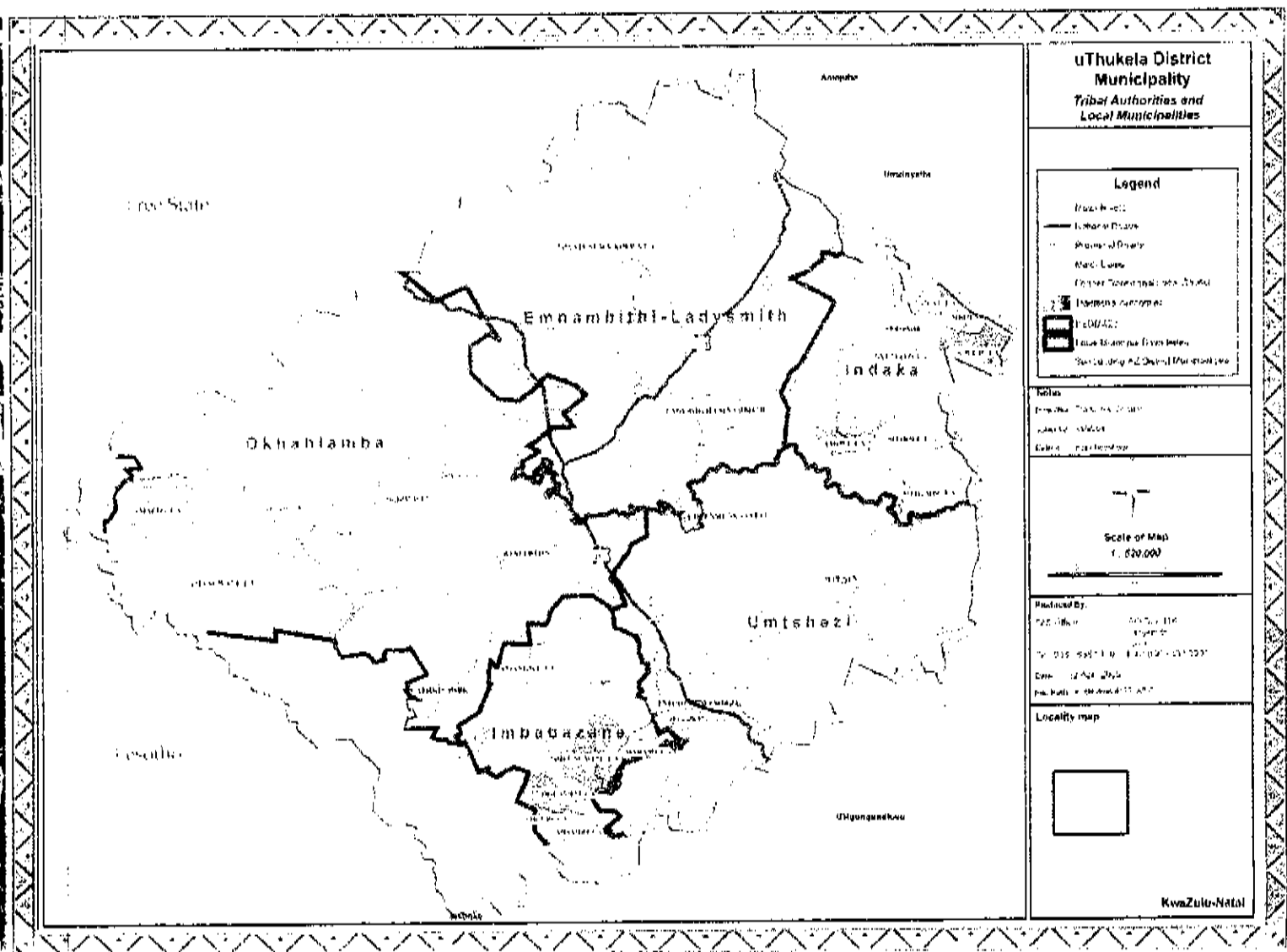


ANNUAL REPORT 2007/2008





uThukela District Municipality Vision:

An improved quality of life for all in a globally interconnected, stable and developed region.

uThukela District Municipality Mission:

To provide quality services and development in an efficient, effective, sustainable and cost effective manner.

Developmental Aspects:

- ***Improved quality of life, which includes cost efficient delivery of services and equitable access to public facilities;***
- ***A stable environment, which refers to both natural and physical environments;***
- ***A developed region, which emphasises linked and systematically ordered projects; and***
- ***Sustainable development.***





ANNUAL REPORT 2007/2008





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Mayor's Foreword

It is a pleasure once again to present the 2007/2008 annual report for the uThukela District Municipality. This is a point in time when we look back and weigh ourselves on how we have progressed in our mission to provide quality services and development in an effective, sustainable and cost effective manner. Striving to the best of our ability to achieve our mission was not without challenges, as is evident in increased spending on dilapidated infrastructure inherited from local municipalities and the global and national economic challenges, which is resulting in job losses and in turn poses a serious threat to the financial sustainability of our municipality.




It was along these lines that the former President of the Republic of South Africa, Mr Thabo Mbeki, was requested during his 2007 uThukela Imbizo to assist the uThukela District Municipality with approximately R450 million to address all water and sanitation related issues, which inter alia include the expansion of the Emmanbithi and Ezakheni water and sanitation works in order to meet the demands of our growing communities. Unfortunately, at this stage we have not received any assistance from the Presidency.

However, there are attempts which have been started in this financial year to refurbish water and sewage works at Ezakheni and Umtshezi. Apart from the above, other challenges are related to the non-cooperativeness of other organs of state. For instance, people who tamper with our schemes need to be apprehended and brought to book by police. It is regrettable that out of all cases opened in this regard no perpetrators have been brought to book. Without their support the Council will not be in a position to implement its by-laws. I hope that this will change in the ensuing years as the council will not be in a position to collect its dues without their cooperation. Should that no be the case, services will collapse.

Having mentioned the above, the Council has been most successful in conducting its work as planned in 2007/2008. Essential services were, without any formidable interruptions, provided to our communities within the uThukela District Municipality.





We have been able to increase the number of people who have first time access to services which they have never had before. In all our actions we made certain that the quality was not compromised.

I am glad to mention that we need to commend our management for yielding such positive results within this challenging environment. Surely our communities benefited a lot during this financial year although there is still a long way to go towards addressing the backlogs in their needs, such as water and sanitation services.

Concluding I would like to express appreciation for the co-operation experienced between the Local Municipalities and the District Municipality. I am more than confident that with this kind of contribution from our officials as well as councillors serving in the uThukela District Municipality we will be able to cope with future challenges.

It is therefore my heartfelt wish that the co-operation and this spirit of co-operative governance persist even beyond the 2007/2008 financial year. I therefore hereby present our Council's Annual Report for the 2007/2008 financial year.

COUNCILLOR S.M. SITHOLE
MAYOR



Municipal Manager's Statement



The 2007/2008 financial year proved to be the most challenging for uThukela District Municipality. As it can be seen the income section was crowded with serious issues surrounding the recovery of revenue. Some of it inherent to the job losses and increasing number of residents falling within the category of indigents, whereas others are due to resistance such as the one posed by the Water Crisis Committee in Umtshezi. This has indeed affected the look of our financial statements as debtors were increasing rather than decreasing.

Despite all these challenges, with the cooperation of both staff and councillors, we were able to deliver and address the needs of our communities. This does not need further elucidation as this will be addressed by the Heads of Departments when reporting on the performance of their respective departments in this financial year. Nevertheless it is worth mentioning that our Municipality is not counted amongst those who do not spend as we have again achieved 100% Municipal Infrastructural Grant fund spending in this financial year and also been able to be ranked number 6 with 83% scoring in terms of the credibility of our Integrated Development Plan. This means that the number of people who have access to our services has increased once again this year.


However, continuous job losses are a challenge facing the sustainability of services provided by the municipality. The Municipality need funds to address issues related to the renewal of the dilapidated water and sanitation infrastructure as a result of ageing; the upgrading of our water and sewage plants since currently they are operated beyond capacity as they were not designed to meet the growing demand as the number of communities gaining access to our water and sanitation services are increasing day by day, as well as the operation and maintenance of the functioning infrastructure. Should this not be addressed, a time will come where our taps will not even drizzle especially in the higher level areas of our district. The financing of such challenges should be through charging for services if not from somewhere else. This is impossible in a situation whereby the majority of residents cannot afford to pay for services due to unemployment.





In the meantime negotiations are underway whereby other spheres of government are engaged to assist in this matter. In partnership with the Department of Water Affairs and Forestry a joint water conservation pilot programme has also been started at Ezakheni where communities are made aware that water is a scarce resource and being encouraged to conserve it.

In conclusion I would like to express our gratitude to those residents who have honoured their obligation to pay for services as well as officials and councillors for their contribution in this municipality's success during the 2007/2008 financial year. It is therefore a pleasure to present a report on the performance of various departments in the 2007/2008 financial year.


SSB NKEHLE
MUNICIPAL MANAGER

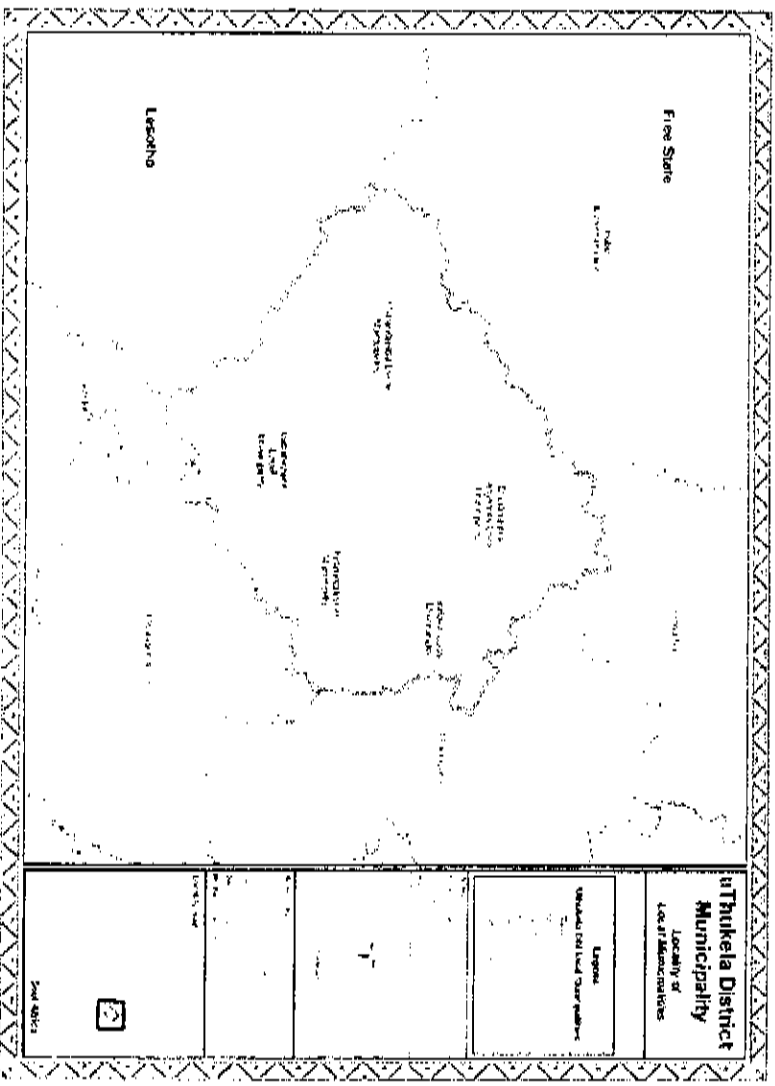




Introduction and Overview

The uThukela District Municipality is one of 10 district municipalities within KwaZulu-Natal, with an area of 11,329,065 km². It is located along the western boundary of KwaZulu-Natal, wedged between the boundaries of the Kingdom of Lesotho and the Free State Province. The district consists of five local municipalities and one District Management Area (DMA), namely:

- Emnambithi Local Municipality (KZ232)
- Indaka Local Municipality (KZ233)
- Umtshezi Local Municipality (KZ234)
- Okhahlamba Local Municipality (KZ235)
- Imbabazane Local Municipality (KZ236)
- District Management Area 23 (KZDMA23)



The uThukela District Municipality derives its name from one of the major provincial rivers, namely the Tugela River that rises from the Drakensberg Mountains and supplies water to a large portion of KwaZulu-Natal and Gauteng.



The uThukela District Municipality is predominantly rural, with approximately 75% of the population living on the rural landscape and the two newly demarcated local municipalities, Indaka and Imbabazane, having no formal towns and mainly comprising of traditional areas. The District is bisected by the N3 National Road, offering limited benefit to the people of the District. The economic hub of the District is the town of Ladysmith with the industrial areas of Danskraal and the Ithala Industrial Estate, as well as to a lesser extent, the town of Estcourt.

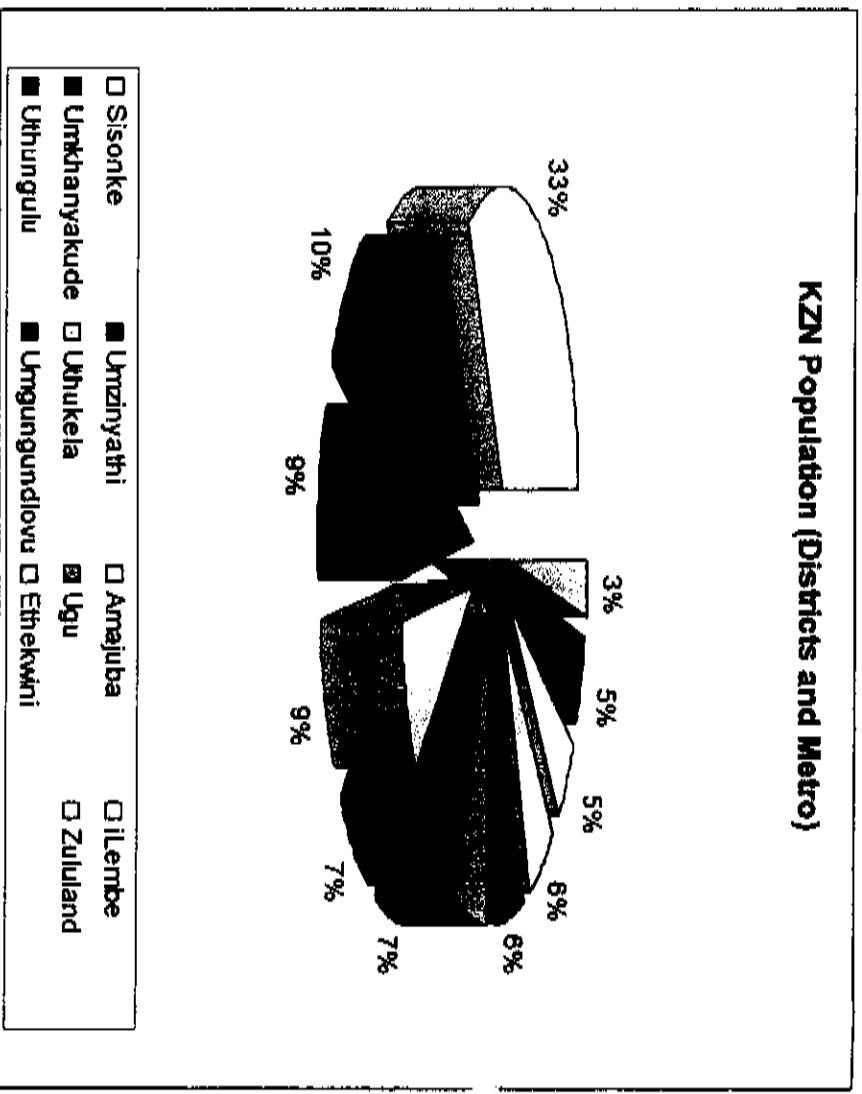
Located within the uThukela District Municipality is the Ukhahlamba Drakensberg World Heritage Site, which comprises mostly of the District Management Area, stretching 93958,22 hectares, or 8,3% of the area of the District. The main tourism hub is the Cathkin Park, which falls within the Cathkin Park Development Node, with a second development node located near the Royal Natal National Park, called the Babangibone Development Node. The towns of Bergville and Winterton are located within the vicinity of the Drakensberg and derive some benefits from the tourism industry. The town of Ladysmith is a significant historical tourism destination and offers a number of museums and historical sites.

The uThukela District Municipality has a population of 714,910 people (Community Survey 2007 - Stats SA), which calculates to a density of 63 people per square kilometre. The population is predominantly female, with 389,415 females and 325,495 males. The average annual household income is R23,419 and the annual income per capita is R3,046. The majority of the population within the uThukela District Municipality is African (95,40%), followed by Indian (3,25%), White (1,05%) and Coloured (0,31%). From the 400,921 economically active population, 120,415 (30%) is employed, 68,564 (17%) is unemployed and 211,942 (53%) is not working. The table below compares the employment figures for the uThukela District Municipality with that of the Kwazulu-Natal Province.

	Population Employed	Population Unemployed	Population Not Working	Absolute Employment Rate	Absolute Unemployment Rate
Kwazulu-Natal 1991	28%	26%	46%	51,26%	48,74%
Kwazulu-Natal 2007	34%	21%	45%	58,91%	41,09%
uThukela DM 1991	20%	29%	61%	41,22%	58,78%
uThukela DM 2007	30%	17%	63%	59,13%	40,87%



KZN Population (Districts and Metro)



The uThukela District Municipality has 7% of the total population of KwaZulu-Natal, which is slightly above the provincial average of 6.7% and compares in population size to the Ugu District Municipality. The figure below indicates the comparative population of the districts and metro within the province of KwaZulu-Natal.

The uThukela District has an annual average rainfall of over 1,000mm over most of its area and a mean maximum temperature of between 13.5 °C and 25.9 °C and a mean minimum temperature that varies between 3.7 °C and 12 °C. The temperature in the Indaka and Umtshezi municipal areas are higher than the rest, mainly as a result of their distance from the Drakensberg, that in general has a lower temperature.

Employment is mainly in the manufacturing industry, followed by community/social services and the wholesale/retail sectors. Most people are employed in elementary positions, followed by plant/machine operators and craft and trade. The manufacturing industry therefore plays a significant role in employing the people of the uThukela District.

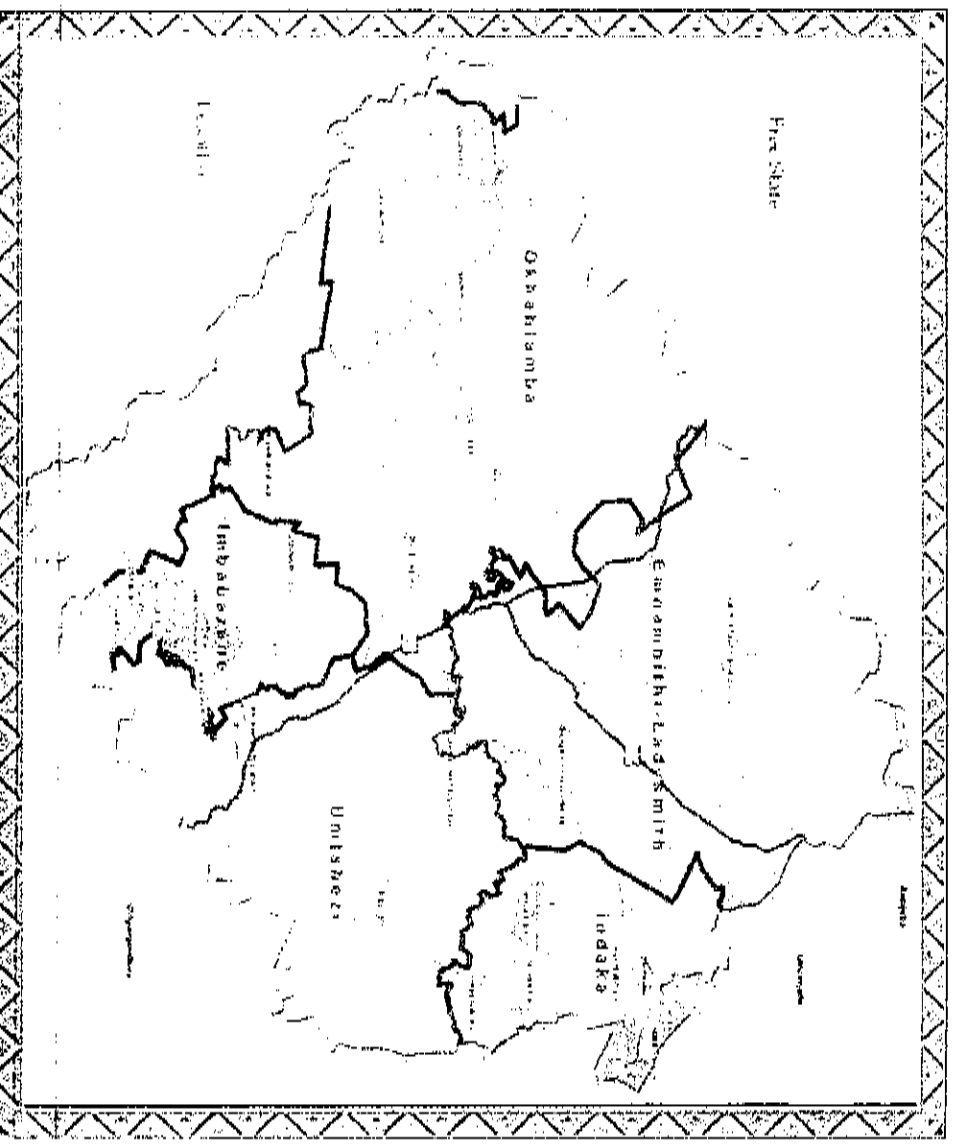




General Information/Key Statistics

uThukela District Municipality

- Area: 11,329,065 km² (1,132,906,5ha)
- Population: 714,910
- Density: 63 people/km²
- Unemployment rate: 40.87%
- Local Municipalities: 5 and 1 DMA
- Local Authority Grade: Category 4
- Urban Rural split: 25% urban 75% rural
- Municipal Councillors: 30 (3 full-time)
- Traditional Authorities: 18



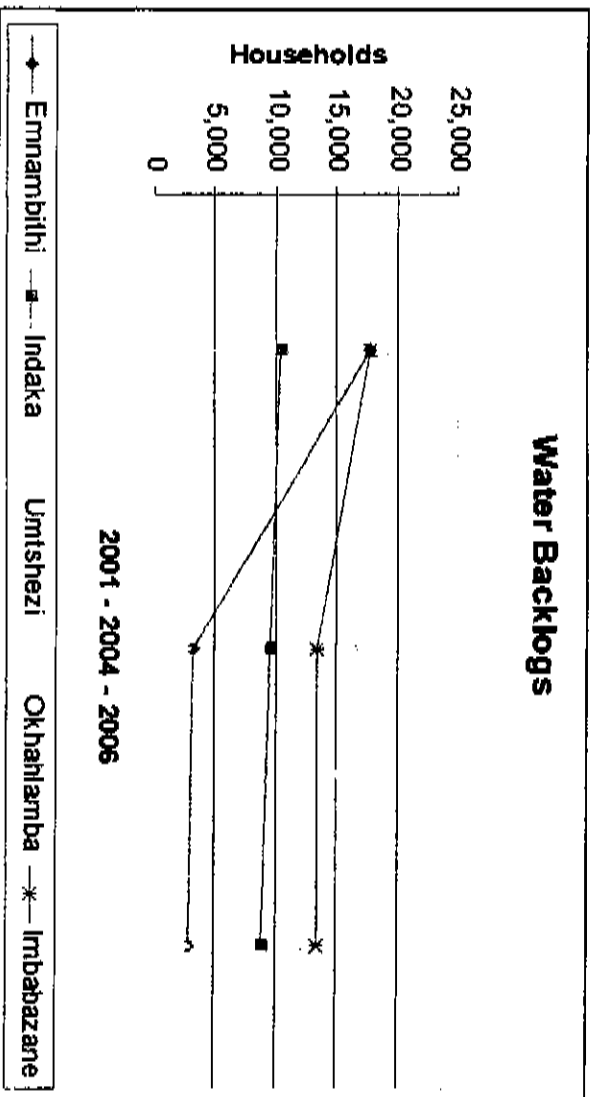
Water and Sanitation Backlogs

The core function of the uThukela District Municipality is the provision of water and sanitation services. The following tables and graphs indicate the progress made up to the second halve of 2006 (Source: 2006 Backlog Study by Jeffares and Green):

