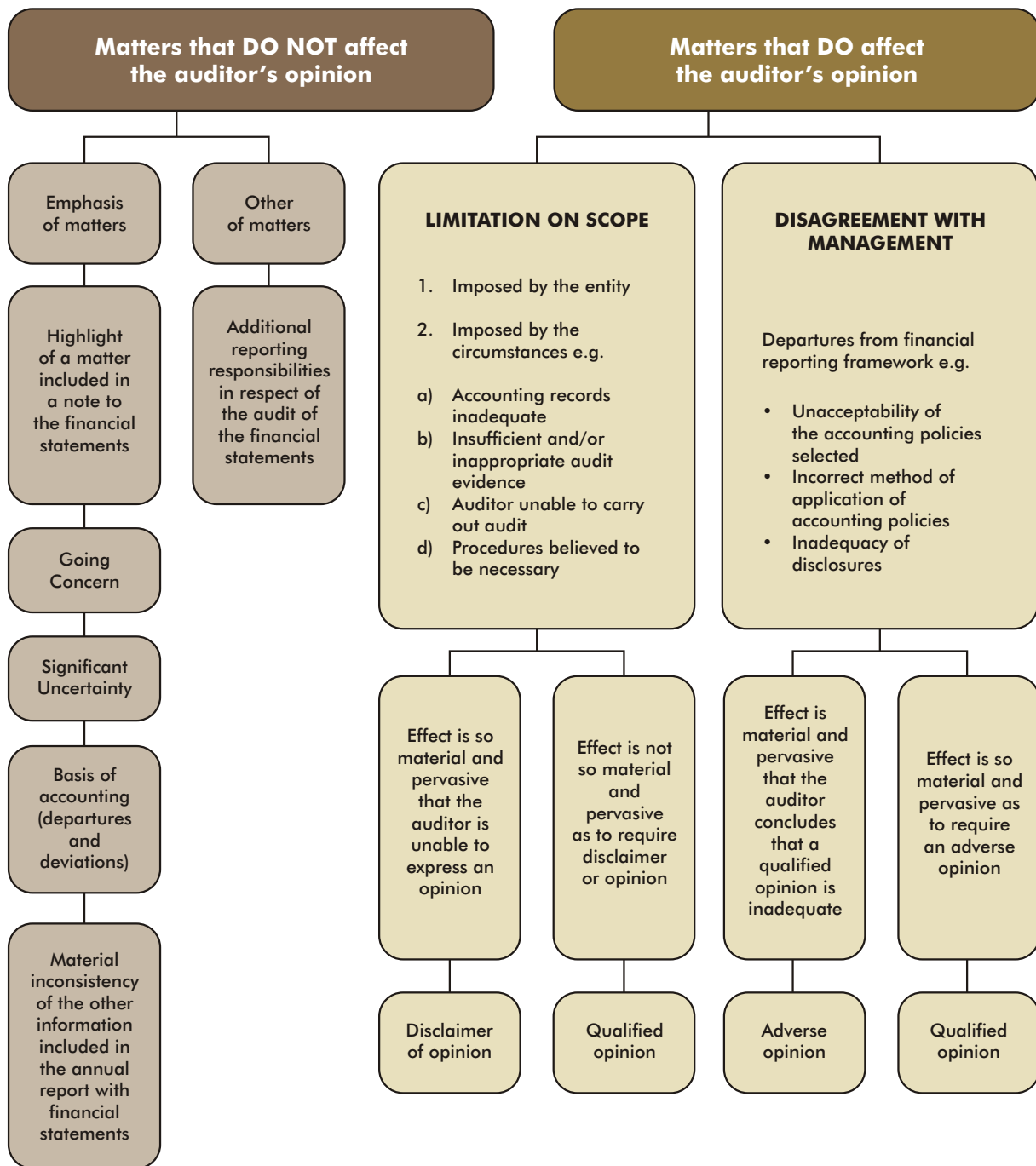
Annexures

In this Chapter

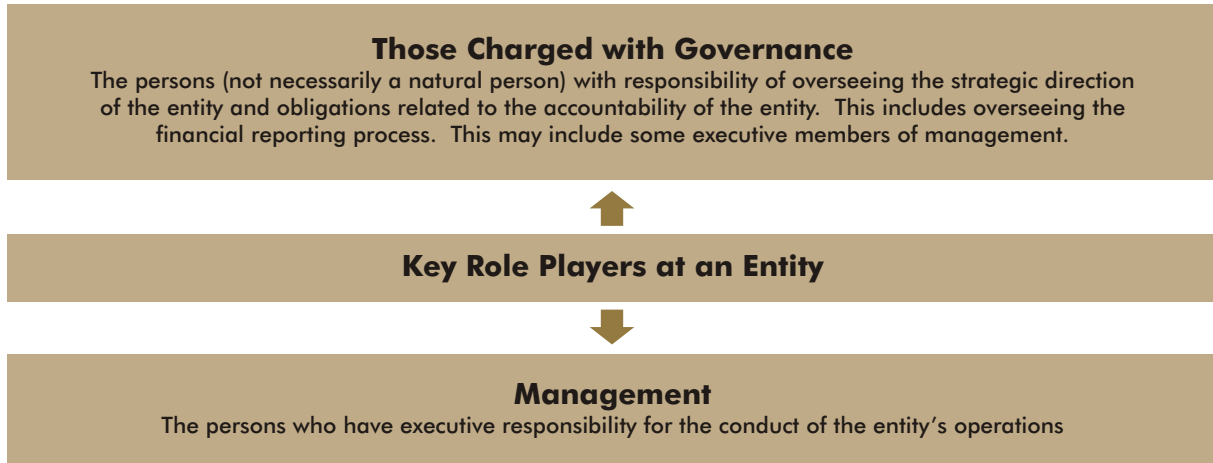
- ▶ Modification of the Audit Opinion
- ▶ Communication in the Audit Process
- ▶ Glossary of Terms