Water Backlogs

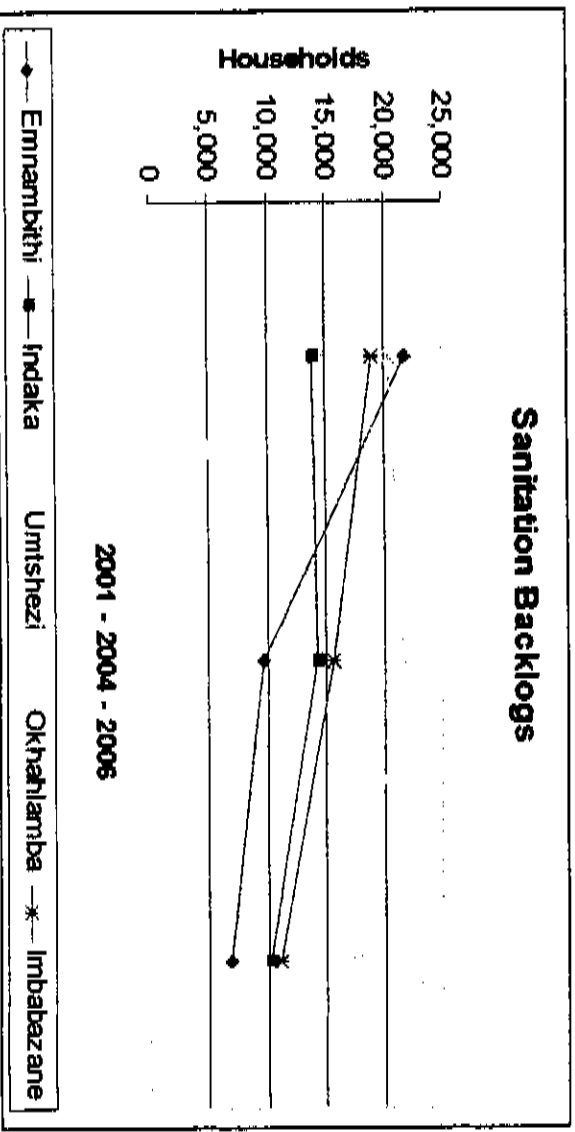
LM	Water Backlogs 2001		Water backlogs 2004		Water backlogs 2006	
	House-holds	%	House-holds	%	House-holds	%
Emnambithi	17,718	13	3,104	2	2,750	2
Indaka	10,324	8	9,556	7	8,907	7
Umtshezi	4,468	4	2,520	2	2,520	2
Okhahlamba	19,339	14	16,889	13	12,289	9
Imbabazane	17,868	13	13,464	10	13,484	10
DMA	37	0	0	0	0	0
Total DM	69,766	52	46,533	34	39,830	30

Water Backlogs



Sanitation Backlogs

LM	Sanitation Backlogs 2001		Sanitation backlogs 2004		Sanitation backlogs 2006	
	Households	%	Households	%	Households	%
Emnambithi	21,743	16	9,740	7	6,908	5
Indaka	13,958	10	14,228	11	10,137	8
Umtshezi	5,616	5	3,386	3	2,520	2
Okhahlamba	20,370	15	21,707	16	17,662	13
Irbabazane	19,050	14	15,714	12	11,096	8
DMA	10	0	0	0	0	0
Total DM	80,747	80	63,989	47	48,323	38

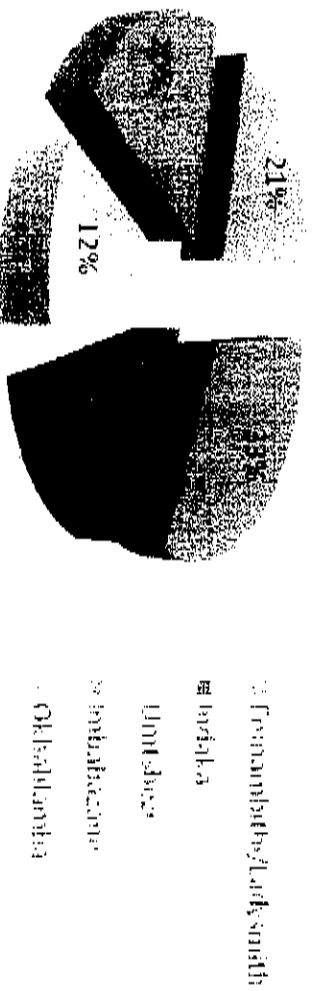




2007 Population per Local Municipality

Municipality	Wards	Population		Households	
		2001	2007	2001	2007
Emnambithi/Ladysmith 2,964.822km ²	25	225,459	236,746	50,530	50,259
Indaka 991.528km ²	10	113,644	101,555	21,372	21,081
Umtshezi 2,130.288km ²	7	59,921	83,906	13,093	15,231
Imbabazane 827.349km ²	12	119,925	140,747	23,030	24,559
Okhahlamba 3,475.496km ²	13	137,525	151,446	26,677	28,508
KZDMA23 939.5852km ²		465	515	143	158
uThukela DM 11,329.065km ²	Total 67	656,939	714,915	134,845	139,638

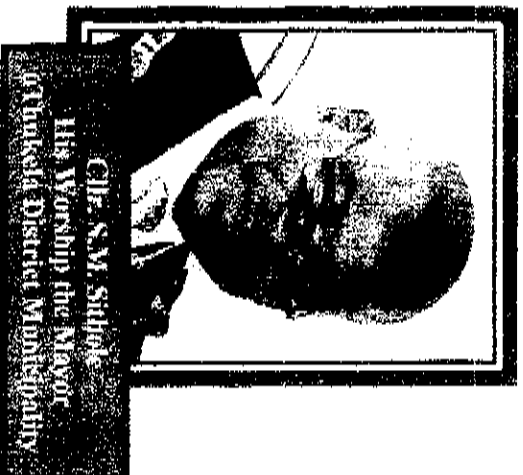
**uThukela Population Distribution
2007**





Council Structure

The uThukela District Municipality comprises of thirty (30) councillors of which eighteen (18) are representatives from the Local Municipalities (inclusive of the DMA representative), i.e. Emnambithi/Ladysmith, Indaka, Umtshezi, Imbabazane and Okhahlamba. Twelve (12) councillors are proportionally represented:



PROPORTIONAL ELECTED

Cllr. S.A Mvelase

Cllr. M.C. Mchunu

Cllr. C.J.S. Nunes

Cllr. S.P. Hadebe

Cllr. N.M. Hadebe

Cllr. B.A. Mnculwane

Cllr. T.M. Cele

Cllr. M.D. Mazibuko

Cllr. M.G. Hlubi

Cllr. T.P. Mazibiko

Cllr. E.N. Lushaba

Cllr. B.H. Sithole

REPRESENTATIVES FROM LOCAL MUNICIPALITIES

**EMNAMBITHI/
LADYSMITH
LOCAL
MUNICIPALITY**

**INDAKA
LOCAL
MUNICIPALITY**

**UMTSHEZI
LOCAL
MUNICIPALITY**

**OKHAHLAMBA
LOCAL
MUNICIPALITY**

**IMBABAZANE
LOCAL
MUNICIPALITY**

CLLR. FA KHAN
CLLR. M N MLOTSHWA
CLLR. J M H WOOD
CLLR. S N ZWANE
CLLR. Z J DLAEDWA
CLLR. P J HURTER

CLLR. S M SITHOLE
CLLR. B C BUTHELEZI
CLLR. D S NHLANGOTHI

CLLR. S BANDU
CLLR. S N MCHUNU

CLLR. N B HLONGWANE
CLLR. C B MABIZELA
CLLR. T A SIGUBUDU

CLLR. R M MLABA
CLLR. T YNQUBUKA
CLLR. S T NTSHALINTSHALI

REPRESENTATIVE FROM DISTRICT MANAGEMENT AREA (DMA)

CLLR. V M ZIMBA



Thukela District Municipality's Heads of Departments

Position Filled
Position Vacant

Municipal Manager
S Nkehi

Personal Assistant
G Ndalo

Organizational Strategic
Manager
Vacant

Deputy Municipal Manager
Vacant

Personal Assistant
Vacant

		Executive Director	Executive Director	Acting Executive Director	Water Services

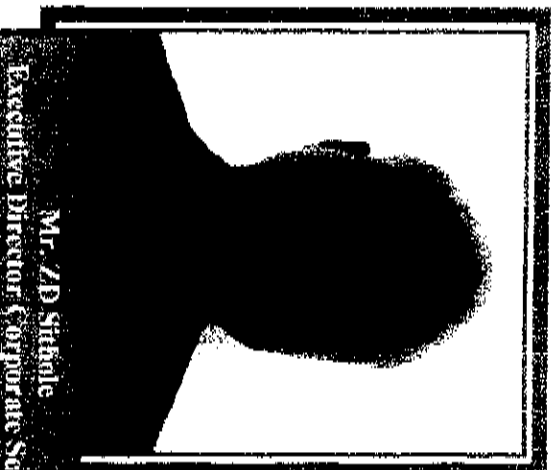


Corporate Services

ADMINISTRATION SERVICES

Administration

This section has proven to be immeasurable when it comes to the maintenance and securing of workstations in order to ensure a conducive environment for the daily activities of the Council. The importance of customer care has been upheld by ensuring that Satellite Offices located within the Local Municipalities are well maintained and serviced accordingly, ensuring easy customer access throughout the region.



Mr. JD Sittahle
Executive Director Corporate Services

Offices are based at Emmanhithi/Ladysmith (Peters, Lyell Street, Murchison Street, Alexandra Street and Colenso); Okhahlamba (Bergville Water/Satellite Office) and Umshezi (Estcourt and Weenen Water/Satellite Offices). Strict measures have been put in place to control the budget with regards to stationary usage which has returned a huge saving to the Council coffers. A routing system has been installed at all Council since it has been proven to be economical viable in the past years.

Secretariat

Support services have been rendered by this section to all meetings for the Council as follows:

Committee	No. of meetings
Executive Committee	8
Council	6
Tender or Procurement Process Meetings	30
Planning and Technical Committee	1
Human Resources Committee	7
uThukela District Intergovernmental Forum & Technical Support Committee	7

It is of the utmost importance to mention that this section coordinate all meetings held within the Council. All meetings held were successful and contributed to the



upliftment of communities within this region.

Safety and Security

The engagement of Beak Security in the region has been a valuable tool to combat all aspects of crime i.e. theft, fraud, attempted robberies etc. The relations established between the SAPS and the Beak Security has further strengthened the fight against crime.

HUMAN RESOURCES

Employment Equity

The Employment Equity Plan for the uThukela District Municipality was drafted in 2002/2003 for a 5-year period expiring in June 2007. The Employment Equity Plan for the 2007/2008 financial year was prepared and has been submitted to relevant committees for input and will be submitted to Council for final approval.

Skills Development and Training

UThukela District Municipality makes training and development of staff, especially from previously disadvantaged groups and lower levels of the staff structure, its main priority. A variety of training interventions have been planned for staff especially from the Water Services Department which has been identified as a high priority. Training will include assistance in acquiring trade tests and training learner operators to acquire an operator qualification as per DWAF requirement.

Learnerships which will also reduce the skills gap in the community have also been prioritized in the Workplace Skills Plan. In 2009 the District Municipality, in conjunction with LGSETA, will initiate a project called Singanda ICholera, wherein 100 community members in the District will be trained to help the community prevent and deal with Cholera outbreaks.

Forty employees in the Bulk Water Services Section were enrolled in Water Treatment Training through Technisa and 39 of the employees passed all subjects and are now qualified Water Treatment Technicians. The training of plumbers is prioritised in the 2009 training plan.

The Municipality also offers a Conditional Grant Bursary Scheme for permanent employees to further their academic qualifications through distance learning, which has been updated to be in line with the Municipal Finance Management Act. For the 2007/2008 financial year, 6 of our permanent staff benefited through this scheme.



Total Number of Staff per Department for the 2007/2008 Financial Year

Department	No. of Staff
Management	02
Financial Services	27
Corporate Services	43
Strategic Planning and Economic Services	11
Health and Environment Services	15
Water and Sanitation Services Department	489
Infrastructural Development	6

DEVELOPMENT FACILITATION

Introduction

This section focuses its attention on ensuring that communities and all other stakeholders in the Municipality's area of jurisdiction are participating and kept fully informed of developmental activities conducted within the District. In the project cycle facilitators break the ground and ensure that Project Steering Committees are formed and trained.

Facilitation involvement starts from inception of the project up to project hand-over to communities. In programmes, they support various departments in ensuring a successful outcome. This insures that all Council's programmes and service delivery projects are received in good spirit by the beneficiaries.

During the 2007/2008 financial year ten (10) water projects, eighteen (18) sanitation projects, one (1) sports field and one (1) taxi rank were successfully implemented due to the role facilitation played in the before mentioned projects.

The Development Facilitation section is also responsible for community awareness and liaison of the following Mayor's programmes:

- Water Week
- Youth Day
- Women's Day
- Sanitation Week
- Mayoral Cup
- Kwanaloga Games
- HIV/Aids Day
- Heritage Day.



Throughout the year the Development Facilitation section also provides support during disasters and recovery from disasters within the District.

Community Participation, Awareness and Liaison, Training of SPCC's

Household Sanitation

Local Municipality	Project Area
Indaka	KwaHlathi, Sahlunbe/Nkaseu, Stanford/Valkop
Emantbithi/Ladysmith	Roosboom, Watersmeek, eZakheni E Sewerage System (Phase 2)
Okbahlamba	Emause, Zwehisha, Oboojaneu
Umshezi	Tafane/Mgedandaba, Cornfields, Thembathle
Imbabazane	KwaDlamini, KwaMkize, KwaVala, Edashi, Emahutshini, Fakomokazini

Community Awareness & Liaison

Water Projects

Local Municipality	Project Area
Imbabazane	Nlabambhlophe C W, Amangwe Water Reticulation/ North
Okbahlamba	Dukuza (Hofental), Bergville Bulk Water Supply, Acton Homes Driefontein Complex Bulk Water Supply which includes -
Emantbithi/Ladysmith	<ul style="list-style-type: none"> • Inkanyezi Community Water Supply • Sizantutshuko Water Project • Sizongqoba Water Project • Jononoskop – Matiwanoskop Water Project • Roosboom
Indaka	Ohwebedeni Water Extension, Mhlunayo Water Project
Umshezi	Mhuhleni Water Project

Sports Fields

Local Municipality	Project Area
Okbahlamba	New Stand
Indaka	Revitalisation of Utrval sports field

Taxi Ranks

Local Municipality	Project Area
Indaka	Ekuvukeni



Liaison & Awareness – Mayor’s Budget meetings

Local Municipality	Date
Indaka	15 May 2008
Imbabazane	19 May 2008
Umtshezi	20 May 2008
Emmambithi/Ladysmith	22 May 2008
Okhahlamba	23 May & 29 May 2008

Mayor’s Water Conservation Road Shows

Local Municipality	Project Area
Emmambithi/Ladysmith	Rooseboom, Colenso, eZakheni E, Qinisá

DISASTER MANAGEMENT

Overview

Disaster management is responsible for the following functions:

- Institutional arrangements
- Assessments
- Operational arrangements

Institutional Arrangements

The District Municipality has successfully appointed an official as the Head of Disaster Management for the municipality in compliance with legal requirement. His duty is to specialise in issues concerning disasters and disaster management in the municipal area, and promote an integrated and co-ordinated approach to disaster management within the municipal area.

The Municipal Disaster Management Advisory Forum has been established which consist of different role-players from various departments which operate within the jurisdiction of the Municipality, as well as NGO’s, Volunteers, Churches, Farmers Associations, etc.

A Disaster Management Portfolio Councillor has been assigned by Council to focus on Disaster Management matters.

Assessment

The Disaster Management Plan consists of all the hazards identified within the



uThukela District, such fires, floods, incidents of snow, storms, etc.

Operational Arrangements

The District currently has no operational centre and is using cell phones and landlines as communication mechanism. Contingency Plans and Incident/Disaster Management Committees are in place to deal with all potential disasters that may take place within the area.

Disaster Incidents reported during the 2007/2008 financial year

At the beginning of December 2008, there were severe storms and strong winds that affected 2,654 houses; 2602 Roofs were blown off and 52 houses collapsed.

Temporary relief assistance given to affected families is as follows:

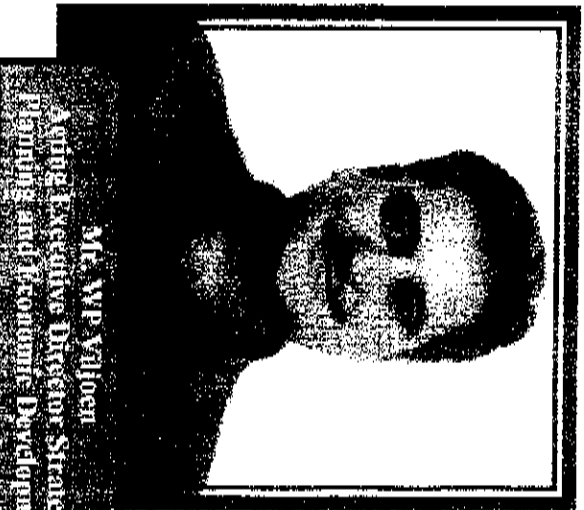
Local Municipality	Tents	Plastic Sheeting
Umtshezi	12	90
Imbabazane	55	120
Emnambithi	62	140
Okshahamba	15	40
Indaka	05	40

The following relief agencies were involved:-

- uThukela Disaster Management
- All five Local municipalities
- Social Development
- AL-Imdad foundation
- Ladysmith Dawah Centre
- SA Red Cross



Strategic Planning and Economic Development



Mr. WP Vilhoen
Appel Executive Director Strategic Planning and Economic Development

OVERVIEW

The Department consists of 12 officials, fulfilling the following functions:

- Local Economic Development
- Gender and Disabled
- Sport and Youth
- Tourism
- Strategic Planning
- Development Planning
- Performance Management
- Geographical Information System
- Information Technology

LOCAL ECONOMIC DEVELOPMENT

Introduction

Throughout the 2007/2008 Financial Year Co-operatives were supported and opportunities created aimed at exposing the groups to a learning environment. Support was in the form of projects visits, continued encouragement and constructive criticism before and during events. Training to crafters was facilitated in conjunction with the Department of Economic Development, Trade and Industry KwaZulu-Natal and Tradepoint South Africa Durban and transport provided from and to training events and venues.

Support to Small Business

UThukela supported crafters throughout the district and assisted the art and craft industry to produce products for the export market through training and transport. This has increased opportunity for income generation, encouraged self-employment and thus contributes to poverty eradication. The district boasts top master crafters in the fields of textile wire weaving, grass weaving and beading in the province of KwaZulu-Natal. The district has joined hands with numerous stakeholders, such as Tradepoint South Africa Durban in the training, financing and support to crafters. Support was rendered



in the form of auditing and in the facilitation of export channels and training.

Emerging cooperatives/exporters that benefited from export opportunities are Thandamani Mazizi, Sinothando Crafters and Bambisanani Crafters. Thandamani Mazizi consists of eighty members, Sinothando Crafters has twenty four members and Bambisanani has 12 members, all with export certificate. Their products was sold and promoted in events/exhibitions held at Gallagher Estate in Midrand, Berlin in Germany, Reunion Island and California in the United States of America. Exporters whose products were selected to be displayed at the above events also stand a chance to benefit from training which is conducted by uThukela and the Department of Trade and Industry (DTI). Exporters are selected for training based on product pricing, packaging, labelling, marketing and business management. Some crafters are not export ready, but are selling their products at the annual South African Handmade Collection.

Financial Benefits

The total value of the craft items sold in Berlin and in the Reunion Island was R23,176,00. This exposure provided Crafter Associations with much-needed opportunities to learn about establishing networks and linkages and the sharing of ideas and information. The support to craft groups to build a sustainable craft industry will continue in the 2008/2009 financial year.

Planning

Currently a district wide Regional Economic Development Programme is nearing completion, funded with funding from the European Union, with the uThukela Arts and Crafts Development Programme, funded by the same organisation, being completed. The Arts and Crafts Development programme is set to be implemented, as soon as funding becomes available.

Manufacturing

The district currently supports the formation of co-operatives throughout the whole district. At the beginning of the year there were over 130 co-operatives that had been formed and registered. The role of the district municipality initially was to assist with the registration, but recently the municipality had mainly linking the co-operatives with the markets for products and strengthening of recording and bookkeeping skills. Also individual businesses have received assistance particularly sourcing information on behalf of these businesses.



Street Traders and Hawkers

In this area, the uThukela focus was mostly on building partnerships with the African Cooperation for Hawkers and Informal Business (ACHIB). ACHIB aims to establish regional warehouses to allow hawkers and informal business to buy in bulk from such warehouse as a way to become competitive with supermarkets entering into the informal trade areas. To this end, an information sharing day was hosted by uThukela in partnership with ACHIB on 17 June 2008 at the Ladysmith Outdoor Sports Centre.

Indaka Poultry Projects

The Indaka Poultry Project was made possible with funding from the Department of Local Government and Traditional Affairs to the sum of R1-million. The project consists of eight co-operatives and is in the planning and initiation phase, with a business plan drafted and approved and a Steering Committee established. UThukela has joined hands with Ever Trade in the registration, financing, training and project support of the following co-operatives:

- Matshwele Co-operative has eight members situated at Sahlumbe.
- Sizakancane Co-operative has eighteen members situated at Mhlumayo.
- Barnbanani Co-operative has eight members situated at Mhlumayo.
- Siyangoba Co-operative has eight members situated at Kwa-Mleyi.
- Utiyal Poultry Project has eight members situated at Utiyal.
- Zamokwethu Co-operative has eight members situated at Vaal Kop.
- Yukani Co-operative has eight members situated at Somsuku.

GENDER AND DISABILITY

Gender

A Women's day event was held at the Colenso Sports Ground during the 07/08 financial year and the Women in Agriculture and Rural Development (WARD) received a financial contribution towards training for their broiler project in the Indaka Local Municipality. On 17 May 2008, the uThukela District Municipality assisted in the hosting of a Virginity Testing and Counselling Initiative at Roosboom in the Emnambithi/Ladysmith Local Municipality.

An Exhibition day is planned for the 2008/2009 financial year, whereby successful woman in business will be invited to motivate women. UThukela further aims to



establish a Men's and Women's Forum during the next financial year.

Disability

It is the point of view of the uThukela District Municipality that disabled persons should be represented in all municipalities and government departments. To this end, a District Disability Forum was established to monitor progress in addressing the plight of the disabled. An application was made to the Services Sector Education and Training Authority (Services SETA) to provide life skills training to disabled people, that will include computer and office skills training.

During the 2008/2009 financial year uThukela will attempt to provide training of Home Based Caregivers to provide care to the disabled people living with HIV/AIDS. Public Works were also contacted regarding partnering in the hosting of a workshop on tender pricing and the importance of registering with the Construction Industry Development Board (CIDB). The workshop will be on the 19/08/2008 at the Public Works Offices in Ladysmith. The followings future events are also acknowledged:

- Internal Day of Disabled People
- Albinism Day
- Blind and Deaf Day
- Sports and Recreation Day
- Deaf and Dumb Sign Language Teaching

SPORT AND YOUTH

On the sporting front two successful events were held. The Mayoral Cup was held on 16 September 2007 and the Kwaraloga Games between 30 November 2007 and 4 December 2007 at Port Shepston.

TOURISM

The uThukela District Municipality participated in a Tourism Indaba hosted by Tourism Kwazulu-Natal during 10 to 13 May 2008. At this event, brochures on tourism and investment opportunities were made available. During the Royal Agricultural Show, held between 23 May and 1 June 2008, uThukela, in partnership with the Okhahlamba Local Municipality and the Emnambithi/Ladysmith Local Municipality secured a stand to promote tourism within uThukela. Between 13 and 16 June 2008, uThukela was also present at the Gauteng Outdoor Adventure show, held in Gauteng.






STRATEGIC PLANNING

The IDP has successfully been reviewed to inform the 2008/2009 Financial Year and has been adopted and submitted with all deadlines met. The assessment of the IDP to inform the 2008/2009 indicated a substantial increase in credibility from previous years, placing the credibility of the uThukela IDP in six ranking out of 61 municipalities.

The issues to be addressed during the 2008/2009 financial year include the following:

- Backlogs in the provision of sustainable infrastructure, water and sanitation services
- Economic Development
- Prevention of ill-health and promotion wellness
- Financial and administrative capacity of the district
- Accountability and public participation institutions
- Public safety and security
- Tenure security and shelter
- Coordination of services
- Addressing the injustices of the apartheid past

DEVELOPMENT PLANNING

During the 2007/2008 financial year, the Department of Economic Development funded an Organic Farming Assessment, which investigated the feasibility of organic farming within the uThukela District Municipality. Several development applications were received in line with the Town Planning Ordinance and the Development Facilitation Act, ranging from sub divisional applications to lodge developments. Comments were made on 3 subdivisions, 2 cellular mast developments, 6 business applications and 1 chicken abattoir.

PERFORMANCE MANAGEMENT

Performance Reports for the 2007/2008 financial year were all completed for Section 57 employees and quarterly reports and supporting documentation submitted. Targets for the 2008/2009 financial year were developed in line with projects identified in the 2008/2009 Integrated Development Plan (IDP).

GEOGRAPHICAL INFORMATION SYSTEM

UThukela GIS has continued to provide valuable information to internal departments, local municipalities, provincial and national government departments, consultants and private individuals. The following were undertaken during the 2007/2008 municipal financial period.

The uThukela GIS assisted in the informing and compilation of the revised Spatial Development Framework to inform the 2007/2008 IDP. A set of maps to be included in the IDP was prepared for inclusion in the 2007/2008 IDP. The results of the 2007 Community Survey were incorporated into the database and the information used to update the demographics of the 2008/2009 IDP.

The GIS capacity of Imbabazane and Umshezi Local Municipalities were increased through the training of their GIS staff.