- ▶ ADDENDUM A - Public comments on the ADM's annual report

Modification of the Audit Opinion

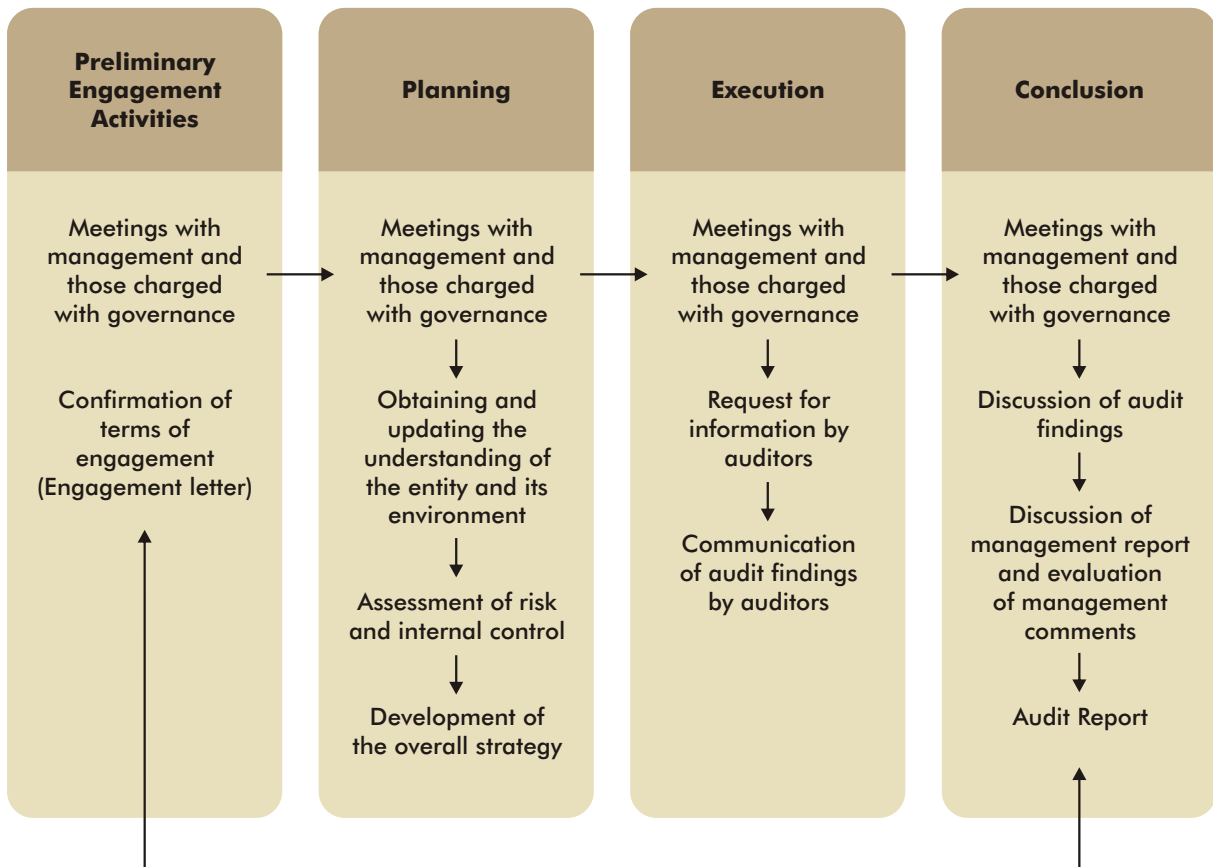
This decision tree illustrates the circumstances under which the audit report would be modified.