Assisting the 5 local municipalities with mapping requirements

Supplying Spatial Data to various service providers

Mapping requirements for various Government Departments

INFORMATION TECHNOLOGY

During the 2007/2008 financial year the following computer equipment were purchased, mainly from the Municipal Systems Improvement Grant (MSIG), to an amount of R527,000.00:

- 28 Desktop Computers were replaced
- 2 New file servers were replaced, the outdated Novel server was replaced with a Windows 2003 Server and the financial server was replaced to accommodate the updated MunSoft programme.
- The following software updates were implemented
 - Trend Micro Office Scan
 - MunSoft financial system
 - 2 x MS Office 2007 Pro
 - 1 New MikroTik 433 Router was installed
 - 8 Panasonic KXP1150 Dot matrix receipt printers were installed at the satellite offices and 1 Samsung ML2851 Laser printer at the financial offices
- 1 Network radio link was replaced at the Laboratory

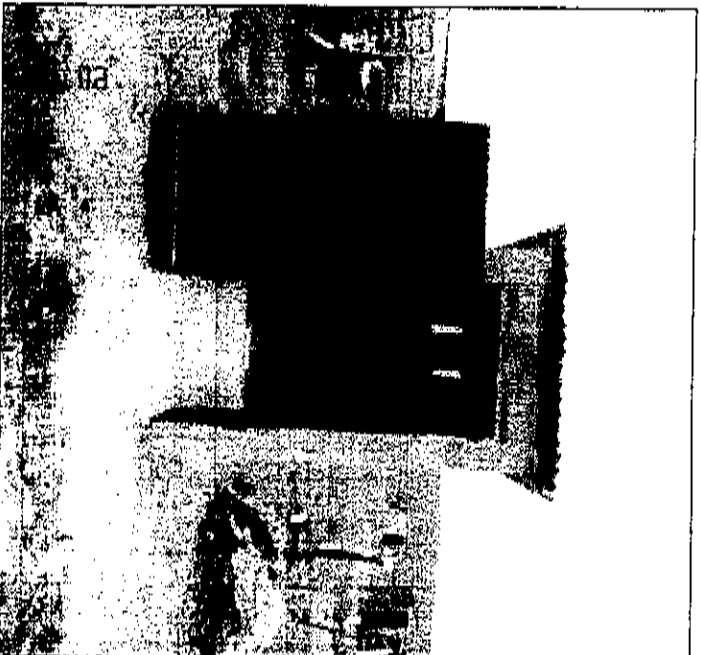


The annual rate of safe water supply backlog reduction is 4,5% in uThukela District. During 2007/2008 financial year, 5 745 households were served with safe water supply in uThukela District.

Water supply backlog as at the end of June 2008 was 21% (Based on water services backlog study report of September 2006). This translates to 28 340 households that do not have access to safe water supply.

Based on the current rate of water services backlog reduction of 4,5% per annum, it is crystal clear that the National target for water supply backlog eradication by 2008 will not be achieved. To eradicate 28 340 households water supply backlogs, an estimated amount of R337 929 987.00 is required in uThukela District.

Access to Appropriate Sanitation Services



The annual rate of appropriate sanitation services backlog reduction is 5% in uThukela District. During 2007/2008 financial year, 6 484 households were served with appropriate sanitation services in uThukela District.

Appropriate sanitation services backlog as at the end of June 2008 was 26% (Based on the sanitation services backlog study report of September 2006). This translates to 35 355 households that do not have access to appropriate sanitation services. To eradicate 35 355 households sanitation services backlogs, an estimated amount of R130 883 735.00 is required in uThukela District.

Ventilated Improved Pit Latrine (VIP)

Bucket System Sanitation Eradication

Bucket system sanitation was eradicated during 2006/2007 financial year in uThukela District.





Water Quality Status (Microbiological)



Water provided by uThukela District Municipality to consumers in uThukela district is analysed regularly by competent District Municipality Technicians for bacteriological and chemical quality in order to ensure that potable water is supplied to the consumers.

Overall microbiological compliance rate for uThukela District = 98,4%. This represents good quality water supply in terms of SANS 241 Water Quality Standard for South Africa.

The following table indicates the samples taken at the water works within the uThukela District Municipality.

Water Works	Total Samples	No. of Samples	No. of Non-Compliant Samples	% Compliant
1. Archie Rodel	183	182	1	99,5%
2. Bergville	141	136	5	96,5%
3. Colenso	119	117	2	98,3%
4. Ezakheni	570	562	8	98,6%
5. George Cross	250	250	0	100%
6. Ladysmith	617	617	0	100%
7. Langkloof	17	16	1	94,1%
8. Loskop	118	114	4	96,6%
9. Moveni	112	111	1	99,1%
10. Olifantskop	218	212	6	97,2%
11. Tugela Estates	27	25	2	92,6%
12. Weenen	36	36	0	100%
13. Winterdon	88	79	9	89,8%
Total	2496	2457	39	98,4%





uThukela District Mayor: Cllr. S. M. Sithole delivers a keynote address during the Water Conservation and Demand Management Awareness event held in the Ekuvukeni area.

Challenges

- Insufficient funds to improve the rate of reduction of water and sanitation backlogs.
- High number of indigent consumers (59% unemployment rate) resulting in non-payment of services.
- Old and dilapidated water and sanitation infrastructure causing perpetual bursting of water and sewer pipes.



MUNICIPAL HEALTH SERVICES

Municipal Health Services Annual Statistical Report: July 2007 to June 2008

1. Meetings

Type of meetings	No. of meetings
Staff meetings	16
Management meetings	36
District meetings	4
Provincial meetings	10
National meetings	0

2. Skills Development

Type of training received	No.
Workshops	4
Conferences	5
Courses	0

3. Complaints

Nature of complaint	No.	No. Investigated	No. Satisfied	No. Unsatisfied
Sewer overflow	86	86	82	4
Littering	12	12	12	0
Vegetation overgrowth	68	68	50	18
Water pollution	17	17	14	3
Air pollution	7	7	7	0
Water leakage	2	2	2	0
Total	192	192	167	25

4. Food Premises Inspection

Description	No. of Inspections	No. Satisfied	No. Unsatisfied
Formal			
General dealer	198	171	27
Take away	62	42	20
Restaurant	92	76	16
Supermarket	47	47	0
Dairies	24	18	4
Butcheries	66	62	4
Informal			
Spaza shops	102	98	4
Street vendors	192	58	134
Total	783	572	209
Food condemnation	34	9,854kg	

5. Commercial Premises

Description	No.	No. Satisfied	No. Unsatisfied
Funeral undertakers	92	79	13
Private General Practitioners premises	116	111	5
Pharmacies	32	32	0
Hazardous substances premises	20	20	0
Cematoria	12	12	0
Dry cleaners/laundry	42	36	6
Scrap Yard	19	14	5
Sand Winning	4	4	0
Hotels/Motels	23	19	4
Bed & Breakfast	48	45	3
Total	408	372	36

6. Industrial Premises Inspection

Description	No.	No. Satisfied	No. Unsatisfied
Asphalt works	4	4	0
Gas works	12	12	0
Metal products	19	15	4
Paint or surface coating	14	12	2
Spray painting	25	21	4
Welding	17	12	5
Clothing manufacture	47	43	4
Footwear manufacture	18	16	2
Milling	12	8	4
Quarry	6	6	0
Rubber moulding	8	6	2
Timber manufacturing	12	8	4
Textile works	12	12	0
Waste collection	8	7	1
Petrochemical installation	22	19	3
Total	236	201	35

7. Institutional Premises Inspection

Description	No.	No. Satisfied	No. Unsatisfied
Clinics	52	50	2
Hospitals	12	11	1
Creches	42	36	6
Schools	120	105	15
Children's homes	9	9	0
Place of safety	-	-	-
Rehabilitation centres	-	-	-
Old age homes	12	12	0
Police stations	9	9	0
Prisons	7	7	0
Magistrate courts	12	12	0
Churches	9	9	0
Town/Community Halls	7	7	0
Total	291	267	24



8. Residential Premises Inspection

Description	No.	No. Satisfied	No. Unsatisfied
Formal dwelling units	172	118	54
Informal dwelling units	96	64	32
Other specify	-	-	-
Total	268	182	86

9. Other Premises

Description	No.	No. Satisfied	No. Unsatisfied
Abattoirs	5	5	0
Cemeteries	18	18	0
Kennels	6	6	0
Stables	2	2	0
Piggeries	-	-	-
Poulties	-	-	-
Swimming pools	19	15	4
Farms/Small holdings	-	-	-
Other specify	-	-	-
Total	50	46	4

10. Surveillance and Control of Communicable Diseases

Description	No. of notifications received	No. Investigated	No. of persons affected
Cholera	-	-	-
Typhoid	-	-	-
Diarrhoea	-	-	-
Malaria	2	2	2
Paraffin poisoning			
Chemical poisoning			
Pesticidal poisoning			
Rabies/dog bite investigation	12	12	12
Tuberculosis	4	4	4
Others specify - bilharzia	-	-	-
Total	18	18	18





11. Health Education/Promotion Activities/Events

Topic/Theme/Name of event	Area/Place held	No. of audience
World Environmental Day	Isiqoqha PS - Ezakheeni	2000
District Aids Council Launch	Uitvval Sports Ground - Indaka	2500
Human Rights Day	Loskop - Nkomkhezani	3000

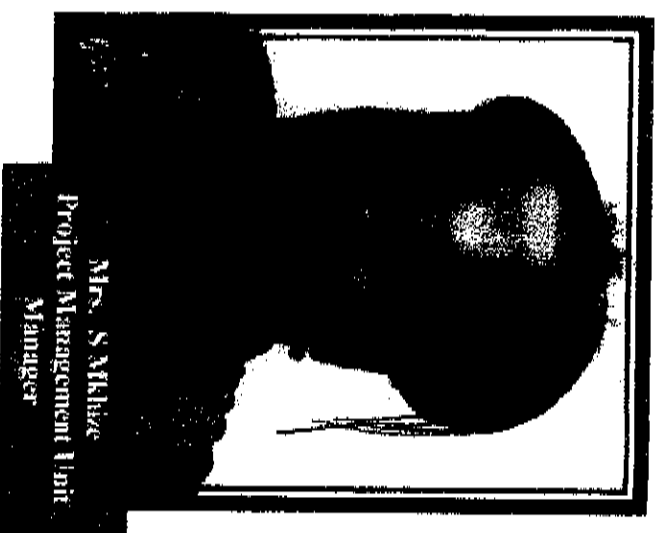
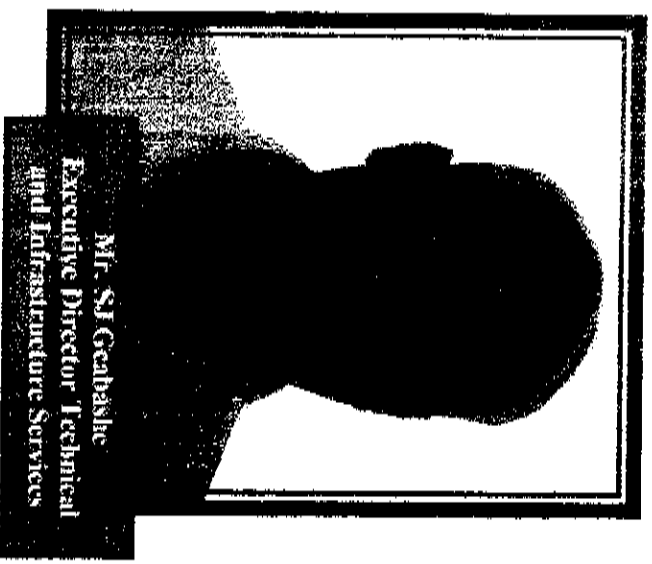
12. Other Activities

Description	No.
Imported consignments	3
Licence applications comments	45-
Plans scruphusation	519
Prosecutions	6
Development applications [pub]/Health certificates	72
Other specify	-
Total	645





TECHNICAL AND INFRASTRUCTURE



INTRODUCTION

In 2004 when MIG was introduced it placed emphasis upon the District Municipalities to establish a unit which will deal mainly with the implementation of water and sanitation projects within the District. This unit is within the Technical Department, reporting to the Executive Director Technical and Infrastructure Services and is formed by the following personnel:

- PMU Manager
- 3 Technicians
- 1 Communications Officer
- 1 Data Capturer and,
- 1 Personal Assistant.

Vision

To ensure that by 2012 all the people of uThukela District Municipality have access to water and sanitation.





Mission

At least by 2012 all the people of this district will not only have access to basics services but will be able to operate and maintain their facilities as well. A portion of our annual allocation goes towards training of the people benefiting from the project, which then ensures the sustainability of the project.

From 2004 this unit has been able to manage and spend all the allocation for every financial year, which means that services are delivered to the intended communities. Expenditure allocated has been 100% as reflected in the Financial Statements.

WATER PROJECTS

Ezakhemi Sewer Project

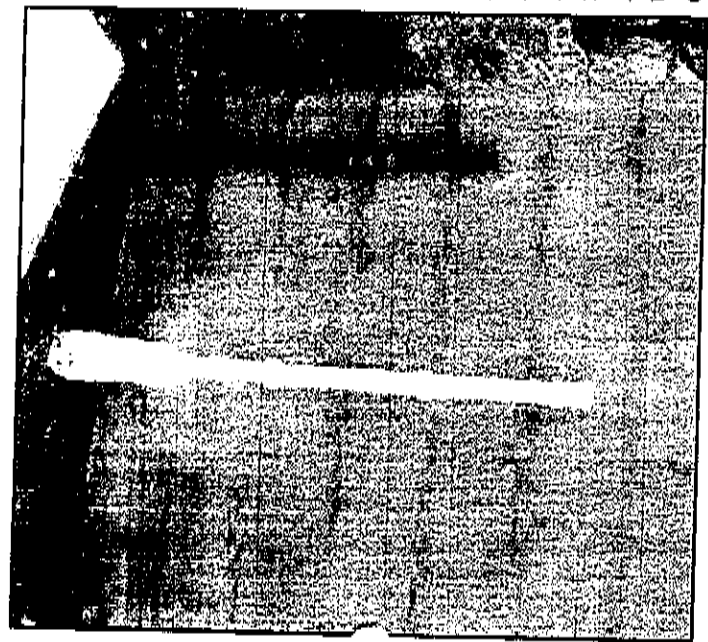
This project is divided into two phases. Phase 1 is the construction of approximately 40km of sewer reticulation, including 1,750 toilet top structures and internal sewer connections which are now complete. This phase is now complete.

Phase 2 is the construction of 1,564 top structures as the sewer reticulation in this area is in existence. Currently 1,393 toilet top structures have been completed with 171 top structures outstanding.

The total budget for both phases is R23,126,432.00

The expenditure to date R21,979,678.00

Total population served: 5,824





Ntabamhlophe Project

This project is divided into three phases.

Phase 1:

The construction of a 4.5km 355mm diameter uPVC rising main and associated pump station feeding a 400kl reservoir, with an 11.5km reticulation supplying 40 standpipes.

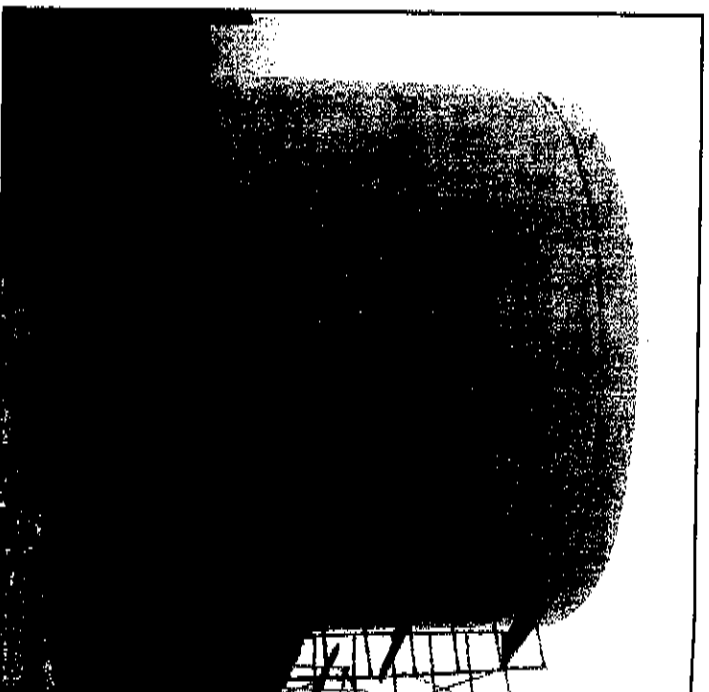
Phase 2:

The construction of a 2.5km 315mm diameter uPVC rising main and associated pump station feeding a reservoir.

Phase 3:

The construction of 1.4km 110mm diameter gravity main and 10.6km of reticulation. The reservoir, bulk lines and reticulation is complete. The project has been commissioned and handed over.

The total budget of the project was R20,538,153.68



Phases 5 to 13 of Ntabamhlophe Water project have been approved for implementation and the construction will commence early in the 2009/2010 financial year.

Budget allocated R70,891,154.00

Total population served: ± 80,000





Driefontein Complex Bulk Water supply & Community Reticulation Project



- 1. This is the establishment of a Bulk Water Supply to the Driefontein Complex:
 - 1.1 New pump station at Ladysmith Treatment Works.
 - 1.2 Booster Pump Station between Ladysmith and Driefontein.
 - 1.3 Bulk Feeder Mains – 13km.
 - 1.4 New 3Ml balancing reservoir at Hobstand.

- 2. The establishment of a Bulk Water Distribution Network within the Driefontein Complex:
 - 2.1 78 Km water mains of varying diameter.
 - 2.2 Eight new storage reservoirs ranging between 100kl and 500kl.
 - 2.3 Development of production boreholes (interim water sources)

The total budget for this project is R126,101,368.00

The expenditure to date is R33,730420.76

The total population in this project is: ± 65,830





Driefontein Complex: Inkunzi Community Water Supply Scheme

This project is the construction of a 300kl reservoir and the development of production boreholes with a minimum assured yield of 110kl per day, 50km of reticulation mains ranging in diameter between 40mm and 160mm and the installation of some 85 water widget standpipes

Total population served: 2,900

Allocated budget: R7,369,246.89

Driefontein Complex: Reservoir Structures –Phase 1

This project consists of 11 reservoir structures: 2 x 50kl, 4 x 150kl and 7 x 300kl.

Total population served: 5,400

Allocated budget: R8,310,080.83

Driefontein Complex: Sizanentuthuko Community Water Supply Scheme

This project is the development of production boreholes and 11,5km bulk water mains ranging between 110mm and 250mm diameter, 46km reticulation mains ranging between 40mm and 160mm in diameter and the supply and installation of some 100 water widget standpipes.

Total population served:

5,400

Allocated budget:

R14,314,653.89

**Driefontein Complex:
Sizongoba Community**





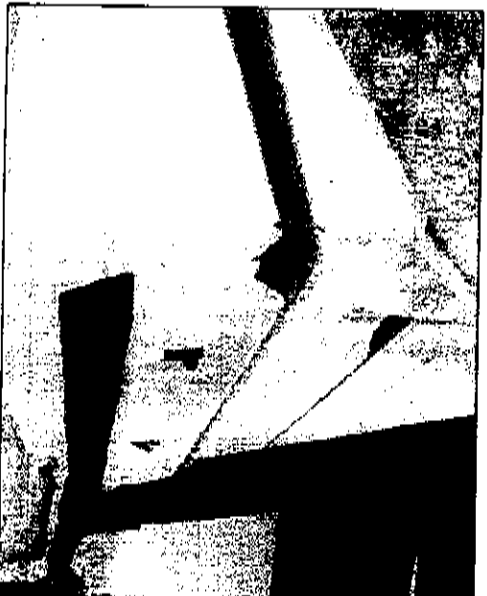
Driefontein Complex: Sizongqoba Community Water Supply Scheme

This project is the development of production boreholes, 14,5km bulk water distribution mains ranging between 110mm and 200mm diameter, 20km reticulation mains ranging between 40mm and 110mm diameter and the supply and installation of some 75 water widget standpipes.

Total population served: 3,800

Allocated budget: R7,359,814.00

Bergville Bulk Water Project



Phase 1 of this project is 90% completed and comprises the bulk water main from Bhehani reservoir to Acton Homes and Hambrook. The construction commenced on 15/02/08 and the contractor completion date is expected to be at the end of January 2009.

A contractor has been appointed for phase 2 and the project is expected to commence shortly.

Total budget for the project: R24,362,664.00.

Expenditure to date: R4,280,254.36

Oborjaneni Water Scheme

This is a construction of weir and river abstraction installation. This project is complete.





Roosboom Water Supply

This is the construction of a 250mm diameter bulk water supply pipeline from Median's Castle Reservoir to Twin Hill Reservoir in the Roosboom Township. The project has been divided into labour only and supply delivery of materials only from the original conventional contract. The project also incorporates the construction of a booster pump station and a 50kl reservoir.

The project is now out on tender and will be closing on 30 January 2009.

The budget for this project is R7,624,561,21

Total population served: 8,585

Moyeni/Zwelisha Dukuza-Hoffental CWSS

This project is in the preliminary design stage and the area supply model is complete. The on-site investigation into the status of the existing Dukuza reticulation is complete. The project has gone out on tender.

The budget for this project is R26,103,599.00

The expenditure to date is R942,737.00

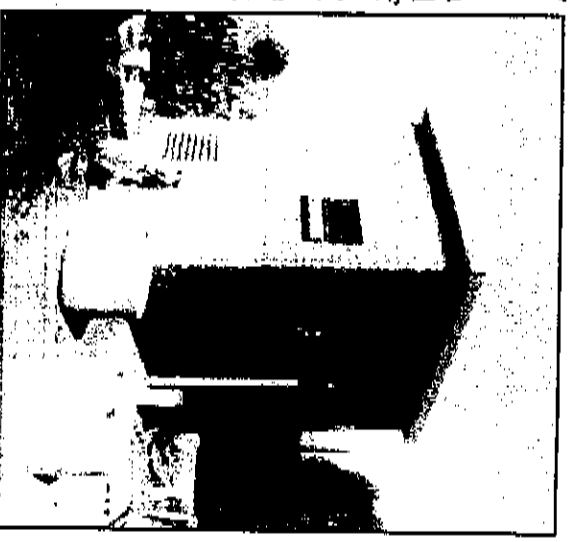
Total population served: 12,500

Umhlumayo Community Water Supply Scheme

The project entails the construction of a 750kl reservoir, 11km rising main and abstraction works and 45km reticulation of Entabenebomvu, Nodinda, Hlonyane, Wittklein and Ibhambamasoka. Electricity connection has been completed and the project is in the process of being commissioned.

The total budget for this project is R36,437,911.00

The expenditure to date is R34,205,440.92





Moyeni/ Zwelisha

The project entails the construction of a 2Ml/day water treatment works, the construction of the remainder of the Moyeni and Zwelisha reticulation, construction of bulk pipelines and pumping stations and extensions into Maziziri, Gugulethu, Newstand and Olivershoek.

Additional funding is R9,357,063.00

The expenditure to date is R4,055,071.20

Total population served: 37,408

Amangwe Water Scheme Phase 5 (Upgrading of Purification)

The project consists of 10 reservoir areas from Reservoir A1 to A5 and C to C4.

The first phase is the reticulation for reservoir A5. The second phase consists of the reticulation for the reservoir areas A4, A3, C, C1, C2 and C4. The third phase is the reticulation for reservoirs A and A1. The fourth phase will consist of the bulk supply to Bhekuzulu. The fifth phase is the upgrading of the purification work

The total budget for this project:
R44,974,818.00

The expenditure to date :
R44,974,818.00

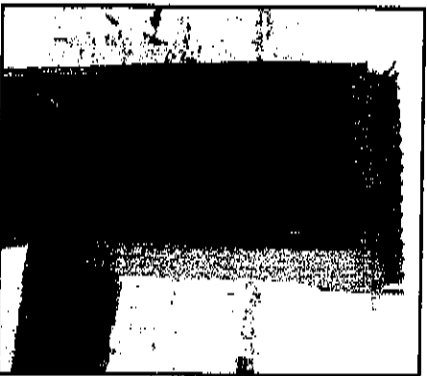
Population served: 19,420





SANITATION PROJECTS

St Chads - Complete



The total number of structures constructed in St Chads is 2,237.

The total budget for this project: R5,786,410.00

The expenditure to date: R5,786,410.00

Population served: 10,692

Bethany - Complete

The total number of structures to be constructed is 1,052. Health and Hygiene promotion in the form of ISD support is provided. Demonstration of toilet construction was incorporated into the project. Pit lining were installed where necessary. This project is complete.

The total budget for this project: R2,825,457.00

Total expenditure to date: R 2,825,457.00

Population served: 6,676

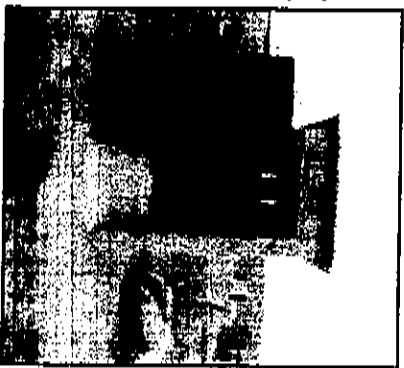
Talane / Mgedandaba - Complete

The total number of structures that has been constructed is 2,071. Pit lining where necessary. This project is complete.

The budget for this project: R5,421,488.00

The total expenditure to date: R5,421,488.00

Population served: 12,560



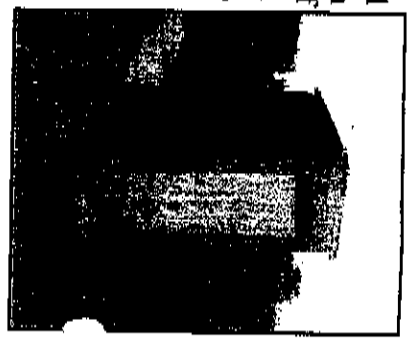


KwaMkhize - Complete

The extended community of KwaMkhize has been prioritized by the uThukela District Municipality for the implementation of a sanitation project. Mvula Trust implemented phase 1 of this project and completed 1,037 toilets serving 7,301 beneficiaries. Phase 2 is aiming to benefit 4,270 people, made up of 616 households.

The budget for this project is R2,032,508.00

Total expenditure to date R1,805,490.00

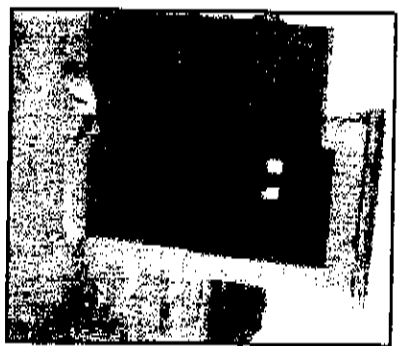


Enkomokazini - Complete

The extended community of Enkomokazini has been prioritized by the uThukela District Municipality for the implementation of a sanitation project. Mvula Trust implemented phase 1 of this project and completed 811 toilets serving 4,932 beneficiaries. Phase 2 is made up of 1,793 households. This project is complete.

The budget for this project is R5,652,034.00

The total expenditure to date is R5,652,034.00

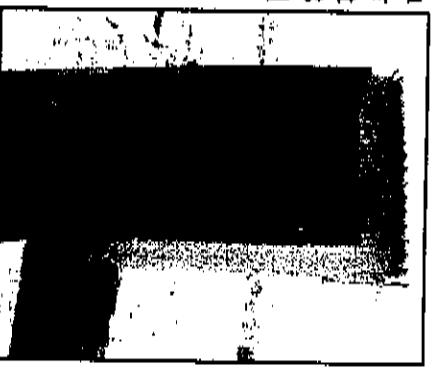


Roosboom

The extended community of Roosboom has been prioritized by the Thukela District Municipality for implementation of a sanitation project. Mvula Trust implemented phase 1 of this project to cover 15,048 people made up of 2,508 households. 251 VIP toilets still to be constructed.

The budget for this project R8,057,916.00

The total expenditure to date is R4,414,743.40



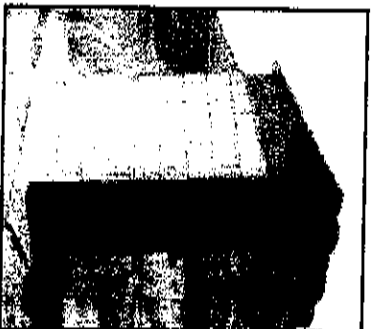


Zwelisha (Okhahlamba)

The extended community of Zwelisha - Okhahlamba has been prioritized by the uThukela District Municipality for the implementation of a sanitation project. Myula Trust implemented phase 1 of this project and completed 646 toilets serving 3,245 beneficiaries. Phase 2 is aiming to benefit 15,795 people, made up of 3,162 households.

The budget for this project is R10,025,217.00

The total expenditure to date is R5,758,110.61

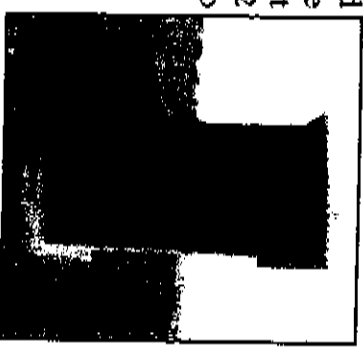


KwaVala

The extended community of KwaVala has been prioritized by the uThukela District Municipality for the implementation of a sanitation project. Myula Trust implemented phase 1 of this project and completed 402 toilets serving 2,222 beneficiaries. Phase 2 is aiming to benefit 13,739 people, made up of 2,500 households.

The budget for this project is R8,125,439.00

The expenditure to date is R3,861,736.10

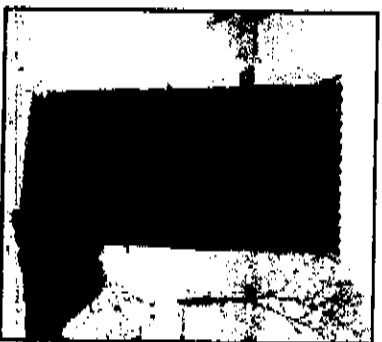


Watersmeet

The project has been prioritized by the uThukela District Municipality for the implementation of a sanitation project. This project was previously implemented by Myula Trust and was not 100% completed. The new business plan intends to award 100% coverage to this project. The project will benefit 4,097 householders and a population of 24,072 people. 1925 VIP toilets have been completed.

The budget for this project is R13,150,583.00

The expenditure to date is R4,951,893.20





Edashi



The extended community of Edashi has been prioritized by the uThukela District Municipality for the implementation of a sanitation project. This project was previously done by Mvula Tust and was not completed 100%. The new business plan intends to award 100% coverage to this project. This project benefits 2,100 householders and a population of 18,855 people. 1613 VIP toilets have been constructed.

The budget for this project is R6,968,721.00

The expenditure to date is R2,810,958.00

Jononoskop Sanitation

This project has just been approved for implementation and it will commence in April 2009.

Silimangamehlo Sanitation

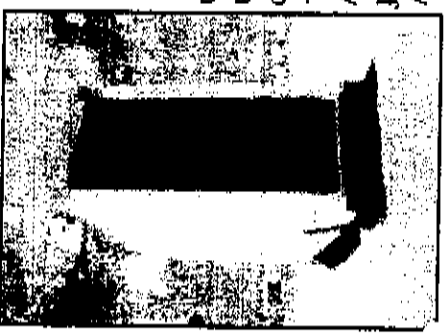
This project has just been approved for implementation and it will commence in April 2009.

Emahlutshini

The extended community of Edashi has been prioritized by the uThukela District Municipality for the implementation of a sanitation project. This project was previously implemented by Mvula Tust and was not completed 100%. The new business plan intends to award 100% coverage to this project. This project will benefit 1,896 households and a population of 11,916 people. 240 VIP toilets have been constructed.

The budget for this project is R6,782,892.00

The expenditure to date is R3,152,863.10





KwaHlathi

The extended community of KwaHlathi has been prioritized by the uThukela District Municipality for the implementation of a sanitation project. This project was previously implemented by Mvula Trust and was not 100% completed. The new business plan intends to award 100% coverage to this project. This project will benefit 19,262 households and a population of 3,235 people.

The budget for this project is R10,239,465.00

The expenditure to date is R1,500,000.00

Emmause

The extended community of Emmause has been prioritized by the uThukela District Municipality for the implementation of a sanitation project. This project was previously implemented by Mvula Trust and was not 100% completed. The new business plan intends to award 100% coverage to this project. The project includes the formation of a SPSC and training thereof, Health & Hygiene promotion, ISD support, demonstration of toilet construction and builder training. Pit lining will be constructed where necessary. This project benefits 3,755 households and a population of 22,440 people. 300 VIP toilets are being constructed.

Total budget is R11,656,115.00

The expenditure to date is R5,777,204.80

Jononoskop

The extended community of Jononoskop has been prioritized by the uThukela District Municipality for the implementation of a sanitation project. The project was previously implemented by Mvula Trust and was not 100% completed. The new business plan intends to award 100% coverage to this project. The project includes the formation of a SPSC and training thereof, Health & Hygiene promotion, ISD support, demonstration of toilet construction and builder training.

This project have been recently approved and implementation will commence in the 2009/2010 financial year.

Total Population: 24 916

Total Budget: R11,460,350.00





Simangamehlo

The extended community of Simangamehlo has been prioritized by the uThukela District Municipality for the implementation of a sanitation project. This project was previously implemented by Mvula Trust and was not 100% completed. The new business plan intends to award 100% coverage to this project. The project includes the formation of a SPSC and training thereof, Health & Hygiene promotion, ISD support, demonstration of toilet construction and builder training.

This project have been recently approved by MIG and implementation will commence in the 2009/2010 financial year.

Total Population: 12,657

Total Budget: R8,158,601.00

SPORTS FIELDS PROJECTS

Mhlumayo Sportsfield

The following items have been completed: Palisade fence, abtution block, grand stands, earthworks and irrigation system. Grassing is the only item that is incomplete, due to a water problem in the area.

Overall project progress: 100%

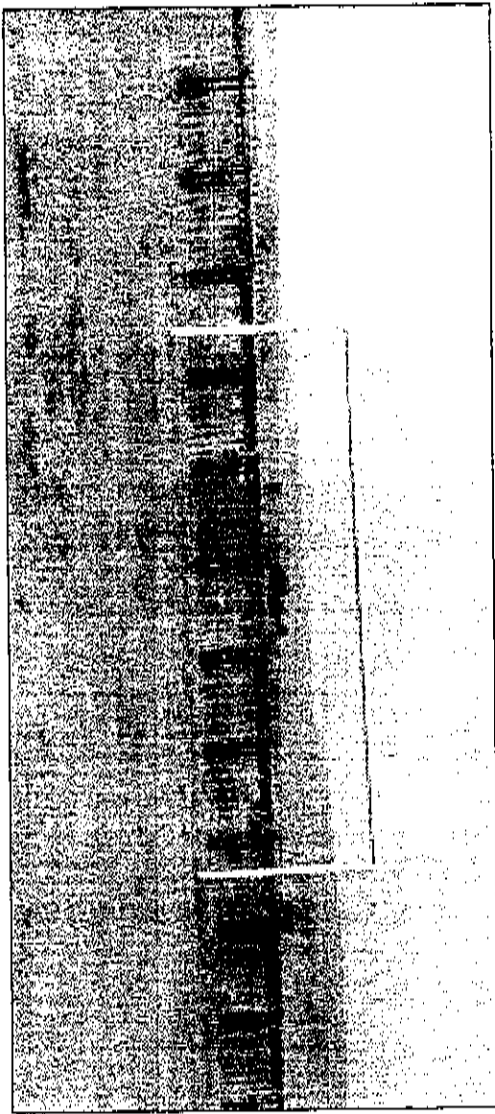
Allocated Budget: R1,000,000.00

Expenditure to date: R1,000,000.00





Ntabamhlophe Sportsfield



There are no outstanding items; this project is 100% complete.

Allocated budget for this project is: R1,200,000.00

Expenditure to date: R1,166,450.36

Newstand Sports field

The project involves the construction of a sports field.

Budget for this project is: R1,200,000.00

Expenditure to date: R114,624.00

Ekuvukeni Taxi Rank

The project involves the construction of a taxi rank at Ekuvukeni to commence shortly. All the required documentation has been submitted by the Contractor

Budget: R915,575.00

Expenditure: R25,389.00





WATER SERVICES

INTRODUCTION

The period under review is from 1st July 2007- 30th June 2008. Water Services is a major competence of the uThukela District Municipality and in order to perform this function many challenges is encountered.

BULK SERVICES

Huge strain has been experienced especially at the Ladysmith Water Treatment Plant and the eZakheni Water Treatment Plant.





Mr. BS Dlamini
Water Services Manager

Firstly, the Ladysmith Water Treatment Plant design capacity is 22 Megalitres a day, but as a result of demand we are producing over 26 Megalitres a day. The Ladysmith Water Treatment Plant is one of the oldest plants within the uThukela District Municipality, and as industrial, commercial and housing development has grown significantly over the years no heed was given to the development of bulk services.

Further to this water is extracted from the Spionkop Dam and the Klip River in order to meet the demand. The Spionkop pipeline has the capacity of supplying a maximum of 19 Megalitres a day to the Ladysmith Water Treatment Plant and the balance is supplemented by the Klip River. During the dry seasons when the Klip River runs low water shortages is experienced.

Secondly the eZakheni Water Treatment Plant has a design capacity of 32 Megalitres a day and we are currently producing between 45- 48 Megalitres a day. The production beyond the design capacity poses a huge strain on the Bulk Services. The eZakheni Water Treatment Plant is the largest plant within the uThukela District Municipality. This plant services 15 000 households in eZakheni, the entire Ithala Industrial Estate (The hub of the Ladysmith economy), parts of Umbulwane, Steadville, Accaciaville, Aloe Park and Rose Park. As can be seen the eZakheni Water Treatment Plant services a substantial area and is pivotal to the economic well-being of Ladysmith itself



The inheritance of a poorly maintained Plant has been the cause of many challenges not to mention the financial strain on our limited resources. The allocated refurbishment grant from the Department of Water Affairs and Forestry is a welcome blessing.

RETICULATION

Ailing, ageing and failing pipes in our reticulation system has given us our fair share of burst pipes.

Unfortunately, due to financial constraints, there is no over-night solution to this problem as is the case in the rest of the country. This has to be managed as and when burst pipes occur. Despite limited resources we are proud to report that we rank as one of the better Water Services Authorities and Water Services Providers in the country. This is as per our National Regulator, the Department of Water Affairs and Forestry.

RURAL SUPPLY

In the rural areas we have mainly borehole schemes and rudimentary supply systems.

Many of our boreholes is running very low in some cases and a lot of them completely dry. This is as a result of a very low underground water table content. The recent droughts has only aggravated the situation, resulting in having to use water tankers to supply areas with borehole schemes.

Water tankering is a very expensive alternative which burdens the budget tremendously.

The drop in the underground water table content also damages pumps which has a specific design capacity. The frequent and repetitive damage to the pumps, places an extreme financial burden on the water budget.



CUSTOMER CARE

Customer care is the face of the administration and as such careful and appropriate submissions were made to consumers and the public in a timely fashion. Ways and means of improving this competence is on-going.

CHALLENGES

Continuous interruptions of the power supply from Eskom has resulted in many



awkward and uncomfortable breaks in water service delivery. Consumers are extremely frustrated and unhappy about the regular water interruptions. The Water Services Department had been in the forefront of addressing this problem with Eskom in conjunction with the Department of Water Affairs and Forestry. To date the problem still persists.

Water loss through internal (private) leaking water pipes, cisterns, taps, etc. places a huge burden on our water infrastructure.

Non payment of services by those who can pay poses further challenges. A vigorous Debt Recovery Action Plan has been developed and is being implemented by the Water Services Department.

Water Conservation and Water Demand Management is the buzz word within the operations of the Water Services Department.

Compliance in terms of personnel, water quality and operations as a whole is on-going.

The water tariff of the uThukela District Municipality is some of the lowest in the country. This in itself provides for interesting, exciting and challenging times.



Financial Services

INTRODUCTION

Financial year 2007/8 has been a very important year for the district, important in the sense that it needed to overcome various challenges and triumphed over many obstacles in pursuit of rendering sustainable development through accelerated infrastructure delivery.

The significant role our section needed to play was to minimise the impact of the cost of various external factors which could have adversely impacted on the cost of service delivery. In pursuit of the above, various considerations made it difficult to reach our aims, e.g. low recovery rates from consumers due to unemployment, resistance from other sectors to honour their dues as they become due and payable, electricity cuts and consequent costs etc.



Mr. J.N. Madondo
Chief Financial Officer

The Financial Services Department is a support department aimed at supporting and advising Council and its functionaries on various issues in pursuance of its vision and mission. In order to achieve the above the department aims to not only achieve but to excel and go beyond issues of compliance. It is in this belief that the department aims to create an enabling environment for an improved quality of life for all in a developed region.

It is hoped that this will be achieved through efficient, effective and cost-effective practices in the administration of the Council's resources.

It is my pleasure to present the following report which shows progress against all odds.

DEPARTMENTAL FOCAL AREAS

- Financial Management
- Assets Management
- Risk Management
- Development of policies
- Strategic support





BUDGET PRINCIPLES

The following budgetary principles have been used in compilation of the budget.

Budgeting

Budgets have been prepared for three Medium Term Revenue Expenditure Framework.

Water Budget

Water provision related costs have been ring-fenced as per National Treasury Guidelines to the water function which inter-alia incorporates compliance costs e.g. customer care, emergency relief programmes and provision for repairs and replacements of some dilapidated infrastructure.

The water budget for 2007/2008 has increased from R102,295,307 to R117,245,618. Recovery for these costs is through tariffs. Equity share allocation (FBS) has increased from R33,459,810 to R40,234,269 per annum.

Insurance

Council's insurance portfolio expired on 30 June 2007 and has been renewed for a further 3-year period ending 30 June 2010.

Grants

The R293 grant has not been budgeted for since the assumption is that these grants are channelled to the relevant local municipalities who are performing the function.

Contributions

The Local Government: Municipal Finance Management Act requires that short term debts be addressed within the current financial year, however due to insufficient financial resources only R2,000,000 provision has been made in the budget as means of offsetting the deficit over time; over and above the R800,000 which was contributed in 2006/2007. Total contributions amounting to R5,600,000 was incorporated into the budget, which included contributions of the prior year's deficit, leave provision and depreciation.

Organogram

The organogram of the Council has been consolidated as per the 2007/08 budget and as

per approved organogram, such a consolidation was effected as per the approved 2007/08 budget. All water staff is ring-fenced into the water function and no proposed major changes are budgeted for in 2007/2008, cost for the support staff is not charged to the function, this was deliberately done to minimise its impact on tariffs, this has been explained in details below.

Recharge

The principle of recharging of resources support to projects has not been catered for as all operational costs for services are ring-fenced.

Salaries and Wages Provision

Provision for 6,8% salary and wage increment has been catered for as per Bargaining Council resolution and 8% in respect of Councillor Allowances.

Equitable Share Funding

Provision has been made for an amount of R104,886,000 being equity share funding and comprises of the following:

Equitable Share	:	R53,782,190
R293 Town Staff	:	R0
Free Basic Electricity	:	R0
Free Basic Services	:	R33,459,810

Allocations to Services

The following amounts were budgeted for in respect of the different services:

Employee Related Costs	:	R72,807,785
General Expenses	:	R64,766,782
Maintenance and Repairs	:	R13,308,920
Capital Charges	:	R8,404,146
Contributions	:	R5,600,000
Water Services	:	R117,245,618
Capital Projects	:	R135,933,557

INCOME AND EXPENDITURE

Income: Levies

Levies have been abolished since 01 July 2006, however Council is still in the process of collecting levies which were due and payable up to 30 June 2006.

Income: Grants

Included in the budget are grants totalling R229,422,525.

The grants are made up as follows:

Equitable Share	R104,886,000
MIG – Agency Fee	R2,698,570
MIG – Capital	R71,142,430
MSIG	R1,000,000
Local Government FMG	R500,000
C/O Projects	R24,605,425
DWAF Refurbishment Grant	R8,953,100
DWAF Drought Relief	R3,000,000
National Electrification Program	R3,073,000
KZN Provincial Management Ass	R1,500,000
KZN Library Services	R3,200,000
DWAF Backlog Water & Sanit.	R180,000
Indaka Free Basic Services	R2,000,000
Imbabazane Free Basic Services	R634,000
DWAF Operating Subsidy	R2,050,000

Expenditure: Salaries, Wages and Allowances

The total salary budget of R72,807,785 allows for 6.8% increase for staff and 8% increase for Councillor Allowances.

Expenditure: General Expenses

An average adjustment based on the "zero-based" concept has been made with regard to general expenses. An amount of R40,234,269 has been allocated to the Water Department as part of the uThukela District Municipality's contribution to subsidize the water tariffs and operational costs. The total budget for general expenses amounts to R64,766,782.



Expenditure: Maintenance and Repairs

An average adjustment based on the "zero-based" concept has been made with regard to maintenance and repairs, the budget amounts to R13,308,920.

Expenditure: Capital Projects

An amount of R135,933,557 has been committed to capital projects.

WATER SERVICES

The operational costs of the water authority function is being ring fenced for the Water Services Department, the total budget for the function amounts to R117,245,618.

Income

A total amount of R301,021,790 was budgeted for as income and is allocated as follows:

Tariff Income	: R71,457,847
Tariff Subs	: R40,234,269
Equity Share Additional	: R64,651,731
MIG Agency Fee	: R2,698,570
MSIG	: R1,000,000
Other Income	: R141,418
Capital Projects	: R118,787,955
DWAF Operating Subsidy	: R2,050,000

Tariffs

The tariff increase for 2007/2008 was communicated agreed thereto by various stakeholders since it was necessary to make up for inflationary increases and related matters.

CAPITAL REQUIREMENTS EX-CAPITAL DEVELOPMENT FUND

It is envisaged that capital requirements will be financed through external means. Except the provisions made for maintenance of pipes and some infrastructural rehabilitation budgeted for in the Water Department.





APPRECIATION

Lastly I would like to express my heartfelt gratitude to the His worship the Mayor, Council, Municipal Manager and my colleagues Heads of Department for the support and trust entrusted to our Department.

I will be failing in my duties if I do not acknowledge the contribution and dedication of the departmental staff, their efforts are not going unnoticed.



ANNUAL FINANCIAL STATEMENT



WINNEBAWAS DISTRICT MUNICIPALITY

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MEMBERS OF THE EXECUTIVE COMMITTEE

- MAYOR :** S.M. Sibole
- Deputy Mayor:** S.A. Mwelase
- Speaker:** N.M. Hadebe
- Exec Councillor :** C.J.S. Nunes
M.D. Mazubuko
B.A. Mnculwane
- Councillor :** S. Banda
S.N. Mchunu
B.C. Buthelezi
D.S. Ntlangothi
R.M. Mlaba
T.Y. Nqubuka
S.T. Mshahintshali
F.A. Khan
M.N. Mokshwya
J.M.H. Wood
M.G. Hudi
Z.J. Okaedwa
P.J. Hurter
S.G. Mabaso
D.S. Ndaba
T.A. Sigubudzi
M.G. Mchunu
T.P. Mazubuko
E.N. Lushaba
T.M. Cele
V.M. Zimba
S.P. Hadebe
B.H. Sibole

GRADING OF THE LOCAL AUTHORITY

Grade 4

AUDITORS

Auditor - General: Pietermaritzburg

BANKERS

ABSA Bank - Newcastle

REGISTERED OFFICE

76 Murchison Street PO Box 116 Telephone: (036) 6385100
 Ladysmith Ladysmith Fax Number (036) 6375808
 3370 3370 email: midesha@uthukela.co.za

The annual financial statements set out on pages 8 to 35 were approved by the Municipal Manager on 28 August 2008 and will be presented to the Council for approval on the 3 rd of September 2008.

MUNICIPAL MANAGER

M. S.S.B Nkeshi

CHIEF FINANCIAL OFFICER

M. J.N. Macdono





FOREWORD

It is again that time of year where, our municipality needs to stop and reflect back on the financial year gone by.

It is my pleasure to notice some improvement in our financials, the credit does not only go to our officials, but also to the consumers of our services who have been loyal and dedicated to seeing the Uthukela District Municipality grow.

Our priority objective is to provide quality and sustainable services to the communities we serve. In pursuit of this, various challenges including dilapidated infrastructure, limited financial resources, economics prevailing in the country, etc makes achievement of these onerous tasks very difficult.

The developmental nature of this local government has required this municipality to position itself in such a way that it does not only concentrate on basic services but to also embark on various activities which are aimed at developing what I call "full citizenship" which requires the Uthukela District Municipality to address various aspects of life.

I wish that these financials are not only viewed in terms of rands and cents, but as the results of the contribution in building the nation. The Uthukela District Municipality stays committed to employing it's resources in ensuring the betterment of people in our District.

Lastly, I would like to express my sincere gratitude to the Council, administration and local municipalities for their continued support.

**His Worship, The Mayor
SM SITHOLE**





1) INTRODUCTION

The vision of Uthukela District Municipality is the improved quality of life for all in a globally interconnected, stable and developed region, to pursue this end, all stakeholders in the region should understand that the broader perspective has been adopted, this requires a greater participation and involvement of stakeholders via, the Municipality, civil society and business community. It therefore call for all of us to come with new ways of doing business e.g. the recognition and the strengthening of the Private Public Partnerships etc.

The current years financial are the indication of the dedication and commitment by the Municipality to address its financial position in order to be better positioned for the delivery of services, which will facilitate opportunities for economic growth consequently the stable and a developed region.

The Municipality has undergone various adaptation challenges which were posed by a number of changes in the environment within which it operated, and it has risen above difficult times, I believe it is stable, this renders an opportunity for improvements, exploration of new opportunities and progress even further, this will take dedication and resources, the execution of these developments are envisaged to take place in 2007/08 financial year.

Lastly the Municipality is striving to finalise the GRAP/IG AMAP conversion in 2008/09 and to implement the property rates act for the DMA with effect from 1 July 2009.

1.1) BOMING CONCERN

In pursuit of the above, Council has met extreme financial challenges which in many instances is aggravated by external factors e.g. the changes in powers and functions. However a multi-faceted strategy is being implemented to face up to challenge e.g. Municipal Assistance Programme (MAP) from Provincial Government etc. These initiatives have helped the municipality in taking its rightful seat in service delivery.

Resource Support Services realized a annual surplus of R 3 919 796 whilst District Water and Sanitation services resulted in a deficit of (R 67 774 852) the contributing factors thereof are explained below.

The operating deficit of (R 63 855 056) and appropriations of R 5 437 104 have resulted in a net deficit of (R 58 417 952) which increased the accumulated deficit of (R 24 416 284) at 30 June 2007 to (R 62 834 236) at 30 June 2008. However there is still concerns regarding the District Municipality's continuance as a going concern.