Communication in the Audit Process



KEY COMMUNICATION PHASES



Glossary of Terms

A

Adverse Opinion - An Adverse opinion is expressed when the effect of a disagreement with management regarding departures from the financial reporting framework is so material and pervasive to the financial statements that the auditor concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.

Audit Evidence - All of the information used by the auditor in arriving at the conclusions on which the audit opinion is based. Audit evidence includes the information contained in the accounting records underlying the financial statements and other information.

Audit matters of governance interest - those matters that arise from the audit of financial statements and, in the opinion of the auditor, are both charged with governance in overseeing the financial reporting and disclosure process. Audit matters of governance interest include only those matters that have come to the attention of the auditor as a result of the performance of the audit.

Audit of the financial statements - The objective of the audit of the financial statements is to enable the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework.

C

Comprehensive basis of accounting - comprehensive basis of accounting comprises a set of criteria used in preparing financial statements which applies to all material items and which has substantial support.

Control activities - those policies and procedures that ensure that management directives are carried out. Control activities are a component of internal control. (See Internal Control)

Control environment - includes the governance and management functions and the attitudes, awareness and actions of those charged with governance and management concerning the entity's internal control and its importance in the entity. The control environment is a component of internal control (See Internal Control)

D

Disclaimer of Opinion - A disclaimer of opinion is expressed when the possible effect of a limitation on scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence to form an opinion on the financial statements.

Documentation - The material (working papers) prepared by and for, or obtained and retained by the auditor in connection with the performance of the audit. Working papers may be in the form of data stored on paper, film, electronic media or other media.

E

Emphasis of matter paragraph(s) - An auditor's report may be modified by adding an emphasis of matter paragraph(s) to highlight a matter affecting the financial statements which is included in a note to the financial statements that more extensively discusses the matter. The addition of such an emphasis of matter paragraph(s) does not affect the auditor's opinion on whether the financial statements are fairly presented. The auditor may also modify the auditor's report by using an emphasis of matter paragraph(s) to report matters other than those affecting the financial statements, such as material inconsistency of other information included in the annual report.

G

Governance - Describes the role of persons entrusted with the supervision, control and direction of the entity. Those charged with governance ordinarily are accountable for ensuring that the entity achieves its objectives, financial reporting, and reporting to interested parties. Those charged with governance include management only when it performs such functions.



I

Information system relevant to financial reporting - A component of internal control that includes the financial reporting system, and consists of the procedures and records established to initiate, record, process and report entity transactions (as well as events and conditions) and to maintain accountability for the related assets, liabilities and equity.

Internal Control - The internal control system is the whole system of financial and other controls, including the organizational structure, methods, procedures and internal audit, established by those charged with governance, management and other personnel to:

- assist in conducting the business of the audited entity in a regular economic, efficient and effective manner
- ensure adherence to management policies
- ensure compliance with applicable laws and regulations
- safeguard assets and resources
- secure the accuracy and completeness of accounting records
- produce timely and reliable financial and management information

It provides framework for considering how different aspects of an entity's internal control may affect the audit. The auditor's primary consideration is whether, and how, a specific control prevents or detects and corrects material misstatements in classes of transactions, account balances, or disclosures, and their related assertions.

Internal control consists of the following components

- (a) The control environment. The control environment includes the governance and management functions and the attitudes, awareness, and actions of those charged with governance and management concerning the entity's internal control and its importance in the entity. The control environment sets the tone of an organization, influencing the control consciousness of its staff. It is the foundation for all other components of internal control, providing discipline and structure.

Elements of the control environment are:

- Communication and enforcement of integrity and ethical values through policy statements, codes of conduct and by example.
- Commitment to competence
- The "tone at the top", management's philosophy and operating style
- Organisational structure
- Human resource policies and practices
- Assignment of authority and responsibility
- Participation by those charged with governance

- (b) Risk assessment process. Risk assessment is the process of identifying and analyzing relevant risks from internal and external sources to the achievement of the entity's objectives, as identified in the strategic plan, and determining how the risks should be managed.