2) OPERATING RESULTS

Details of the results per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2008 are as follows:

	Actual 2006/07 R	Actual 2007/08 R	Variance Actual Budget %	Budget 2007/08 R
INCOME				
Opening Surplus	0	0		
Operating Income for the Year	244,632,294	270,497,530	-10.1%	301,021,790
Sundry Transfers	12,595,670	5,437,104		
	267,217,964	275,934,634		301,021,790
EXPENDITURE				
Opening Deficit	36,136,857	24,416,284		
Operating Expenditure	245,497,394	334,362,566	-11.1%	301,021,790
Closing Deficit	(24,416,284)	(82,834,236)		
	267,217,964	275,934,634		301,021,790

A) The increase in income is mainly due to the Equity share allocation which increased from R 87 242 000 in the 2006/2007 financial year to R 104 696 000 in the 2007/2008 financial year as well as income generated from penalty interest raised on arrears debtors accounts which amounted to R 8 593 835 in the 2007/2008 financial year.
 B) The increase in expenditure is as a result of Salaries and Allowances which increased from R 61 408 695 in the 2006/2007 financial year to R 67 203 443 in the 2007/2008 financial year and general expenses which increased from R55,992,407 in the 2006/2007 financial year to R 62,919,033 in the 2007/2008 financial year.

2.1) RESOURCE SUPPORT SERVICES

	Actual 2007/2007 R	Actual 2007/2008 R	Variance Actual Budget %	Budget 2007/2008 R
Income	149,615,986	152,026,529	18.8%	167,270,298
Expenditure	144,255,795	148,106,734	19.4%	183,770,172
Over/Under/plus	5,360,070	3,919,795		3,502,094
Surplus (Deficit) as % of Total Income	3.56%	2.58%		1.87%

2.2) TRADING SERVICES - WATER AND SANITATION

	Actual 2006/2007 R	Actual 2007/2008 R	Variance Actual Budget %	Budget 2007/2008 R
Income	96,016,428	118,471,001	-4.2%	113,743,534
Expenditure	101,241,506	189,245,853	-58.9%	117,245,618
Surplus (Deficit) as % of Total Income	(6,225,187)	(67,774,852)		(3,502,084)
	-6.55%	-57.21%		-3.06%

3) CAPITAL EXPENDITURE AND FINANCING

CAPITAL EXPENDITURE	Actual 2007/2008	Budget 2007/2008
Resource Support Services	869,195	190,000
Regional Water services	13,525,827	10,600
	74,495,022	200,600
FINANCING OF THE FIXED ASSETS	Actual 2007/2008	Budget 2007/2008
Internal loan Capital Development Fund	283,220	200,000
Contributions from Current Income	852,908	-
Grants and Subsidies	72,908,863	-
External Loans (Okhahlamba Infrastructure)	18,881	-
External Loans (Leases)	420,650	-
	74,495,022	200,600

A complete analysis of capital expenditure (budgeted and actual) per department, classification or service is included in appendix C. More details regarding external loans and external advances used to finance fixed assets are shown in appendix B.

4) EXTERNAL LOANS, INVESTMENTS AND CASH

External Loans outstanding on 30 June 2008 amounted to R 25 185 250 as set out in appendix 'B'. Loans totalling R 3 837 341 were repaid during the year.
Investments amounted to R 9 165 726 on 30 June 2008.
The investments are disclosed at Actual Surrender Value for the Metropolitan investments and at market value for others.

The Bank balance as at 30 June 2008 amounted to R 2 085 542

More information regarding loans and investments is disclosed in notes 4, 7 and appendix B to the financial statements.

5) FUNDS AND RESERVES

The Consolidated Capital Development Fund has increased by R 526 530 to R 16 642 298. Advances amounting to R 293 220 have been granted to borrowing services while R 568 341 has been repaid and/or written-off.
More information regarding funds and reserves is disclosed in notes 1, 2, appendix A and appendix B to the financial statements.

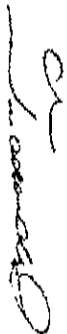
6) OTHER MATTERS

The major contribution for the decrease in investments is as a result of an amount of R5 258 717 being investments that matured in March 2007 which was paid into a Trust bank account unknown to the Municipality.

The Municipality has engaged the National Prosecuting Authority to investigate the matter. More information regarding investments are disclosed in note 7 of the financial statements.

EXPRESSION OF APPRECIATION

I am grateful to the Mayor, Councilor's, the Municipal Manager and Heads of Departments for their support during the past year. A special word of thanks to the staff of the Treasury Department for their support and loyalty.



CHIEF FINANCIAL OFFICER

DATE : 28 August 2008

1) BASIS OF PRESENTATION

1.1 These Financial Statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for Local Government Accounting (1997) and Report on the Standardisation of the Financial Statements of Local Authorities (5th Edition, as amended).

1.2 The Financial Statements are prepared on the Historical Cost Basis, adjusted for Fixed Assets as more fully detailed in note 3 below. The Accounting Policies are consistent with those applied in the previous year, except if otherwise indicated.

1.3 The Financial Statements are prepared on the accrual basis :

- 1.3.1 Income is accrued when collectable and measurable.
- 1.3.2 Expenditure is accrued in the year it is incurred.

2) CONSOLIDATION

The Balance Sheet includes the Resource Support Services, District Water and Sanitation Services and the different Funds, Reserves and Provisions. Water and sanitation are treated as income and expenditure in the respective departments.

3) FIXED ASSETS

2.1 Fixed assets are stated :

- at historical cost, or
 - at valuation (based on market price at date of acquisition).
- Where assets have been acquired by Grant or Donation these assets were capitalised at the values supplied by the Local Municipalities and to the value of the balance of external loans. Where no values were available, assets were capitalised at a nominal R1-00 value.

2.2 Depreciation

The balance shown against the heading " Loans Redeemed and Other Capital Receipts" in the notes to the Balance Sheet is tantamount to a provision for Depreciation. Apart from advances from the various council funds, assets may also be acquired through :

- appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income and therefore it is unnecessary to make any further provision for depreciation
- grants and donations, where the amount representing the value of such grant or donation is immediately credited to the " Loans Redeemed and Other Capital Receipts" account.

2.3 All net proceeds from the sale of fixed assets and insurance claims are credited to the Capital Development Fund.

2.4 Fixed Assets are financed from different sources, including external loans, operating income and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances. Interest on internal loans is charged at a 10% interest rate in the financial year following the purchase and is charged to the service concerned.

4) STOCK

Stock are measured at the lower of cost or net realisable value.

6) FUNDS AND RESERVES

5.1 Capital Development Fund

No contributions have been made to the fund.
This was done in anticipation of conversion to Grap / Gamap compliance.
Application has been made to the MEC for exemption.

5.2 RESERVES

Reserves are utilised for the specific purposes and contributions are made from the operating account.

Maintenance provision: Contributions are based on current year budgets as deemed necessary unless specifically deemed otherwise.

Bad debt provision: a provision for bad debt has been made to provide for envisaged irrecoverable consumers debtors and sundry debtors.

6) CREDITORS

Trust funds represents the balance of amounts received less expended for deceased employees and councillors.

Leave provision: Leave and pro-rata leave due to all employees is calculated as at the end of the financial year. The value thereof is based at current salary scales as at the end of the financial year.

7) SURPLUSES AND DEFICITS

Any surpluses or deficits arising from the operation of each service is transferred to the appropriation account

8) LEASED ASSETS

Fixed assets under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement.

Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of the lease finance utilised in each accounting period.

All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

9) INVESTMENTS

Investments are shown at original and are invested in accordance with chapter 3, Municipal Revenue, part 2 section 13 of the Municipal Finance Management Act 56 of 2003, except for Metropolitan Life Investment. Policies which are shown at Actual Surrender values. Investments are done in accordance with the Financial Regulations as approved.

10) INCOME RECOGNITION

10.1 Water and Sanitation Billing

Meters are read and billed monthly and income from water and sanitation sales is recognised on the date for such billing.

10.2 Levy Assessments

Although levy assessments has been abolished as from 1 July 2006 Council is still in the process of collecting outstanding assessment prior to the above mentioned date.

11) RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provident basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recorded through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

The following contributions are made by the municipality:

- The Netal Joint Municipal Pension Fund (Super Fund) 18% plus 6% surcharge = 24%
 - The Netal Joint Municipal Pension Fund (Retirement Fund) 13.65% plus 12.35% surcharge = 26%
 - The Netal Joint Municipal Pension Fund (Provident Fund) 9.75%
 - The Netal Joint Municipal Pension Fund (Provident Fund) 13.65%
 - The Netal Joint Municipal Pension Fund (Provident Fund) 18.00%
- Councillors and section 57 employees make the full contribution to the pension fund.

12) TREATMENT OF ADMINISTRATION AND OTHER OVER-HEAD EXPENSES

The cost of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1999).



VILLAGE OF EAST TROY
FINANCIAL STATEMENT

	2007/2008	2008/2007
	R	R
CAPITAL EMPLOYED		
FUNDS AND RESERVES		
Statutory Funds	17,530,832	16,993,853
Reserves	16,642,299	16,115,789
	898,533	844,884
ACCUMULATED DEFICIT	(82,834,256)	(24,416,294)
	(86,303,404)	(7,455,631)
LONG-TERM LIABILITIES	21,671,670	25,348,302
CONSUMER DEPOSITS: SERVICES	3,894,483	1,112,189
	<u>(39,697,952)</u>	<u>19,005,987</u>
EMPLOYMENT OF CAPITAL		
FIXED ASSETS	27,083,576	29,051,281
LONG-TERM DEBTORS	1,786,904	1,619,911
	28,869,579	30,671,192
	(69,648,131)	(11,995,325)
NET CURRENT LIABILITIES		
CURRENT ASSETS	61,303,087	66,418,707
Inventory	4,725,520	5,409,999
Short term Investments	9,165,726	9,810,005
Debtors	34,538,228	69,815,521
Net	830,372	-
Cash and cash equivalents	2,093,242	1,233,469
Short term portion of long-term debtors	-	129,889
	118,901,218	98,084,033
CURRENT LIABILITIES		
Net	-	1,108,400
Creditors	73,505,102	82,208,941
Unspent Grant Creditor	42,902,536	28,588,911
Short-term portion of Long-term Liabilities	3,483,590	3,373,399
Bank Overdraft	-	2,654,423
	<u>(39,697,952)</u>	<u>19,005,987</u>

MUNICIPAL MANAGER

CHIEF FINANCIAL OFFICER

[Signature]

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	2006	2007
	R	R
CASH GENERATED IN OPERATING ACTIVITIES	81,049,829	76,787,111
Cash (utilised) generated in operations	(243,514,606)	(164,108,966)
Investment Income	941,244	1,097,627
(Increase)/Decrease in working capital	60,844,774	(14,217,486)
Less : External Interest Paid	(3,377,313)	(3,502,965)
Cash (utilised) generated in operations	(185,106,901)	(180,731,780)
Operating grants received	193,246,567	185,006,984
Cash contributions from the public and the state	72,908,963	72,571,916
Net proceeds on disposal of fixed assets		
CASH GENERATED FROM INVESTING ACTIVITIES	(74,802,323)	(74,123,831)
Increase/ Decrease in Long Term Debtors	(7,300)	285,450
Investments In Fixed assets	(74,485,022)	(74,409,281)
NET CASH INFLOW	6,647,906	2,663,279
Cash effects of financing activities		
Decrease/ Increase in long-term borrowings	(3,487,411)	(1,877,194)
(Increase)/Decrease in cash investments	644,306	4,511,195
Decrease/ (Increase) in cash and cash equivalents	(3,694,205)	15,487,280
Net Cash (utilised)/ Generated	(6,647,906)	(2,663,279)

Note

UTRANKELA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
1 STATUTORY FUNDS		
Capital Development Fund	19,842,289	19,114,798
	<u>19,842,289</u>	<u>19,114,798</u>
(Refer to Appendix A for more details)		
2 RESERVES		
Maintenance Fund	898,553	944,894
	<u>898,553</u>	<u>944,894</u>
(Refer to Appendix A for more details)		
3 ACCUMULATED SURPLUS		
Appropriation account:	(24,416,284)	(26,136,657)
Accumulated Surplus (Deficit) at the beginning of the year	(63,855,056)	(66,097,128)
Operating Surplus(Deficit) for the year	5,437,104	12,285,670
Appropriations for the year	2,000,000	800,000
Transferred to deficit	5,671,235	(16,279)
Provision for VAT	(16,279)	-
Fixed asset incorrectly capitalised	1,074,443	-
Loan charges incorrectly processed in prior year	757,781	-
Loans incorrectly expensed in prior years	(4,050,056)	11,785,570
Prior year adjustment		
	<u>(62,854,236)</u>	<u>(54,418,284)</u>
Operating account	852,878	322,852
Capital Expenditure	400,000	332,579
Contributions to:	1,600,000	1,360,000
Lease Grants	2,000,000	1,882,578
Bad Debts		
	<u>4,852,878</u>	<u>4,548,009</u>
4 LONG-TERM LIABILITIES		
Annuity Loans: DSSA	23,974,646	27,314,576
Lease commitments	1,190,404	1,348,084
Sub-total	25,165,050	28,662,660
Less: Current portion transferred to current liabilities	3,489,880	3,313,388
Annuity Loans: DSSA	3,054,544	2,718,819
Lease commitments	438,035	594,569
	<u>3,493,579</u>	<u>3,313,388</u>
Total External Loans	<u>21,671,471</u>	<u>25,349,272</u>
Refer to Appendix B for more detail on long-term liabilities.		
Annuity Loans: DSSA		
Loans bear an interest rate between 10% and 15.25% per annum and are repayable over periods between five and twenty years. The annuity loans comprises of 9 loans approved by the Development Bank of South Africa amounting to R 36 511 976. Two of these loans amounting to R 82 720 were taken up by Oribinthena Local Municipality in respect of water infrastructure and were transferred to the District when the District took over the water function. The balance on the loans as at 30 June 2008 amounts to R 24 656 428.		
Lease commitments		
Leases consist of 20 vehicle which was financed externally through Absa Vehicle and Asset Finance and comprises of 7 Tata 181's purchased in 2005, 12 Isuzu 181's purchases in 2006 and a Mercedes C230 (Mayoral Vehicle) purchased in 2006. Interest is coupled to the prime lending rate. Outstanding leases amounts to R1 190 404 as at 30 June 2008.		
5 CONSUMER DEPOSITS		
Water and sanitation	3,994,183	1,112,196
Total Consumer Deposits	<u>3,994,183</u>	<u>1,112,196</u>



6 FIRED ASSETS

Fixed assets at the beginning of the year	697,119,028	618,633,081
Capital Expenditure during the year	74,495,422	74,403,281
Less: Assets written off, transferred or disposed of during the year	-	(1,925,329)
Adjustment previous year	-	-
Total Fixed Assets	771,614,450	691,110,033
Less: Loans Repaid and Other Capital Receipts	<u>738,520,386</u>	<u>682,867,798</u>
Net Fixed Assets	37,094,064	28,642,281

(Refer to Appendix C and Section 3 of the Executive Director Finance's Report for more details on fixed assets.)

7 SHORT TERM INVESTMENTS

Financial Instruments

Fixed Deposits	785,728	698,218
Metropolitan Life investment policies	<u>8,400,000</u>	<u>9,111,817</u>
	9,185,728	9,810,035
Managements Valuations of investments	<u>9,985,728</u>	<u>9,810,035</u>
Average Rate of Return on Investments	7.89%	8.69%

Funds are invested according to section 13 of the Municipal Finance Management Act 56 of 2003

The Metropolitan Life Investment Policies amounting to R9 092 931 are coded to ABSA Bank as security for Bank Overdraft Facility

8 LONG-TERM RECEIVABLES

Deposits	1,171,819	1,468,519
Car loans	<u>685,095</u>	<u>585,095</u>
	1,756,914	1,729,604
Less: Current portion transferred to current receivables	0	129,683
Deposits	0	0
Car loans	0	129,683
Total	1,756,914	1,699,921

DEPOSITS
perpet stations

CAR LOANS
Senior staff were entitled to car loans which attract interest at 8.5% per annum and which are repayable over a minimum period of 6 years. These loans are repayable in the year 2018. These loans are no longer available to municipal officials

9 INVENTORY

Consumable (Promotional items) - at cost	6,973	10,134
Maintenance materials - Stock taken over from Local Municipalities at market value as at 30 June 2003 and stock purchased thereafter at cost	3,853,224	5,094,088
Water stock - at cost	0	0
Chemicals at Purification Plants at cost	<u>616,671</u>	<u>315,176</u>
Total Inventory	4,476,868	5,429,398



10 DEBTORS

Unreconciled Stock at Year End	90,418	288,014
Metropolitan Life Investments	5,268,717	5,268,717
Sundry Debtors	11,014,550	9,109,416
Advances	0	533,100
Metropolitan Life - Interest	0	38,319
Outstanding deposits at Year End (Primary Bank Account)	112,845	0
Outstanding deposits at Year End (Walter Bank Account)	875,525	0
Consumers & Others	129,368,406	91,751,746
Outstanding deposits	2,381,924	6,089,635
Amount paid in advance	197,281	52,526
	149,279,665	143,100,470
	(114,741,437)	(43,284,949)
Less: Provision for doubtful debts	34,538,228	89,815,521

11 CREDITORS

Trade creditors	7,869,083	20,377,806
Trust Funds	2,144,237	1,572,815
Retentions	5,784,746	5,785,761
Small loans	8,168,899	6,494,241
Sundry Creditors - DWAF provision for water purchases	5,281,457	1,061,217
- Endowment Loan EX Unithold	8,000	7,240
- Unidentified receipts at Year End	2,015,705	390,046
- Payments transfer from leases to water	81,445	104,577
- Unclaimed Salaries / Wages	128,713	141,324
- Outstanding cheques at Year End	31,782,624	24,258,261
- Sundry Creditors (Sundry Debtors)	1,269,703	0
- Sundry Creditors (Consumer Debtors)	3,081,363	0
- Sundry Creditors (DBSA)	881,583	0
Other creditors	4,869,339	1,977,851
	73,905,102	82,208,941

12 UNREPEATED CONDITIONAL GRANTS AND RECEIPTS

MIG Grants	3,485,102	868,314
DWAF	28,434,189	14,562,232
KZN Projects	11,692,821	11,180,718
Sport and Recreation	621,189	719,647
Disaster Management	649,275	1,300,000

Total Conditional Grants and Receipts
See Note 33 for reconciliation of grants from other spheres of government.

13 VAT	42,902,336	28,598,911
VAT (payable)/receivable	830,372	(1,108,490)
SAES		

14 BANK CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts:

Current Account (Primary Bank Account)

ABSA Bank - Ladysmith; Account Number 4032800059

Bank balance at beginning of year - overdraft
Bank balance at end of year

2,654,422	(6,177,609)
<u>1,056,882</u>	<u>(2,854,422)</u>

Current Account (Other Account)

ABSA Bank - Ladysmith; Account Number 4032500056

Bank balance at beginning of year - overdraft
Bank balance at end of year

1,263,739	(1,097,864)
<u>1,028,872</u>	<u>1,349,739</u>

Current Account (CONPAC Account)

ABSA Bank - Ladysmith; Account Number 4032863012

Cash book balance at beginning of year
Cash book balance at end of year

-	189,491
<u>-</u>	<u>-</u>

Bank statement balance at beginning of year
Bank statement balance at end of year

-	189,016
<u>-</u>	<u>-</u>

Cash flows

7,700	7,700
-------	-------

TOTAL (OVERDRAFT) BALANCE

<u>2,093,242</u>	<u>(1,698,963)</u>
------------------	--------------------

15 SERVICE CHARGESSale of water
Sewerage and sanitation charges
Total Service Charges

53,895,071	40,489,532
12,082,924	11,634,489
<u>65,977,992</u>	<u>52,124,020</u>

16 GOVERNMENT GRANTS AND SUBSIDIES RECEIVEDEquitable share
MIG Grant
Dwarf
KZN Projects
Sport and Recreation
Disaster Management
Free basic services grant
Total Government Grant and Subsidies received

104,896,761	87,241,763
76,193,405	76,045,818
5,172,474	4,129,800
2,300,485	4,703,567
988,479	600,000
1,650,479	1,300,000
<u>191,159,083</u>	<u>103,000</u>

17 OTHER INCOMEOther income
Total Other Income

11,322,971	7,287,310
<u>11,322,971</u>	<u>7,287,310</u>

18 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages
 Employee related costs - Contributions for UIF, pensions and medical aids
 Travel, motor car, accommodation, subsistence and other allowances
 Housing benefits and allowances
 Overtime payments
 Bonuses
 Long-service awards
 Total Employee Related Costs

37 729 538	36 326 848
7 806 124	6 008 384
4 389 888	3 026 217
820 714	413 475
5 680 420	4 494 040
3 023 724	2 570 272
184 613	91 473
<u>59 515 421</u>	<u>53 918 708</u>

Remuneration of the Municipal Manager
 Annual Remuneration
 Performance Bonuses
 Car Allowance
 Contributions to UIF, Medical and Pension Funds
 Total

686 476	692 328
131 182	123 302
200 156	188 097
37 072	38 779
<u>1 053 886</u>	<u>1 042 506</u>

Remuneration of the Chief Finance Officer
 Annual Remuneration
 Performance Bonuses
 Car Allowance
 Total

590 013	546 128
94 788	91 467
93 559	87 592
<u>778 340</u>	<u>724 987</u>

Remuneration of Individual Executive Directors

	Technical Services	Community Services	Health Services	Water Services
20 June 2007				
Annual Remuneration	441 586	464 806	484 124	478 781
Performance Bonuses	90 519	30 473	90 519	93 185
Car Allowance	196 076	127 692	172 698	180 184
Medical and pension funds	3 868	44 114	-	18 403
<u>Total</u>	<u>731 109</u>	<u>666 085</u>	<u>727 041</u>	<u>768 553</u>

30 June 2007
 Annual Remuneration
 Performance Bonuses
 Car Allowance
 Medical and pension funds
 Total

415 026	143 913	486 720	426 219	446 827
86 462	-	62 763	70 261	89 000
183 344	40 000	-	162 161	143 789
-	14 031	-	-	19 695
<u>684 832</u>	<u>187 944</u>	<u>549 483</u>	<u>658 731</u>	<u>699 311</u>

19 REMUNERATION OF COUNCILLORS

Mayor
 Deputy Mayor
 Speaker
 Executive Committee Members
 TLC Attendance fees
 Councillors
 Total Councillor Remuneration

308 919	348 531
403 806	368 117
402 562	374 448
628 749	481 049
0	900
<u>1 389 036</u>	<u>1 409 177</u>
<u>3 191 028</u>	<u>2 982 822</u>

In-kind Benefits

The Mayor, Deputy Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor has use of a Council owned vehicle for official duties.
 The Mayor has 2 full-time bodyguards.



20 BULK PURCHASES

Water
Total Bulk Purchases

2,389,985	861,867
<u>2,389,985</u>	<u>861,867</u>

21 FINANCE TRANSACTION

Total external interest earned or paid:

Interest earned	941,244	1,097,627
Interest paid	<u>3,377,313</u>	<u>3,502,985</u>

22 CASH GENERATED(UTILISED) BY OPERATIONS

Surplus/(Deficit) for the year
Adjustments in respect of:
Previous year's operating transactions

483,858,886	(895,097)
5,437,104	12,585,870

Appropriations charged against income:

- Capital development Fund
- Reserves
- Provisions
- Capital Outlay

2,432,208	1,698,892
-	-
1,600,000	1,350,000
852,908	340,052

Capital Charges

4,184,488	3,383,275
-----------	-----------

- * Interest paid
- To internal funds
- On external Loans

3,587,787	3,888,844
228,474	365,579
3,377,313	3,502,985

- * Redemption
- Of internal advances
- Of external Loans

4,508,982	4,484,731
586,347	578,743
3,927,341	3,915,988

Loss on disposal of fixed assets
Investment income charged to operating account

(591,539)	(895,982)
-----------	-----------

Non operating income

- Credited to funds provisions and reserves
- From grants

(185,248,987)	(188,086,284)
(189,248,987)	(188,008,984)

Non operating expenditure

- Expenditure charged against Statutory Funds
- Expenditure charged against Officer Reserves
- Expenditure charged against Trust Funds

-	-
-	-

Non cash flow adjustment

(4,818,828)	(4,408,282)
<u>(282,514,808)</u>	<u>(284,408,282)</u>

23 CASH UTILISED TO (INCREASE) DECREASE WORKING CAPITAL

(Increase)/Decrease in Stores
(Increase) in Debtors
Increase/(Decrease) in creditors

884,478	(1,872,983)
32,548,922	(21,884,823)
27,313,372	8,590,300

Amount To Cashflow Statement

68,244,774	(14,277,484)
------------	--------------

24 (DECREASE) INCREASE IN LONG TERM BORROWINGS

- Loans raised
- Loans repaid

439,800	2,226,784
(3,837,341)	(3,915,988)

Amount To Cashflow Statement

(3,397,541)	(1,689,204)
-------------	-------------



25 FINANCE DISBURSEMENTS IN CASH INVESTMENTS		
- Investments realised	1,200,895	5,947,077
- Investments made	(568,829)	(835,882)
Amount To Cashflow Statement	<u>632,066</u>	<u>4,911,195</u>

26 UNAUTHORISED, UNREGULAR, FUTILESS AND WASTEFUL EXPENDITURE

26.1 Futiles and wasteful expenditure		
Reconciliation of futiles and wasteful expenditure		
Opening balance	20,546	20,546
Futiles and wasteful expenditure current year	326,190	-
Condoned or written off by Council	-	-
To be recovered - contingent asset	-	-
Futiles and wasteful expenditure awaiting condonement	<u>376,736</u>	<u>20,546</u>

Esikom accounts are paid in bulk on a monthly basis via EFT. The Invoices have different due dates therefore penalty interest is raised on some for late payment (R 20 546). Management is currently negotiating with Esikom to have the same due date for all invoices. The Department Of Water Affairs And Forestry has raised interest on the City's accounts for non payment of raw water purchases (R 352 546). Management is in the process of reconciling the account and negotiate with DWAF regarding the write off of this interest raised. Corpus Supplies instigated legal action against the Council for the late payment of outstanding invoices. Legal costs amounted to R 752 and interest to R 2 880.

27 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

27.1 AUDIT FEES		
Opening balance	850,000	795,992
Current year audit fee	500,000	890,000
Amount paid - current year	-	-
Amount paid - previous years	(794,879)	(795,992)
Balance unpaid (included in creditors)	<u>555,121</u>	<u>889,000</u>

The balance unpaid represents the audit fee for the 2007/2008 annual audit

27.2 VAT

VAT inputs receivables and VAT outputs receivables are shown in note 13. All VAT returns have been submitted by the due date throughout the year.

27.3 PAYE AND LEVY		
Opening balance	536,464	413,900
Current year payroll deductions	9,047,258	7,845,838
Amount paid - current year	(8,328,983)	(7,140,363)
Amount paid - previous years	(305,484)	(413,900)
Balance unpaid (included in creditors)	<u>778,671</u>	<u>309,464</u>

27.4 Pension and Medical Aid Deductions

Opening balance	828,141	703,828
Current year payroll deductions and Council Contributions	10,174,108	8,463,339
Amount paid - current year	(10,174,108)	(7,827,238)
Amount paid - previous years	(828,141)	(703,828)
Balance unpaid (included in creditors)	<u>0</u>	<u>828,141</u>

28 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure Approved but not contracted for

44,237,231
44,237,231

28,998,911
28,998,911

The expenditure will be financed from:

- External Sources
- MSIG
- Grants - KZN
- Grants - MFG
- Comm. Based Public Works programme
- Department of Land Affairs
- Department of Water Affairs
- DELS - Drought Relief
- Social grant project
- Development planning
- Sports and Recreation

42,402,236	28,998,911
699,276	1,280,753
10,364,064	9,094,111
3,485,102	829,314
72,754	72,754
1,237,090	1,178,308
28,454,189	14,582,232
12,808	12,808
18,122	868,883
821,189	18,122

29 RETIREMENT BENEFIT INFORMATION:

Personnel and Councilors are members of the Natal Joint Municipal Pension Fund and the Municipal Councilors Pension fund. The last actuarial valuation was done on 31 March 2008. A surcharge to fund the shortfall is levied every month.

30 CONTINGENT LIABILITY

30.1 M. Middleware

The official resigned and did not serve his notice period. When the municipality made its final payment to the official, a deduction was made from his salary for the days not worked. The official is claiming payment for these days.

800,000
800,000

30.2 D. Keselidu

20,000
20,000

A fire hydrant manhole cover was removed from the road. The claimant damaged his motor cycle when he drove over the exposed fire hydrant. Both the Environmental/Landscape Local municipality and Uthukela District Municipality have being summoned to identify which is municipality is liable.

500,000
500,000

30.3 Unfinished

Unfinished crisis committee has taken the municipality to the high court disputing the water tariffs.

91,158
91,158

30.4 L. Ruygenh

The municipality had disconnected the water supply to a school for non-payment however the claimant maintained the account was paid in full. The claimant is suing the council for illegal disconnection.

80,000
0

30.5 Aon South Africa (Pty) Ltd

Aon lodged an appeal against the tender process and procurement of the appointment of Inche Risk Services as the brokers for Council's insurance portfolio.

15,000
0

30.6 Tshoni

Tshoni lodged a claim against Council for damages caused to Telkom cables in Main Road C Section. Esophent during repairs done to burst water pipes.

19,000
0

30.7 Telkom

Telkom lodged a claim against Council for damages caused to Telkom cables in Pandy Street Ladysmith during repairs done to burst water pipes.

150,000
150,000

30.8 M.E. Ndlovu

A child had been injured whilst playing on a whirlpool in the Thase Area. The claimant is suing the council for injuries sustained. A settlement of R 150 000, agreed between the insurance company and the municipal lawyers, has been offered as settlement.

31 CONSOLIDATED LOANS FUND

External Loans (See Appendix B)
Internal Investments
Creditors

Loans
Deferred Charges
External Investments
Debtors
Temporary Advances

(Refer to Appendix B for more details)

Net expenditure charges to borrowing services at an average rate of 0.05%
Interest paid on external loans
Interest paid on Internal Investments
Deferred charges written off
Amortisation charges

Less Interest Earned on external investments

32 CAPITAL DEVELOPMENT FUND

Outstanding advances to borrowing services

Accumulated Fund
Less: Internal Investments in Consolidated loans
Funds

(See Appendices A and B for more details)

33 GOVERNMENT GRANTS
Disclosure on expenditure of allocations received from organs of state

DESCRIPTION	BALANCE : ALLOCATI GRANTS 30/09/07	2007/2008	2007/2008	EXPENDITURE 2007/2008	BALANCE 30/09/2008
MISG - PHS	8,595	0	0	0	8,595
MISG - PIMMS	666,139	0	1,000,000	1,294,281	571,847
DEVELOPMENT PLANNING	16,122	0	0	0	16,122
DWAF WATER CONSERVATION	1,794,742	0	0	1,444,262	350,480
DWAF GRANT	420,000	0	0	0	420,000
DWAF - IEC	367,457	0	0	0	367,457
DWAF - DROUGHT RELIEF	(15,141)	15,141	0	0	0
DWAF - WATER SERVICES DEV. PLAN	12,733	0	0	0	12,733
DWAF - EX 0304	2,063,845	(15,141)	0	2,048,704	14,200,524
DWAF - WORKS REFINISH GRANT	7,605,162	0	8,511,000	1,825,838	5,779,324
DWAF - MAVALA SANITATION	337,729	0	0	0	337,729
DWAF - ST CHADS	25,436	0	0	25,436	0
DWAF - BLUE BANK	2,387	0	0	0	2,387
DWAF - BAYDASGRABAL	2,349	0	0	0	2,349
DWAF - TATAMIE / MOEDANDA	10,981	0	0	10,981	0
DWAF - LANGKLOOF PROJECT	6,108	0	0	6,108	(0)
DWAF - BETANY	9,228	0	0	9,228	(0)
DWAF - GREENPORT	11,206	0	0	0	11,206
DWAF - ROOKDALE	440,512	0	0	440,512	(0)
DWAF - ZWELISHA / ORANG	9,457	0	0	9,457	(0)
DWAF - NTEZAME	31,585	0	0	0	31,585
DWAF - DSANHLIMBE / ENKASENI	205,519	0	0	205,519	(0)
DWAF - STANFORD / VAALDOP	10,827	0	0	0	(0)
DWAF - HWEBEDE	37,611	0	0	37,611	0
DWAF - DROUGHT RELIEF	0	0	3,295,200	256,254	3,000,546

25,846,842	28,692,690
0	0
0	0
25,846,842	28,692,690
0	0
0	0
25,846,842	28,692,690
0	0
0	0
3,377,313	3,302,965
0	0
0	0
0	0
3,377,313	3,302,965
(1941,244)	(1852,473)
2,436,069	2,640,487
16,642,289	16,115,789
(14,713,814)	(13,911,223)
1,928,425	2,204,546

33 GOVERNMENT GRANTS (continue)
 Disclosure on expenditure of allocations received from organs of state

DESCRIPTION	BALANCE	ALLOCATI	GRANTS	EXPENDITURE	BALANCE
	2006/07	2007/2008	2007/2008	2007/2008	2006/2008
DWAF - ROOSBOOM	1,184,489	0	0	0	1,184,489
DWAF - RAIN WATER HARVESTING	0	0	3,000,000	0	3,000,000
DWAF - FEASIBILITY STUDY	0	0	600,000	0	600,000
DWAF - ASSET MANAGEMENT	0	0	814,000	0	814,000
K2N - TRANSFORMATION	377,921	0	0	0	377,921
K2N - MULTIPURPOSE VEHICLE	13,512	0	0	0	13,512
UTYAL SPORTS FIELDS	4,584	0	0	0	4,584
GIS CAPACITY BUILDING	8,740	0	0	0	8,740
K2N - CURRENT PUBLIC TRANSPORT	53,255	0	0	0	53,255
MSIG - DISASTER MANG. FRAMEWORK	300,288	0	0	0	300,288
MSMS - TOURISM PROJECTS	14,731	0	0	0	14,731
MSMG - DMA IDP 2002/2003	30,000	0	0	0	30,000
SPECIAL DEVELOPMENT FRAMEWORK	40,000	0	0	0	40,000
DISASTER MANAGEMENT AREA	50,000	0	0	0	50,000
KWADUKUZA RURAL SERVICES	18,000	0	0	0	18,000
CEMETERY STUDY	1,794	0	0	0	1,794
INCORP. LAND REFORM PLAN	2,800	0	0	0	2,800
K2N - ST GRADS EMERGENCY	5,881	0	0	0	5,881
K2N - GIS GRANT	2,104	0	0	0	2,104
K2N - CHANGE MANAGEMENT	82,855	0	0	0	82,855
K2N - SECURETIAL W/F	50,000	0	0	0	50,000
K2N - IMMEDIATE SUPPORT	15,208	0	0	0	15,208
K2N - DUKUZA UPGRADE	16,729	0	0	0	16,729
K2N - TOURISM	22,421	0	0	0	22,421
K2N - DEVELOP GIS	78,448	0	0	0	78,448
K2N - SPORTS & REC NEWSTAND	0	0	800,000	0	800,000
K2N - INTEGRATED TRANSPORT PLAN	0	0	200,000	0	200,000
DOT PUBLIC TRANSPORT PLAN	90,803	0	0	0	90,803
K2N - CAPACITY BUILDING	120,000	0	0	0	120,000
SPORTS & REC DRIEFOEIN	158,063	0	0	0	158,063
K2N - DIMAS 2005/2008	358,000	0	0	0	358,000
K2N - PERFORMANCE MANAGEMENT	4,001	0	0	0	4,001
K2N - IDP SUPPORT 2005/2008	31,874	0	0	0	31,874
K2N - GRANT GIJIMA	0	0	0	0	0
WATER SERVICES DEV. PLAN	0	0	1,000,000	0	1,000,000
TUGELA ESTATE FISH PROJECT	0	0	220,550	0	220,550
REGIONAL ECONOMIC DEVELOPMENT	0	0	300,000	0	300,000
PROMOTION OF SPORT	0	0	0	0	0
S 78 ASSESSMENT	0	700,000	0	0	700,000
BACKLOG STUDY	0	250,000	0	0	250,000
W S O P	0	50,000	0	0	50,000
CURRENT PUBLIC TRANSPORT	37,888	0	0	0	37,888
K2N - M.A.P. FUNDING	37,303	0	0	0	37,303
SPORTS & REC KANDAHAR FIELDS	47,183	0	0	0	47,183
SPORTS & REC KANDAHAR FIELDS	9,318	0	0	0	9,318
FINANCIAL MANAGEMENT GRANT	143,375	0	0	0	143,375
DPLG DROUGHT GRANT	885,406	0	500,000	0	385,406
SPORTS & REC UMHLUMAYO	12,803	0	0	0	12,803
SPORTS & REC NYABANIKOPE	24,880	0	0	0	24,880
DIMS GRANT FUNDING	31,550	0	0	0	31,550
K2N - ASSESSMENT WATER	180,173	0	0	0	180,173
K2N - DISTRICT MANAGEMENT	231,000	0	0	0	231,000
K2N - ASSESSMENT WATER	281,000	0	0	0	281,000
K2N - ASSESSMENT OF WATER	141,288	0	0	0	141,288
K2N - INF TECH & SCIES	500,000	0	0	0	500,000
ENVIRONMENTAL YOUTH	405,160	0	0	0	405,160
K2N DEVELOP INFORATION SYSTEM	180,000	0	0	0	180,000
K2N - TECHNICAL SUPPORT & INFRASTR	0	740,000	0	0	740,000
K2N SHARED SERVICES SENITRES	1,000,000	0	0	0	1,000,000
K2N - ENERGY SECTOR PLAN	880,000	0	0	0	880,000
K2N - CIVIL PROTECTION	0	200,000	0	0	200,000
INSTITUTIONAL SUPPORT & CAPACITY BUI	25,879	0	0	0	25,879
K2N GRANT DEPARTMENT OF SPORT	288,281	0	0	0	288,281
K2N - WATER SERVICE DELIVERY GRANS	388,000	0	0	0	388,000
LAND REFORM GIJIMA	35,359	0	0	0	35,359
	14,454	0	0	0	14,454

33 GOVERNMENT GRANTS (continued)

Disclosure on expenditure of allocations received from organs of state

DESCRIPTION	BALANCE 30/06/17	RE ALLOCATED 20/7/2018	GRANTS 20/7/2018	EXPENDITURE 20/7/2018	BALANCE 30/06/2018
LED PROJECTS G.I.M	85,256	0	0	81,472	3,783
ARTS & CRAFT G.I.M	107,483	0	214,932	327,162	7829
NON PARSITICULTURE GRANT	2,980,000	(2,980,000)	0	0	0
NON DEBILITATION INFORMATION SYSTEM	50,000	0	0	0	50,000
NON MANOEUVRE PERFORMANCE IMPROVANCE	50,000	0	0	0	50,000
NON IDP S. PROET	50,000	0	0	0	50,000
NON IMPACTY BUILDING WATER STAFF	50,000	0	0	118,000	482,000
NON VASA INSTITUTIONAL SUPPORT	12,281	0	0	0	12,281
NON DISASTER MANAGEMENT	700,000	0	0	165,731	534,268
SOCIAL PILOT PROJECTS	885,890	0	0	0	885,890
NON SOCIAL EMERGENCE	69,535	0	0	0	69,535
LOCAL GOVERNMENT SETA GRANT	198,103	0	0	0	198,103
LOSETIA GRANT - TRAINING	0	0	624,059	197,905	426,154
DWAF EX 090X	0	0	0	0	0
M3	888,314	0	77,728,123	75,111,325	3,495,102
D.L.A	1,178,308	0	60,771	0	1,239,079
GRANP	72,754	0	0	0	72,754
	<u>28,538,971</u>	<u>0</u>	<u>38,644,265</u>	<u>84,340,671</u>	<u>42,902,534</u>

¹A Refer note 12 Unspent Conditional Grants Tending R42 902 536

34 EVENTS AFTER REPORTING DATE

No post balance sheet events that will influence the financial performance of the council for the 2017/2018 financial year.

35 COMPARISON WITH THE BUDGET

The comparison with the Municipality's actual financial performance with their budget is set out in Annexure D and E

36 CAPITAL CONTRIBUTIONS FROM PUBLIC AND STATE

The capital contributions from public and state is R72 413 464 financed by M.G in respect to water and sanitation infrastructure and R625 469 financed by Muziqal Systems Improvement grant in respect of office furniture and equipment.
Refer Appendix C

Balance at 2007/09/30	Contributions during the Year	(Interest) on Investments	Other Income	Expenditure during the Year	Balance at 2008/06/30
16,115,769	-	528,530	-	-	16,642,299
844,884	-	43,649	-	-	888,533
16,115,769	-	528,530	-	-	16,642,299
844,884	-	43,649	-	-	888,533
16,960,653	-	570,179	-	-	17,530,832

ACCUMULATED FUNDS
CAPITAL DEVELOPMENT FUNDS
 Considered Capital Development Funds

RESERVES
 Maintenance Fund

Appendix A

INTERNAL ADVANCES TO BORROWING SERV.					
Reversed, within off during the Year	Interest accrued	Received during the Year	Balance 2007/06/30	Balance during the Year	Balance 2008/06/30
				2,204,546	2,204,546
	-	293,220	293,220	2,204,546	1,928,425
	-				1,928,425

EXTERNAL LOANS					
Reversed, within off during the Year	Interest accrued	Received during the Year	Balance 2007/06/30	Balance during the Year	Balance 2008/06/30
				1,348,084	1,190,404
	19,880	-	420,050	27,314,577	23,974,845
				28,662,661	26,166,250
	3,937,341	19,880	420,050	27,314,577	23,974,845



MANAGEMENT EXPENSES						
Expected 2009R	GENERAL SERVICES	Budget 2009D	Balance 2009M	Expected 2009M	YTD Actual 2009M	Balance 2009M
7403201	GENERAL SERVICES	20950	69118908	7465922	-	76594081
7403201	Removal Support Services	190000	2708902	98165	-	2436224
32204	Cheer Liner & Equipment	-	462903	59146	-	512024
211694	Road Water Sales	-	729990	-	-	729990
110347	Part and Equipment	-	33908	-	-	33908
	Vehicle	-	264422	40000	-	304422
	Land and Buildings	-	156462	-	-	156462
	Buildout Water mains	-	512189	-	-	512189
	Rebar and Equipment	-	7180	-	-	7180
	Fielding Equipment	-	137725	-	-	137725
	Traffic Light	-	2905	-	-	2905
	Rebar and Hardware	-	378908	-	-	378908
7403200	Dated Water and Sanitation Services	10600	8940800	7355897	-	7939897
-	Chem Liner & Equipment	-	152160	-	-	152160
729504	MGandDWAF Water	-	258900	323449	-	2817289
-	MGandDWAF Sanitation	-	3448467	4071998	-	7169408
148108	Misc Vehicles	-	243404	30689	-	273403
41165	Rebars	-	390	-	-	390
	Part and Equipment	-	30292	4780	-	34072
	Water Hardware	-	804697	9880	-	804697
	Sanitation Hardware	-	2203000	-	-	2203000
	Pumps	-	-	70384	-	70384
7403201	TOTAL REVENUES	210800	69118908	7465922	-	76594081
7103999	LESS: LOANS RECEIVED AND OTHER CAPITAL RECEIPTS	-	89128278	7629999	108449	7859998
133588	Loans Returned	-	498108	114707	-	611079
34002	Contributors from Court Home	-	492234	82508	108449	472089
725796	Gates and Shades	-	6748170	7293999	-	7037873
-	Orphania (NPA Court Home)	-	21124	-	-	21124
318148	DSS/Kennelwood	-	2894724	338980	-	2894038
0	Pomona Insurance Co. Inc	-	7602	-	-	7602
0	Bank of America	-	1225	-	-	1225
228749	NET REVENUES	-	2979282	8373920	108449	2799985

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEARS ENDED 30 JUNE 2007 AND 30 JUNE 2008

	Actual 2007 R	Actual 2008 R	Budget 2008 R
(244,632,294) INCOME		(270,497,530)	(301,021,790)
- Levy income	(185,006,984)	(193,246,567)	(229,422,525)
- Grants and Subsidies	(52,328,000)	(65,927,992)	(66,405,400)
- Water and Sanitation Sales	(7,297,310)	(11,322,971)	(5,193,865)
- Other income	-	-	-
245,497,391 GROSS EXPENDITURE		334,352,586	301,021,790
- Salaries, Wages and Allowances	61,409,895	67,203,443	72,807,785
- General Expenses	55,392,407	62,918,033	64,766,782
- Repairs and Maintenance	9,246,051	14,820,052	13,308,920
- Capital Charges	7,101,438	6,977,129	8,404,146
- Contribution to Fixed Assets	322,853	852,908	200,600
- Contributions	7,741,296	73,711,321	5,600,000
- Capital Projects	104,283,451	107,869,700	135,933,557
245,497,391 NET EXPENDITURE		334,352,586	301,021,790

2007/2008	2007/2008	2008/2007	2008/2007	2008/2007	2008/2007	2008/2007	2008/2007
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Surplus	Surplus	Surplus	Surplus	Surplus	Surplus	Surplus	Surplus
(Lain)	(Lain)	(Lain)	(Lain)	(Lain)	(Lain)	(Lain)	(Lain)
3,027,988	3,919,796	147,739	147,739	67,683,909	67,683,909	102,729,729	102,729,729
2,887,062	802,147,091	2,724,509	2,724,509	9,082,593	9,082,593	9,082,593	9,082,593
(9,983,388)	(2,724,509)	(2,724,509)	(2,724,509)	(18,600,584)	(18,600,584)	(1,069,142)	(1,069,142)
(1,883,227)	(1,069,142)	319,256	319,256	(2,387,725)	(2,387,725)	(528,618)	(528,618)
(2,724,509)	(2,387,725)	2,387,725	2,387,725	7,000,800	7,000,800	1,212,199	1,212,199
(1,883,227)	(1,212,199)	409,915	409,915	1,480,915	1,480,915	(885,893)	(885,893)
(1,883,227)	(885,893)	885,893	885,893	2,373,865	2,373,865	(2,373,865)	(2,373,865)
(1,883,227)	(2,373,865)	3,814,667	3,814,667	(17,889,700)	(17,889,700)	(23,529,087)	(23,529,087)
(1,883,227)	(23,529,087)	(4,393,000)	(4,393,000)	(18,182,700)	(18,182,700)	(18,182,700)	(18,182,700)
2008/2007	2008/2007	2008/2007	2008/2007	2008/2007	2008/2007	2008/2007	2008/2007
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Surplus	Surplus	Surplus	Surplus	Surplus	Surplus	Surplus	Surplus
(Lain)	(Lain)	(Lain)	(Lain)	(Lain)	(Lain)	(Lain)	(Lain)
6,360,070	5,372,640	313,726	313,726	11,960,839	11,960,839	1,838,317	1,838,317
(7,528,657)	(7,528,657)	(7,528,657)	(7,528,657)	(11,960,839)	(11,960,839)	(278,183)	(278,183)
(1,168,587)	(1,168,587)	(1,168,587)	(1,168,587)	(2,578,022)	(2,578,022)	(216,470)	(216,470)
(1,168,587)	(2,578,022)	254,400	254,400	(728,804)	(728,804)	1,183,879	1,183,879
(1,168,587)	(1,183,879)	382,471	382,471	(382,471)	(382,471)	(860,690)	(860,690)
(1,168,587)	(860,690)	1,648,976	1,648,976	(1,648,976)	(1,648,976)	(1,168,587)	(1,168,587)
(1,168,587)	(1,168,587)	3,104,136	3,104,136	(13,134,136)	(13,134,136)	104,263,452	104,263,452
(1,168,587)	104,263,452	94,126,738	94,126,738	(11,166,714)	(11,166,714)	(11,166,714)	(11,166,714)
Resources Support Services	Resources Support Services	Resources Support Services	Resources Support Services	Resources Support Services	Resources Support Services	Resources Support Services	Resources Support Services
Council	Council	Council	Council	Council	Council	Council	Council
Municipal Manager's Office	Municipal Manager's Office	Municipal Manager's Office	Municipal Manager's Office	Municipal Manager's Office	Municipal Manager's Office	Municipal Manager's Office	Municipal Manager's Office
Corporate Services	Corporate Services	Corporate Services	Corporate Services	Corporate Services	Corporate Services	Corporate Services	Corporate Services
Finance	Finance	Finance	Finance	Finance	Finance	Finance	Finance
Lay Cadeau	Lay Cadeau	Lay Cadeau	Lay Cadeau	Lay Cadeau	Lay Cadeau	Lay Cadeau	Lay Cadeau
Technical Regional, GS, Projed	Technical Regional, GS, Projed	Technical Regional, GS, Projed	Technical Regional, GS, Projed	Technical Regional, GS, Projed	Technical Regional, GS, Projed	Technical Regional, GS, Projed	Technical Regional, GS, Projed
Finance stores	Finance stores	Finance stores	Finance stores	Finance stores	Finance stores	Finance stores	Finance stores
Social Economic Services	Social Economic Services	Social Economic Services	Social Economic Services	Social Economic Services	Social Economic Services	Social Economic Services	Social Economic Services
Laboratory	Laboratory	Laboratory	Laboratory	Laboratory	Laboratory	Laboratory	Laboratory
Domestic Roads Dept	Domestic Roads Dept	Domestic Roads Dept	Domestic Roads Dept	Domestic Roads Dept	Domestic Roads Dept	Domestic Roads Dept	Domestic Roads Dept
Saatchi-Clubs	Saatchi-Clubs	Saatchi-Clubs	Saatchi-Clubs	Saatchi-Clubs	Saatchi-Clubs	Saatchi-Clubs	Saatchi-Clubs
Corporate Social Services	Corporate Social Services	Corporate Social Services	Corporate Social Services	Corporate Social Services	Corporate Social Services	Corporate Social Services	Corporate Social Services
Kouram	Kouram	Kouram	Kouram	Kouram	Kouram	Kouram	Kouram
Techn Henry et J	Techn Henry et J	Techn Henry et J	Techn Henry et J	Techn Henry et J	Techn Henry et J	Techn Henry et J	Techn Henry et J
Technical Local Government Support	Technical Local Government Support	Technical Local Government Support	Technical Local Government Support	Technical Local Government Support	Technical Local Government Support	Technical Local Government Support	Technical Local Government Support
Water Services Authority	Water Services Authority	Water Services Authority	Water Services Authority	Water Services Authority	Water Services Authority	Water Services Authority	Water Services Authority
M&E Purpose-Community centres	M&E Purpose-Community centres	M&E Purpose-Community centres	M&E Purpose-Community centres	M&E Purpose-Community centres	M&E Purpose-Community centres	M&E Purpose-Community centres	M&E Purpose-Community centres
Municipal health services	Municipal health services	Municipal health services	Municipal health services	Municipal health services	Municipal health services	Municipal health services	Municipal health services
Special Projects	Special Projects	Special Projects	Special Projects	Special Projects	Special Projects	Special Projects	Special Projects

The amount of R 87 885 908 reflected under Council Income is made up of R 87 825 262 from Grants received and R 60 247 from salary income.