Risk assessment implies:

- risk identification
- risk evaluation
- assessment of the risk appetite of the organization
- development of responses to the risk profile

- (c) The information system, including the related business processes, relevant to financial reporting, and communication, relevant and reliable information, both financial and non-financial, and the communication of this information are essential to realizing all internal control objectives. In order to ensure the quality of information and reporting, carry out the internal control activities and responsibilities and make monitoring more effective and efficient, the internal control system should be fully and clearly documented and should be available for examination.

- (d) Control activities. Control activities are the policies, procedures, techniques and mechanisms established to address/mitigate risks and to achieve the entity's objectives. They are an integral part of the entity's planning, implementing, reviewing and accountability for stewardship of government resources and achieving effective results.



Control activities include a range of detective and preventative control activities as diverse as, e.g.

- authorization and approval procedures
 - segregation of duties
 - access restrictions to and accountability for resources and records
 - verifications
 - reconciliations
 - reviews by management of performance
 - controls over information processing (application controls)
 - general IT controls
 - proper execution of transactions and events
 - accurate and timely recording of transactions and internal control
 - appropriate documentation of transactions and internal control
 - reviews of operations and processes
 - establishment and review of performance measures and indicators
 - supervision
 - human capital management
- e) **Monitoring of controls.** Internal control systems should be monitored to assess the quality of the systems' performance over time. Monitoring is accomplished through routine activities, separate evaluations, or a combination of both. It involves assessment by appropriate personnel of the design and operation of controls on a suitable timely basis and the taking of necessary actions. It includes regular management and supervisory comparisons, reconciliations and actions.

Ongoing Monitoring

- Ongoing monitoring of internal control should be built into the normal, recurring operating activities of an entity. It includes regular management and supervisory activities, and other actions personnel take in performing their duties.
- Ongoing monitoring activities cover each of the internal control components and involve action against irregular, unethical, uneconomical, inefficient and ineffective internal control systems.

Separate Evaluations

- The scope and frequency of separate evaluations will depend primarily on the assessment of risks and the effectiveness of ongoing monitoring procedures.
- Separate evaluations may take the form of self-assessments as well as reviews by internal and external auditors of control design and the direct testing of internal control.

L

Limitation on scope. A limitation on the scope of the auditor's work may sometimes be imposed by the entity (for example, when the terms of the engagement specify that the auditor will not carry out an audit procedure that the auditor believes is necessary). A scope limitation may be imposed by circumstances (for example, when the timing of the auditor's appointment is such that the auditor is unable to observe the counting of physical inventories). It may also arise when, in the opinion of the auditor, the entities accounting records are inadequate or when the auditor is unable to carry out an audit procedure believed desirable.

M

Management Fraud. Fraud involving one or more members of management or those charged with governance.

Material Inconsistency. Exists when other information contradicts information contained in the audited financial statements. A material inconsistency may raise doubt about the audit conclusions drawn from audit evidence previously obtained and, possibly, about the basis for the auditor's opinion on the financial statements.

Material Misstatement of Fact. Exists in other information when such information, not related to matters appearing in the audited financial statements, is incorrectly stated or presented.

Material Weakness. A weakness in internal control that could have a material effect on the financial statements.

Materiality. Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point rather.

Misstatement. A misstatement of the financial statements that can arise from fraud or error (also see Fraud).

Modified Auditor's Report. An auditor's report is considered to be modified if either an emphasis of matter paragraph(s) is added to the report or if the opinion is other than unqualified.

N

Non-compliance. Refers to acts of omission or commission by the entity being audited, either intentional or unintentional, that are contrary to the prevailing laws or regulations.

O

Opinion. The auditor's report contains a clear written expression of opinion on the financial statements as a whole. An unqualified opinion is expressed when the auditor concludes that the financial statements give a true and fair view (or are presented fairly, in all material respects) in accordance with the applicable financial reporting framework (also see Modified auditor's report).

Other information / Other matters. Financial or non-financial information (other than the financial statements or the auditor's report thereon) included - either by law or custom - in the annual report.

P

Planning. Involves establishing the overall audit strategy for the engagement and developing an audit plan, in order to reduce audit risk to an acceptably low level.

Q

Qualified Opinion. A qualified opinion is expressed when the auditor concludes that an unqualified opinion cannot be expressed but that the effect of any disagreement with management regarding departures from financial reporting framework, or limitation on scope is not so material and pervasive as to require an adverse opinion or a disclaimer of opinion.



ADDENDUM A

No public comments on the annual report were received.





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