TRADING SERVICES		WATER & SANITATION SERVICES		WATER & SANITATION SERVICES		GRANTS		SALARY INCOME		LEASING INCOME		TRADING INCOME		TOTAL	
62,241,505	62,241,505	15,225,167	15,225,167	42,307,538	42,307,538	91,810	91,810	25,890,562	25,890,562	10,697,005	10,697,005	167,774,852	167,774,852	334,352,586	334,352,586
85,246,420	85,246,420	81,810	81,810	81,810	81,810	81,810	81,810	81,810	81,810	81,810	81,810	81,810	81,810	81,810	81,810
246,437,391	246,437,391	(886,087)	(886,087)	12,582,970	12,582,970	14,720,573	14,720,573	36,136,857	36,136,857	(24,416,284)	(24,416,284)	(82,834,238)	(82,834,238)	270,487,500	270,487,500
246,437,391	246,437,391	(886,087)	(886,087)	12,582,970	12,582,970	14,720,573	14,720,573	36,136,857	36,136,857	(24,416,284)	(24,416,284)	(82,834,238)	(82,834,238)	270,487,500	270,487,500
246,437,391	246,437,391	(886,087)	(886,087)	12,582,970	12,582,970	14,720,573	14,720,573	36,136,857	36,136,857	(24,416,284)	(24,416,284)	(82,834,238)	(82,834,238)	270,487,500	270,487,500
246,437,391	246,437,391	(886,087)	(886,087)	12,582,970	12,582,970	14,720,573	14,720,573	36,136,857	36,136,857	(24,416,284)	(24,416,284)	(82,834,238)	(82,834,238)	270,487,500	270,487,500



		2006	2007
aj) General Statistics			
(i) Levy tariffs			
Regional Services Levy (% of Salaries, Wages and drawings)	0.30%	0.30%	
Regional Establishment Levy (% of Turnover excluding VAT)	0.12%	0.12%	
(ii) Number of Registered Levy Payers			
(iii) Number of Employees	6290	6290	
(iv) Water Tariffs	628	606	
Description			
1 Tariff for accessibility to water (occupied and unoccupied)	R30.00/month	R38.00/month	
2 Sewer Tariff (Fixed Amount occupied and unoccupied)	R40.00/month	R40.00/month	
3 Water tariff for restricted water use (un-treated)	R50.00/month	R40.00/month	
4 Sewer tariff for restricted usage (un-treated)	R50.00/month	R40.00/month	
5 Servicing sewer conservancy/tanktops (small) Servicing sewer conservancy/tanktops (large)	R75.00/service R150.00/season	R150.00/month R150.00/month	
Integrated Step Tariff (Domestic Levy)			
6 Water tariff for water usage up to 6M	Free/ Indigent	R0.00M	
Water tariff for water usage 7 to 30M	R4.75M	R4.39M	
Water tariff for water usage 31M to 100M	R6.50M	R1.80M	
Integrated Step Tariff (Industrial Levy)			
7 Water tariff for water usage up to 1 000M	R4.75M	R4.39M	
Water tariff for water usage above 1 000M (Water loss could not be determined as accurate bulk readings could not be obtained)	R2.50M	R1.80M	
8 Bulk Rain water supply	R1.50M	R0.95M	
9 Bulk Potable water supply (IDC Estate)	R2.50M	R1.80M	
10 Emergency Services Connection (excluding emergency services)	R10.00M	R10.00M	
11 All connections, repairs and work required from Council Domestic	Cost + 10%	Cost + 10%	
12 All connections, repairs and work required from Council other	Cost + 10%	Cost + 10%	
13 Trade Effluent	Charge (M) = $35 \times ((\text{COD} / 1000) \times 70c)$ (COD-Chemical Oxygen Demand)	Cost + 10%	
14 Account Deposits	2.5 x Avg Monthly Account for defaulting consumers		
	New consumers:-		
	Residential = R 600.00		
	Business = R1 500.00		
14 Scrapping of building plans	R30.00/plan	R22.00/plan	
15 Clearing of grass overgrowth	Actual cost + 10%	Actual cost +	
16 Requested Water Tankering (turnarcs)	5000 = R250.00/ load	5000 =	
17 Requested Water Tankering (other events)	5000 = R350.00/ load	5000 =	

STATISTICAL INFORMATION

	2008	2007
b) General Statistics (continue)		
Number of users (residential and commercial)	20,248 billed users	
Units bought / purified	37,290,000 kiloliters	
Units sold	11,530,214 kiloliters	
Units lost in distribution (units sold - units bought)	25,699,786 kiloliters	
Units lost in distribution as a % of units sold	222.89%	
Cost per unit bought / purified	R 2.30	
Loss in distribution (units lost in distribution X cost per unit)	R59,109,507.80	
Cost per unit sold (operating expenditure / units sold)	R16.10 per kiloliter	
Income per unit sold (operating income / units sold)	R10.39 per kiloliter	

The operating income and operating expenditure used for the above calculations is reflected on the Income Statement. No accurate information is available for the 2006/2007 financial year.

**REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL
PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL
STATEMENTS AND PERFORMANCE INFORMATION OF THE UTHUKELA
DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Uthukela District Municipality which comprise the balance sheet as at 30 June 2008, income statement, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 35.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity-specific basis of accounting, as set out in accounting policy note 1.4 to the financial statements and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007 (DoRA). This responsibility includes:
- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126 of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Basis of accounting

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

Opinion

9. In my opinion the financial statements of the Uthukela District Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended have been prepared, in all material respects, in accordance with the basis of accounting as set out in accounting policy note 1.1 and in the manner required by the M/FMA and DoRA.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to the following matter:

Going concern

10. The chief financial officer's report on page 10 to the financial statements indicates that the Uthukela District Municipality incurred a net loss of R63,8 million for the year ended 30 June 2008 and, as at that date, the entity's total liabilities exceeded its total assets by R65,3 million. These conditions, along with other matters, point to the existence of a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.



OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Municipal Finance Management Act



11. There was no evidence that corrective steps were initiated in addressing the financial challenges facing the municipality, as required by section 54(2).

12. Revenue projections in the budget were not realistic and the approved budgeted revenue had not been adjusted to cater for the material undercollection of revenue, as required by section 18(2) and section 28(2)(a).

Matters of governance

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

Matters of Governance

Yes No

Audit committee

- The municipality had an audit committee in operation throughout the financial year.
- The audit committee operates in accordance with approved, written terms of reference.
- The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.

Internal audit

- The municipality had an internal audit function in operation throughout the financial year.
- The internal audit function operates in terms of an approved internal audit plan.
- The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.

Other matters of governance

- The annual financial statements were submitted for auditing as per the legislated deadlines section 126 of the MFMA.
- The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.
- The financial statements submitted for auditing were not subject to any material amendments resulting from the audit.
- No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.
- The prior year's external audit recommendations have been substantially implemented.

Implementation of Standards of Generally Recognised Accounting Practice (GRAP)

- The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.
- The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.
- The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.

Unaudited supplementary schedules

14. The supplementary information set out on pages 34 to 35 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

**OTHER REPORTING RESPONSIBILITIES
REPORT ON PERFORMANCE INFORMATION**

15. I was engaged to review the performance information.

Responsibility of the accounting officer for the performance information

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

Responsibility of the Auditor-General

17. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

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

19. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

Performance information not received in time

20. The financial statements submitted for auditing did not include a report on the performance information of the municipality, as required by General Notice 616 as published in Government Gazette No. 31057 dated 15 May 2008, read with section 46 of the MSA.

Existence and functioning of a performance audit committee

21. The Uthukela District Municipality did not appoint and budget for a performance audit committee, neither was another audit committee utilised as the performance audit committee.

Internal auditing of performance measurements

22. The Uthukela District Municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, as required in terms of section 45 of the MSA.

APPRECIATION

23. The assistance rendered by the staff of the Uthukela District Municipality during the audit is sincerely appreciated.

Wendie - Gannep

Pietermaritzburg

28 November 2008



AUDITOR GENERAL

**AUDIT AND PERFORMANCE MANAGEMENT COMMITTEE REPORT
UTHUKELA DISTRICT MUNICIPALITY
2007/2008**

Members of the APM Committee were appointed to serve the uThukela District Municipality on 19 March 2007 and comprises 3 (three) members viz:-

Mr C I Narrandes (Chairperson)
Mr N S Mchunu
Mr B B Sithole.

As required by the King Report on Corporate Governance for South Africa, the Local Government Municipal Planning and Performance Management Regulations 2001, paragraphs 2.(a) and 2.(c) and Sec 166 of the MFMA, the Audit Committee was formally established on 23 March 2007 and operates within the framework of the uThukela Municipality Audit/Performance Management Committee Charter.

MANDATE OF THE AUDIT/PERFORMANCE COMMITTEE

The Committee is an independent body that operates within the terms and conditions of the Internal Audit Charter, and acts in an advisory capacity to the Municipal Council, the Political Office Bearers, the Accounting Officer and the management staff of the municipal entity in matters pertaining to internal financial control and internal audits, risk management, effective governance, compliance with the various acts and response to the Council on any issues raised by the Auditor General.

The relevant Acts, Reports and Sections are:-

1. Local Government: Municipal Finance Management Act No. 56, 2003 (chapter 14 Sec. 166
2. Local Government: Municipal Systems Act No. 32, 2000 (Chapter 6)
3. Local Government: Municipal Planning and Performance Management Regulations 2001 {para 2.(a) and 2.(c)}
4. Local Govt. Transition Act – Sec 10. G (2)(c)
5. The King Report on Corporate Governance (pages 186 to 194)

Reporting responsibility is directly to Council.

AUDIT COMMITTEE MEETINGS

Due to unforeseen circumstances only two (2) meetings were held in the financial year and the issues dealt with included the Auditor-General's Report for the year ended June 2007. These meetings were held on the 29 February 2008 and 04 April 2008. Further meetings in respect of the year ending June 2008 were held after the end of June 2008. A draft plan to ensure compliance has been drawn up in consultation with both the Auditor-General's office and our External Auditors, for year 2009 and part of 2010. This problem has in effect been put to rest and will not appear in future reports of the Auditor-General.

Further particulars in this regard will be addressed later in this report under the Auditor-General's report.

RISK ASSESSMENT

The re-evaluation of the Risk Assessment done in the 2007/2008 year is planned for the very near future. A suggestion that the workshop be held before the end of March 2009, was noted.

INTERNAL AUDIT

PriceWaterhouseCoopers were appointed to provide on-going internal audit services to the Municipality on 10 October 2007. Their mandate included the following areas of responsibility:-

1. The review of adherence to policies and procedures
2. The review of internal controls and the duties in agreed business processes
3. The examination of financial and operating information for management
4. Effectiveness reviews and
5. Special Investigations.

The training of, and development of the in-house internal auditor was also included in the agreement and is a work in progress issue that has been held-up by Thanda's recent confinement. An inhibiting factor is the budget constraint that does not allow Council the leeway to allocate funds, as

needed, to all areas of responsibility.

We are of the opinion that training of, and work-shopping of the requirements to internal audit staff and Heads of Department is essential to combat the current problems, and short-comings being experienced between PWC and Uthukela Municipality. We need to ensure that reports from PricewaterhouseCoopers are provided within the timeframe allowed. Management are busy addressing this issue with PWC.

The Internal Audit Strategic Plan for the year ended 30 June 2008 was also presented and approved.

AUDITOR-GENERALS REPORT FOR 2008

The unqualified report represents a significant improvement on the previous report and the Accounting Officer (Municipal Manager), Chief Financial Officer and their staff are to be commended on their achievement. However, the critical findings attached to the report should be closely examined and strategies, policies and structures put in place to ensure a clean bill of health in future.

It will be prudent to mention the short-comings listed in the Auditor-General's report, in order to provide food for thought to Council and Management. They are as follows :-

2.1

GOING CONCERN

This alludes to the difficulties that exist in the financial position of the municipality. We are of the opinion that the major causes of the problems are the inheritance of bad-debt and discrepant infrastructure, the servicing of communities that are unable to pay and the accompanying inability to service the DBSA loans (Limehill). This problem will be an on-going concern unless Government can come up with alternative solutions so that the relevant problem areas can be excised from the financial statements by way of subsidies or transfer to the National fiscus.

Although DWAF has provided subsidies for refurbishment of infrastructure, this will not improve the adverse financial position that exists.



ACTION TAKEN

There are on-going discussions with various Government Departments to find suitable ways of resolving this problem.

INDIGENCY

This is a national problem that has been exacerbated by the current local and global economic situation. The continuing increase in the unemployment rate, and cost of living, will impact on the next budget and therefore, on service delivery. Careful planning is advised when consideration is applied in the next budget process.

CONSUMER DEBTORS

Inheritance (as mentioned above), once more plays an important part in this area of concern. Our views on Government intervention also applies in this instance. Notwithstanding this, Managements strategy to validate the amounts owing and the involvement of **TransUnion Credit Bureau** in facilitating the strategy is to be commended. Innovative ideas and strategies need to be identified to combat the problem. This is despite the adverse effect GRAP/GAMAP will have on future reporting.

BUDGETS

Although this problem is not necessarily due to bad budgeting the CFO's comment "The combination of the above factors requires the municipality to seek ways and means **without necessarily worsening the situation** to redress the above mentioned issues", is an important consideration in finding a solution.

OTHER ISSUES

Assistance from National and Provincial levels via MAP and DWAF is noted and we look forward to visible impact in the near future. Requests for write-offs have not produced any desirable reply. Although DWAF has indicated it's support for the use of M/G Funding to settle DBSA loans, it is encouraging to note that this avenue has not been considered worthy of consideration due to the impact it would have on service delivery.



**2.2
NON-COMPLIANCE WITH APPLICABLE LEGISLATION**

Requirements in terms of Section 54(2), Section 18(2) and Section 28(2) (a) of the MFMA were not met in the reports submitted to the Auditor-General.

ACTION TAKEN

There are on-going interactions with DWAF to find a realistic solution to the problems.

MATTERS OF GOVERNANCE

The following matters of governance were identified as not having been implemented :-

1. Sec 166(2) of the MFMA - Audit Committee meetings
2. Internal Audit Plan – no plan
3. Sec 165(2) of the MFMA – internal audit functions
4. Non submission of the annual report to the auditor prior to consideration
5. The financial statements were subject to material amendments
6. Non-compliance with the implementation plan
7. Non-compliance with submission of implementation plan detailing progress re GRAP

ACTION TAKEN

Most of the matters mentioned above have been attended to and systems put in place to avoid a recurrence in the future. Progress has been noted and the committee will monitor the process in consultation with the accounting officer and management.

PERFORMANCE INFORMATION NOT RECEIVED IN TIME

This report was not submitted to the Audit General with the financial statements. Hence the findings in this respect.



ACTION TAKEN

This area of governance has been identified as a cause for concern. A meeting has been mooted with Management, Heads of Dept., Internal Auditors (PWC) and the Audit Committee to address the problem and explain the legislative requirements in order to prevent future discretions.

OPINION

The Audit Committee is of the opinion that there have been positive responses by management to the findings leveled at the Municipality and that more pro-active systems will help to eliminate similar problems in future. We are certain that the findings and comments leveled by the Auditor-General can and will be eliminated from future reports and that we can look forward to unqualified reports without this aspect in year 2009.

SUGGESTIONS

We are of the opinion that training in the critical areas of internal audit and the responsibilities of the relevant staff in providing information, timeously, is all important. Whilst understanding the situation relating to the shortage of funds, we are certain that an investment of this nature will be more than beneficial to the municipality in the long term. **Knowledge is the key to the unlocking of any door and this aspect should be prioritized to enhance the quality and effectiveness in the governing/managing process.**

We also recommend that the Risk Assessment Workshop be held as planned, before the end of March 2009, so that the Risk Assessment Policy can be implemented timeously.

COMMENT

Our comments, suggestions and advice are based on the mandates as contained in the Uthukela Audit/Performance Charter and the requirements set out in the relevant Acts and Reports as listed in the introduction to this report.



APPRECIATION

We would like to express our heartfelt appreciation and thanks to the Municipal Manager and Accounting Officer, Mr Siya Nkehli, The Chief Financial Officer, Mr Nathi Madondo, the Internal Auditors PriceWaterhouseCoopers, especially Mr Denis Kruse and Mr Denny Govender and not forgetting Thanda, the in-house internal auditor. We are grateful for all the assistance and advice you have shared with us and above all the co-operation in making our job a pleasant and enjoyable one. We look forward to continuing in this manner in the future.

Wishing members of Council, Management and Staff success in all their future endeavours.

GOD BLESS

C I Narrandes (Tubby)
Chairperson

Performance Report for 2007/2008

PA	Key Performance Indicators	Target	Performance status
Prevention of water wastage and loss	Department: Health And Environmental Services		
	Establishment of project steering committee	Committee in place and functional by 30 June 2008	Committee established in Sep 2007. List of members available
	Drafting Terms of Reference for the committee	Terms of Reference by 30 June 2008	Terms of reference available
Sampling of water sources	Identify areas with high level of water loss and implement interventions	Identification of water loss in Ezakheni by 30 June 2008	Areas with high level of water loss identified at Ezakheni Sections A,B,C,D & E
	Sampling of water sources for bacteriological and chemical analysis	13 Water Purification Plants to be sampled monthly	Water samples taken from 13 water purification plants monthly
	Communication of the results	Monthly report of results to MANCO and DWAF, 12 reports by 30 June 2008	Water Quality Reports available
Implementation of a Communicable Diseases Control Strategy	Conduct Health Promotion Awareness Campaigns	At least four Health Promotion Events organised per annum	The Htg Health Promotion Events were held : Arbour Day held on 28 th Sept 07 at Impumelelo High School-Loskop Health Promoting School launch held on 7 th Nov 07 at Malehleri - Indaka HIV/AIDS Awareness held on the 14 th March 08 at Utrvaal -Indaka World Environment Day held on 5 th June 08 at Keate Street Primary - Enmaribithi
	Sampling of food-stuffs	At least 10 food samples taken per quarter	52 Food samples taken over a 12 month period. Report available.
	Conduct inspections on food premises Development of Milk Control Bylaws	At least once a quarter Draft in place by 31 December 2007	174 food premises inspected per quarter Draft Milk Control By-laws in place
Food Safety Control			

KPA	Key Performance Indicators	Target	Performance status
Department: Health And Environmental Services			
Establishment of HIV Aids strategy	Establishment of a District AIDS Council	Aids Council established by 30 June 2008	uThukela District AIDS Council formerly launched on the 14 th March 2008- List of members available
	Development of HIV/AIDS Strategy	HIV/AIDS Strategy in place by 30 June 2008	HIV/AIDS Strategy in place
Development of Air Quality and Waste Management Plans	Establishment of the Environmental Management Forum	Establishment of the Forum by 31 December 2007	Forum established- list of stakeholders available
	Air Quality and Waste Management Plans in place	Plans in place by 30 June 2008	Plans in place
Development of Health and Safety Programme	Establishment of a Health and Safety Committee	Establishment of the Health and Safety Committee by 31 December 2007	Committee in place – list of members available
	Development of Health and Safety Programme	Development of Health and Safety Programme by 30 June 2008	Programme in place
Department: Technical Services			
MIG Water and Sanitation Infrastructure Provision	Umluhlayo (Mleyi Extension)	Implementation of the projects as per the MIG cash flows and schedules – other projects – reductions backlogs	This project is 98% complete
	Amangwe / Loskop		This project is completed
	Nlabanhlophe Water Supply Ph 1		This project is completed
	Moyeni Zweishsa Ph 4 Dukuza/Floftential		The contractor VF Mutisi JV is appointed to start with the construction
	Moyeni Zweishsa Water Scheme		This project is 100% complete and was handed over to uTDM on 28 January 2008
	Driefontein Bulk Water Supply		This project is divided into 5 various phases namely: Sizamenthuko Community water supply scheme Pipe laying is 39km (65%) of pipe laid to date NOF LIC level 2 course was conducted on 15&16 July 2008.



KPA	Key Performance Indicators	Target	Performance status
Department: Technical Services			
	Driefontein Bulk Water Supply		<p>Reservoir structures Phase 1 - Construction access and foundation excavation to 8 reservoir completed</p> <p>Res H Sizantuntuhuko area: 100% roof structure complete, Res V Sizantuntuhuko area: 75% walls up. Roofing in progress. Res G&S sizantuntuhuko area: same as H. Res P-Sizantuntuhuko area: 26% Excavation complete. Blinding done</p> <p>Floor done</p> <p>Floor ready for concrete. Res M Sizantuntuhuko Area: 13% Excavation complete. Ready to do blinding. Res N-Sizongoba area: 0% Excavation in progress. Res R-Inkanyezi Area: 64% Top to wall+ roof is in progress. Res T-Sizongoba Area: 0% To commence shortly.</p> <p>Bulk water supply & Retiulation - Project scope item 1 to commence during 2010. Contractor No 6 (Inkanyezi) will be advertised during July 2008. The remainder of the contracts will be activated with due cognisance of budget allocations for the respective financial years.</p>





KPA	Key Performance Indicators	Target	Performance status
	Department: Technical Services Driefontein Bulk Water Supply		<p>Inkunzi community water supply scheme – 300 kL Reservoir: structure is 100% complete. Chambers, pipe work & fencing are outstanding. Some 48% pipelines is laid to date, although there is no pressure testing done to date. Ancillary (Air, scour & inline valves, thrust blocks, pipeline markers, standpipes) works is 50% progress to date. Forur holes drilled, pump testing completed, excellent yields achieved. No production boreholes to be developed with assured yield in excess of 200kL/day. Application for electricity supply has been lodged with Eskom on 25 Feb 2008 and deposits paid on 15/07/2008. Overall Progress: 100% of the contract time has lapsed – Contractor some 12 weeks behind.</p> <p>Sizongqoba community water supply scheme – The Contractor is currently busy with site establishment, not yet commenced with construction. 7 weeks or 22% of time has lapsed.</p>





KPA	Key Performance Indicators	Target	Performance status	
Department: Technical Services				
Bergville Bulk			Progress contract No. 2. 15km of pipe laid to date. Other outstanding work- Pipe testing, pipe markers & Acton homes bridge crossing (0%). Overall progress - 85%.	
			Indaka Bulk Water Audit	Project complete.
			Bethany San	Project complete.
			Tatane/ Magedandaba San	This project has completed its 07/08 financial year allocation of 650units. The project is completed
			Stanford Vaalkop San	
			Sahlumbe- Enkasseni San	
Greenpoint San Enkomkazini San Kwavala San Ph 2		This project was allocated 581 units for 07/08 financial year. Only 116 units are completed. This project has been on hold for the past four months due to inaccessibility by road transport. Since the Kwalindinbi road has been temporarily sorted out, the project will be able to progress at least one month when the 33 allocated for that area are completed then the project will be on hold until access road to Emangemfani & Emanseleni is sorted out		
		Project complete.		
		Project complete.		
		The project has allocated 883 units for 08/09 financial year and has completed 190 units with 693 units remaining.		



KPA	Key Performance Indicators	Target	Performance status
Department: Technical Services			
Roosboom San			This project was allocated 1051 units for 08/09 financial year and has completed 155 units with 896 remaining.
Zwelisha-Okhahlamba San			This project is allocated 1370 units for 08/09 financial year and has 170 units completed with 1200 remaining.
Kwankhize San			The project was allocated 650 toilet units from 06/07 until 07/08. All allocation units are completed with minor snagging being sorted out.
Ernhahutshini San			The project was allocated 08/09 financial year. 201 units are completed with 608 remaining.
Eimnauze San			The project was allocated 1375 units for 08/09 financial year. 187 units are completed with 1188 remaining.
KwaDlammuni San			Project complete
Edashi San			The project is allocated 809 units for 08/09 financial year. 230 units are completed with 579 remaining.
Watersmeet San			The project is allocated 1269 units for 08/09 financial year and 191 units are completed with 1078 remaining.
Ezakheni : Water Borne Sewer Section E Phase 1			This project is complete
Ezakheni : Water Borne Sewer Section E Extension Phase2			The construction of internal sewer reticulation is 100% complete, house connections is 100% complete and top structure foundation slabs is 78% complete.

KPA	Key Performance Indicators	Target	Performance status
Department: Technical Services			
Other Funding Water and Sanitation Infrastructure Provision	Ezakheni : Water Borne Sewer Section E Extension Phase2	Submission for approval to DW/AF by 30 June 2008	Construction of toilet top structures are in progress and 1303 have been completed (80% complete)
	Ekwukeni Taxi Rank		Abution block structure is complete, plastering is on progress. Plumbing is outstanding.
	Pmu		
	Indaka Bulk		
	Emanjokweni Augmented water Scheme		
	Sihlangamethlo/ Enadolobheni San		
	Bergville Sewage and Sewer Reticulation		
	Nobamba Ezitendeni San		
	Nhlawe water supply scheme		
	Newstand Sportsfield		Appointment of Engineer by 30 June 2008
Zwelisha Mbabazane San Nyezane San Kwahlalali san Jononoskop San Mabamhlope Water Supply Ph 2 Obogamenu San Hwebede San Thembahlile San Uthukela Plant Refurbishment	Submission for approval to DPLG for MIG allocation by 30 June 2008	Submitted and withdrawn	
		To be re-submitted	
		Registered	
		Awaiting registration	
		Awaiting registration	
		Registered	
		Project was completed as phase 1	
		To be re-submitted	
		Awaiting registration	
		National Key Performance Indicators	% of households with access to basic levels of water, sanitation, electricity and solid waste removal

KPA	Key Performance Indicators	Department: Finance		Performance status
		Target		
Internal Auditor	Engagement with the Internal Audit	Internal Audit Report by 30 May 2008	Internal Auditors have not submitted the internal audit report, in working paper file is the report for 2006/2007	Internal Auditors have not submitted the internal audit report, in working paper file is the report for 2006/2007
		An improvement of 50% on the previous years audit queries	Refer executive summary of the internal audit report, finance related issues raised have been attend to. (p 7 of 123 - p7 of 123)	
National Key Performance Indicators	Percentage of households earning less than R1 000 per month with access to free basic services	Establishment of an Internal Audit Unit by 28 September 2007	Thanda the intern has been confirmed and the internal audit unit has been established, the newly appointed internal auditor is undergoing an intensive training with PWC the company outsourced to perform the function.	All indigent applied and not applied for free water receive free water
		Report by 30 June 2008	Mig projects Budget : R69 738 130.65 Spent: R69 738 130.65 100% expenditure (Refer Annexure B in evidence file.	
	Percentage of the Municipality's capital budget actually spent on capital projects identified in a particular year's IDP	Report by 30 June 2008	In-house financed projects: Budget : R16 809 602 Spent: R20 140 479 119.82% (Refer annexure C) Budget: R1 970 000 Spent : R3 263 600 165.67%	Remark Over expenditure to be rectified in council meeting date 03/09/2008 which will result in the expenditure to be 100%



KPA	Key Performance Indicators	Target	Performance status
Department: Finance			
	<p>Financial viability expressed in the following ratios:</p> <p>Debt Coverage: (B-C)/D</p> <p>B - Total operating revenue received</p> <p>C - Operating grants</p> <p>D - Debt service payments (i.e. interest + redemption) due within the financial year</p> <p>Outstanding Service Debtors to Revenue: B/C</p> <p>B - Total outstanding service debtors</p> <p>C - Annual revenue actually received for services</p> <p>Cost Coverage: (B+C)/D</p> <p>B - All available cash at a particular time</p> <p>C - Investments</p> <p>D - Monthly fixed operating expenditure</p>	<p>Report by 31 July 2008</p>	<p>a) B = R268 376 041 C = R 41 880 350 D</p> <p>Interest external R3 377 313</p> <p>Interest internal R 220 474</p> <p>Total = 3 567 787</p> <p>Redemption Internal advances R569 341</p> <p>External loans R3 937 341</p> <p>Total : R 4 506 682</p> <p>Calculation (268 376 041 - 41 880 350)/ 8 073 469 = 28.05</p> <p>c) B = R142 580 096 C = R48 742 037 Therefore B/C = 2.9</p> <p>d) B = R3 081 611 C = R9 165 726 D = R 74 979 701 (annexure E)</p> <p>3 081 611 + 9 165 726/ 74 979 701 16.3 %</p>
	<p>The percentage of your budget actually spent on implementing your Workplace Skills Plan</p>	<p>Report by 30 June 2008</p>	<p>Total Budget : R721 569.19 Total spent : 347 905.63 = 48.2%</p>



KPA		Key Performance Indicators	Target	Performance status
Department: Finance				
Governance	Completion and submission of the Financial Statements	As per MFMA	Financial statements have been compiled and submitted within the time limits prescribed by legislation, i.e not later than two months after the end of the financial year. (refer annexure F accepted of the financials by both Auditor General and Provincial Treasury.	
Institutional Capacity	Valuation Role and Rates Policy	Implementation of the Property Rates Act by 30 June 2008	Libumbene Property consultancy has been appointed to facilitate the implementation of the act. Council has approved the implantation plan. Item has been drawn for the tender evaluation committee consideration for the appointment of the evaluator and the evaluator has appointed. Draft memorandum of understanding has been drawn and signed with the evaluator.	
Governance and financial viability	Technical support to the Mayor for the correctness, timeliness and realistic submission of the budget	The submission of a budget in terms of the MFMA, both in terms of content and timeframes	Budget was compiled and timeliness approved and the participatory processes were usefully undertaken for the five local municipalities.	
Financial viability	Fleet management	Maintenance plan by 31 December 2007	Maintenance plan has been adopted by the council on adoption of the fleet management policy. Administration of fleet will be done using the fleet management module in the munssoft classic after due training to staff.	





KPA	Key Performance Indicators	Target	Performance status
Department: Finance			
	Effective procurement system	Reduced number of complaints from the SCM unit by 30 June 2008	Constant monitoring performed to the unit, constraints are flow issues
	Asset management	Updated Asset register by 30 June 2008	Asset verification process was done and finalised obsolete and un economical assets will be disposed off in the action sale scheduled for 04 October 2008. Adverts to this effect has been sent out to public. ten additional new vans have been procured to replace the old ones. This is process which is aimed at meeting the current demands. The Combined services group were engaged in June to bar code new assets and verify the existing assets and update the asset register as has been done in the previous years.
	Audit response and application of recommendations	Quarterly report on Internal and external audit recommendations	Two major prior year audit queries were around the debtors and recovery thereof. Trans-union has been engaged to give the council clarity on the nature of transactions and accordingly advised that R10 841 488 worth of accounts be written off, as such council has approved on 03/09/2008 to do so. The function was further outsourced to the service providers to optimise collection. The second issue was the issue around the water inventory in reticulation system at year end, engineers were appointed to work it out, other minor housing issues were attended to in the internal audit section.





KPA	Key Performance Indicators	Target	Performance status
Department: Finance			
GAMAP conversion	Internal Systems control and monitoring	Converted Financial statements by 31 December 2008	AFS will be converted in 2008/2009, request for the postponement was as a result of the evaluation of assets process, the said decision was communicated with National treasury after the circular which allowed for the postponement. The realisation of the nature and amount of work involved in evaluating assets, more so water underground assets, made it impossible for this Municipality to can finish the process in financial year end 2008.
Creditors payments	Application of the Credit Control Practices	Timorous payment of creditors (30 days)	Creditors are paid in time provided the cash flow allows.
	Adherence to Credit Control Practices by 31 December 2007	At least two monthly random checks on internal control and reports	Sharkol cc and Umhlabulo Pty have been appointed as service providers for the outsourced option after a procurement process was duly followed.
	Update the IT for billing and credit control by 30 June 2008		Data has been migrated from Samrus to Munsoft classic, which saves this Municipality operational costs of running two billing modules. Part of the data cleansing process has been finalised, limitation was as a result of unavailability of funds even after the assistance from MSIG.

KPA	Key Performance Indicators	Target	Performance status
Department: Finance			
	Exploration of at least one incentives scheme and submission to Council for consideration to encourage culture of payments	Exploration of new mechanism to maximise the collection and minimise wastages by 30 June 2008	Monitoring of the Council resolution where there is an option of 1/3 write-off, 1/3 settlement & 1/3 arrangement of debt is being done. Dwarf has been approached to make funding available to deal with credit control issues.
	Report results of incentives to MANCO and Council	Develop incentives and submit to Council for consideration by 30 December 2008	The above mentioned arrangement will serve as an incentive scheme
	Road shows on importance of paying for services	Report results of incentives to MANCO and Council by 30 January 2008	Most of debtors affected by the scheme prove to be indigents who do not come upfront to register.
	Media awareness tools indicating the need for paying for services	At least one road show on importance of paying for services by 30 June 2008	Road shows were coupled to budget participatory meetings due to budget constraints.
	Materials which promote the culture of payment for services	Develop media awareness tools indicating the need for paying for services by 30 June 2008	Media awareness tools was available and distributed to public during the budget participatory process
	Mechanisms which will enhance the message on culture of payment	Develop materials which promote the culture of payment for services by 30 June 2008	Material awareness tools was distributed to public during the budget participatory process to promote the culture of payments to services
		Explore other mechanisms which will enhance the message on culture of payment by 30 June 2008	Water accounts statements and various public meetings where the mayor and water stiff addressed public on water issues; the message on culture of payment was spread

KPA	Key Performance Indicators	Target	Performance status
Department: Corporate Services			
Institutional support – Admin Services	Secretarial support	Minutes available within one week of the meeting that is accessible and accurate and filed for proper record keeping	All minutes of meeting available within one week of meeting.
Governance – Public Safety	Maintenance of buildings	Maintenance of reported faults within one week	Achieved
	Public Safety Programme	Development of a Public Safety Programme by 31 December 2007	Public Safety Programme Available
	Approved and adopted Public Safety Programme	An approved and adopted Public Safety Programme by 29 February 2008	Public Safety Programme Adopted
	Implementation and monitoring of the programme	Quarterly reports on the implementation and monitoring of the Public Safety Programme to MANCO	Reports submitted to MANCO on time
Governance – Disaster Management	Review of the Disaster Management Plan	A reviewed and adopted Disaster Management Plan by 31 December 2007	Awaiting appointment of consultant
	Disaster Management Centre	Establishment of a Disaster Management Centre by 31 October 2007	Disaster Management Centre Established at 36 Lyell Street, Ladysmith.
	Disaster Management Framework	Established Disaster Management Framework by 30 September 2007	Disaster Management Framework established.
	Disaster Management Capacity Building	Four meetings and training sessions per annum	4 Meetings and training sessions held during the 2007/2008 financial year.
	Implementation of the Disaster Management Plan	Quarterly reports to MANCO on the implementation of the Disaster Management Plan	Quarterly reports submitted to MANCO

KPA	Key Performance Indicators	Target	Performance status
Institutional Support – Skills	Department: Corporate Services		
	Skills Profile/ Assessment	Gathering of Skills Profile by 31 December 2007	Skills Profile completed
	Workplace Skills Plan	Compilation of a Workplace Skills Plan by 30 June 2008	Workplace Skills Plan completed
	Training Plan	Compilation of a Training Plan by 30 June 2008	Training Plan completed
	Report on training	A report on 2007/2008 training by 30 June 2008	Training Report submitted
	Human Resource Policy	Development and adoption of a Human Resource Policy by 31 December 2007	Human Resource Policy completed
Governance – Community Consultation	Facilitate community awareness meetings on service delivery	A minimum of two community meetings on service delivery per annum by 31 June 2008	A minimum of two community meetings held
	Review and adoption of the EEP	Reviewed and adopted EEP by 31 December 2007	Review completed, awaiting adoption.
Institutional Support – Employment Equity Plan (EEP)	Implementation of the EEP	Implementation of the EEP as per EEP timeframes	Preliminary implementation of timeframes
	Monitoring of the EEP	Annual report on the implementation of the EEP by 30 June 2008	Annual report compiled and submitted
National Key Performance Indicators	The number of people from employment equity target groups employed in the three highest levels of management in terms of four approved employment equity plan	Report by 30 June 2008	Report completed



KPA	Key Performance Indicators	Target	Performance status
Department: Water Services			
Infrastructure maintenance	Development and Adoption of an Infrastructure Maintenance Plan	Adoption of the Plan by 31 December 2007	Plan adopted by 31 December 2007
	Monitoring the implementation of the Infrastructure Maintenance Plan	Monthly report on implementation to MANCO	Ongoing reports have been submitted to MANCO
	Infrastructure maintenance	90% of reported maintenance problems addressed within one week Submission of Monthly Reports to MANCO	Achieved Ongoing submission of monthly reports to MANCO



Performance Targets for 2008/2009

DEPARTMENT: FINANCE

1. Position Purpose

To co-ordinate and manage the finances of the uThukela District Municipality efficiently and effectively in order to ensure a responsible expenditure of Municipal funds inline with Municipal Finance Management Act.

2. Scorecard

KPA	OBJECTIVES	KEY PERFORMANCE INDICATORS	TARGETS
Financial Viability	Outsource the internal audit function	Input: Finance, Human Resources Activities: Engagement with the internal audit b)Coordinate IGR Meetings Output: a) Internal Audit reports produced & attend to 20% of the prior year audit queries b)Minutes of all scheduled IGR Meetings Impact: Cooperative governance	Ongoing a) 4 Engagements by end of June 09 b)4 Coordinated IGR meetings by end June 09 a)4 quarterly reports produced by June 2009 b) 4 Quarterly reports by end June 09
		Input: Finance, Human Resources Activities: a) Production of maintenance plan for vehicle fleet b) Number of reports to MM on the status of SCM unit c) Updating of the asset register d) GAMA conversion e) Number checks on internal control and reports f) Creditors payments Outputs Cost effective and sustainable department Impact: a) Controlled vehicle fleet b) Reduced number of complaint from the SCM unit c) Improved asset management d) Converted Financial statements e) Improved internal systems f) Timous payment of creditors	Ongoing 1 maintenance plan by 31 December 2008 4 Quarterly reports submitted to MM by end June 2009 4 Quarterly reports submitted to MM by end June 2009 4 Quarterly reports submitted to MM by end June 2009 4 Quarterly reports submitted to MM by end June 2009 4 Quarterly reports submitted to MM by end June 2009 4 Quarterly reports submitted to MM by end June 2009 4 Quarterly reports submitted to MM by end June 2009
	Effective SCM Unit		4 Quarterly reports submitted to MM by end June 2009

To enhance the revenue collection process	Inputs: Human Resources Activities: a) Application of credit control b) Number of reports on implementation Outputs: a) Implemented procedure based on new legislation b) Percentage of recovery of billed debtors Impact: Improved culture of payment	a) End June 2009 b) Quarterly reports End June 2009 70% by end June 2009 70% by end June 2009
Introduction of incentives	Input: Human resources Activities: a) Exploration of incentives and submission to council for consideration b) Number of reports to Manco and Council on progress Outputs: a) Research of incentive schemes Impact: Approved incentive scheme by council Input: Finance and Human Resources Activities: a) Number of roadshows highlighting the importance of paying for services b) Media awareness campaigns highlighting the importance of paying for services	Ongoing Research done by end March 2009 Weekly reports to Manco and council as scheduled Research done by end March 2009
Awareness Campaigns	c) Develop material which promote the culture of payment for services d) Procure other mechanisms which will enhance the message on culture of payment Outputs: Improved culture of payment Impact: Improved culture of payment Input: Human Resources Activities: a) Technical support to the mayor the correctness, timely, realistic and submission of the budget	Material developed by end December 2008 Research and procurement of other mechanisms done by March 2009 End of June 2009 End of June 2009 Ongoing 2 meetings by March 2009
Preparation and adoption of budget	Output: Draft municipal budget tabled for adoption by council Impact: Adopted informed budget	1 report tabled for adoption by end of June 2009 1 report tabled for adoption by end of June 2009

To Develop and maintain indigent register	<p>Input : Human Resources</p> <p>Activity</p> <p>a)Development of an indigent register</p> <p>Output: Indigent Register</p> <p>Impact: Strengthen Financial Position</p> <p>Input: Human Resources</p> <p>Activity</p> <p>a) Updating of credit control and Debt Collection Policy b) Implementation of credit control and debt policy</p>	<p>ongoing</p> <p>End February 09</p> <p>End February 09</p> <p>End June 09</p> <p>ongoing</p>
To review financial policies	<p>Output</p> <p>Updated credit control & debt collection policy</p> <p>Impact</p> <p>a)Strict application of credit control policy b)increased debt collection</p> <p>Input: Human Resources</p> <p>Activity</p> <p>Identification of premises without water metres</p> <p>Output</p> <p>Report on premises without water metres</p> <p>Impact</p> <p>Improved collection of revenue</p> <p>Input: Human Resources</p> <p>Activity</p> <p>Identification of premises with faulty water metres</p> <p>Output</p> <p>Report on premises with faulty water metres</p> <p>Impact</p> <p>Improved collection of revenue</p> <p>Input: Human Resources</p>	<p>End Dec 08</p> <p>a)End December 08 b)End March 09</p> <p>End Dec 08</p> <p>Done on monthly basis</p> <p>Done on monthly basis</p> <p>End June 09</p> <p>ongoing</p> <p>Done on monthly basis</p> <p>Done on monthly basis</p> <p>End June 09</p> <p>ongoing</p>
To identify and report on premises without water	<p>Output</p> <p>Report on premises without water metres</p> <p>Impact</p> <p>Improved collection of revenue</p> <p>Input: Human Resources</p> <p>Activity</p> <p>Identification of premises with faulty water metres</p> <p>Output</p> <p>Report on premises with faulty water metres</p> <p>Impact</p> <p>Improved collection of revenue</p> <p>Input: Human Resources</p>	<p>Done on monthly basis</p> <p>Done on monthly basis</p> <p>End June 09</p> <p>ongoing</p> <p>Done on monthly basis</p> <p>Done on monthly basis</p> <p>End June 09</p> <p>ongoing</p>
To identify premises with faulty water meters	<p>Output</p> <p>Report on premises with faulty water metres</p> <p>Impact</p> <p>Improved collection of revenue</p> <p>Input: Human Resources</p> <p>Activity</p> <p>Identification of premises not in the billing system</p> <p>Output</p> <p>Billing of previously unbilled properties</p> <p>Impact</p> <p>Increased revenue collection</p> <p>Input: Human Resources & Finance</p>	<p>Done on monthly basis</p> <p>Done on monthly basis</p> <p>End June 09</p> <p>ongoing</p> <p>Done on monthly basis</p> <p>Done on monthly basis</p> <p>End June 09</p> <p>ongoing</p>
To upgrade the billing system	<p>Output</p> <p>Billing of previously unbilled properties</p> <p>Impact</p> <p>Increased revenue collection</p> <p>Input: Human Resources & Finance</p> <p>Activity</p> <p>a)Update asset register b)Development of an asset management strategy c)Unbundling of assets</p> <p>Output</p> <p>Updated asset register b)Developed asset management strategy c)GAMAP compliance</p> <p>Impact</p> <p>Improved asset management</p>	<p>Done on monthly basis</p> <p>Done on monthly basis</p> <p>End June 09</p> <p>ongoing</p> <p>a)End June 09 b)End April 09 c)End June 09</p> <p>a&c)End June 09 b) End April 09</p> <p>End June 09</p>
To maintain the asset register	<p>Output</p> <p>Updated asset register</p> <p>Impact</p> <p>Improved asset management</p>	<p>a&c)End June 09 b) End April 09</p> <p>End June 09</p>

To minimise the risk of fraud	Input: Human Resources Activity: Develop a fraud prevention plan Output: Fraud prevention plan Impact: Min risks on fraud	ongoing End Dec 08 End Dec 08 End June 09
To create a functional risk management system	Input: Human Resources Activity: Establishment of a risk management committee Output: Functional risk management committee Impact: Reduced risks	ongoing End Dec 08 End March 09 End June 09
To capacitate the audit committee	Input: Human Resources Activity: Assistance to audit committee Output: Capacitated audit committee Impact: Capacitated audit & functional committee	ongoing Quarterly Quarterly End June 09
To develop disaster centre	Input: Human Resources Activity: Assist in the establishment of a disaster IT recovery plan Output: Disaster IT recovery (continuity) plan Impact: Reduced risks	ongoing End March 09 End March 09
To respond to audit reports	Input: Human Resources Activity: Addressing the findings on internal and external audit report Output: Unqualified Audit Report Impact: Addressed findings of audit reports	ongoing Bi-annually End June 09 End June 09
To align budget processes with IDP process plan	Input: Human Resources Activity: Prepare and adopt the budget process plan aligned to IDP process plan Output: Budget process plan that is informed by the IDP Impact: Budget and IDP that is integrated	Ongoing As per IDP&Budget process Quarterly reports Quarterly reports
To ensure accurate budget allocation	Input: Human Resources Activity: Render assistance to the mayor for timeous approval of the budget Output: Approved budget Impact:	Ongoing As per Budget process Bi-annual Reports



To embark on public participation of budget adoption	Input: Human Resources Activity Communication of a draft budget Output Budget consultation meetings Impact Improved service delivery	Ongoing As per Budget process As per Budget process Quarterly reports Ongoing
To adjust budget according to municipal performance	Input: Human Resources Activity Preparation and adoption of adjusted budget Output Adjusted budget adopted Impact Improved service delivery	End January 09 Quarterly reports Ongoing
To inform stakeholders on budget performance	Input: Human Resources Activity Report to stake holders on budget performance Output Reports Impact Improved service delivery	Done on quarterly basis 4 Quarterly reports by end June 09 Quarterly reports Ongoing
To maintain the management of organisation fleet	Input: Human Resources Activity Adoption and implementation of fleet management policy Output Adopted fleet management policy Impact Effective asset management	End December 08 4 Quarterly reports by end June 09 Ongoing
To auction redundant stock	Input: Human Resources Activity Auction redundant stock/assets Output Action Impact Getting rid of redundant stock	End December 08 End December 08 Quarterly reports Ongoing
To implement MPRA	Input: Human Resources & Finance Activity Establishment of evaluation roll Output Evaluation roll Impact Increased revenue collection	End Nov 08 End Nov 08 Monthly reports Ongoing
To implement MPRA	Input: Human Resources Activity Implementation of MPRA to DMA Output Compliance to MPRA Impact Increased revenue collection	End June 09 As stated by the Act 1 Report by end June 09

To implement Municipal by-laws	<p>Input: Human Resources</p> <p>Activity: Adoption of rates policy and by-laws</p> <p>Output: Adopted rates policy and by-laws</p> <p>Impact: Implementation of the policy and by-laws</p>	<p>Ongoing</p> <p>End March 09</p> <p>End March 09</p> <p>1st of April 09</p> <p>Ongoing</p>
To upgrade and maintain Service Providers database	<p>Input: Human Resources</p> <p>Activity: Establishment of an improved database management system</p> <p>Output: Upgraded data base</p> <p>Impact: Improved supply chain turn around time</p>	<p>End Feb 09</p> <p>End Feb 09</p> <p>2 Quarterly reports by end June 09</p> <p>Ongoing</p>
To enhance SCM process of organisation	<p>Input: Human Resources</p> <p>Activity: Development of points allocation to tender awards</p> <p>Output: Tenders awarded compliant to act</p> <p>Impact: Tenders awarded fairly</p>	<p>End Dec 08</p> <p>Reports on awarded tenders</p> <p>Reports on awarded tenders</p> <p>Ongoing</p>
To enhance departmental functionality	<p>Input: Human Resources</p> <p>Activity: Meetings with credit control staff</p> <p>Output: Reports</p> <p>Impact: Improved departmental functionality</p>	<p>4 Quarterly reports by end June 09</p> <p>Ongoing</p>
To enhance financial administration capacity to comply with legal requirements	<p>Input: Human Resources</p> <p>Activity: Meetings with departmental staff</p> <p>Output: Reports</p> <p>Impact: Improved departmental functionality</p>	<p>Monthly</p> <p>4 Quarterly reports by end June 09</p> <p>4 Quarterly reports by end June 09</p> <p>Ongoing</p>
To enhance intergovernmental relations in financial matters	<p>Input: Human Resources</p> <p>Activity: Participate in the District CFO Forum meetings</p> <p>Output: Reports</p> <p>Impact:</p>	<p>Ongoing</p> <p>Quarterly</p> <p>4 Quarterly reports by end June 09</p>
To improve financial management	<p>Input: Human Resources</p> <p>Activity: Development of a turn around plan</p> <p>Output: Turn around plan</p> <p>Impact: Improved financial plan</p>	<p>Ongoing</p> <p>End Dec 08</p> <p>End Dec 08</p> <p>Quarterly reports</p>

DEPARTMENT: STRATEGIC PLANNING & ECONOMIC DEVELOPMENT
1. Position Purpose

To co-ordinate Local Economic Development, Tourism and Strategic Planning within the uThukela District Municipality efficiently and effectively in order to ensure synergy between municipalities.

2. Scorecard

KPA	OBJECTIVES	KEY PERFORMANCE INDICATORS	TARGETS
LED	Engage with the various Chamber of Business Organisations	<p>Input: Human Resources</p> <p>Number of meetings with business organisations</p> <p>Outputs:</p> <p>Improved working relations with the Chamber of business of all locals</p> <p>Impact:</p> <p>Improved Local Economic development</p>	<p>Ongoing</p> <p>5 meetings by end June 2009</p> <p>End June 2009</p> <p>End June 2009</p>
	To stimulate sustainable economic development and to reduce poverty	<p>Input: Finance, Human Resources</p> <p>Activity:</p> <p>Development of a poverty alleviation programme</p> <p>Output:</p> <p>Povert alleviation strategy</p> <p>Impact:</p> <p>Poverty reduction</p>	<p>Ongoing</p> <p>1 Developed programme by end of December 2008</p> <p>1 alleviation strategy by December 2008</p> <p>By the end of June 2009</p>
	Local Economic Development & Implementation of marketing strategy	<p>Input: Finance, Human Resources & Service provider</p> <p>Activities:</p> <p>a) Number of Social Economic Activities/functions</p> <p>Outputs:</p> <p>Improved Local Economic Development b)</p> <p>Implemented marketing strategy</p> <p>Impact:</p> <p>Poverty reduction</p> <p>b) Increased Investment in the district</p>	<p>Ongoing</p> <p>Service Provider appointed before 31 December 2008</p> <p>By the end of June 2009</p> <p>By the end of 2009</p>
	To promote tourism in the District	<p>Input: Finance and Human Resources</p> <p>Activities:</p> <p>Tourism Awareness day</p> <p>Output:</p> <p>Tourism enhancement</p> <p>Impact:</p> <p>Job Creation</p>	<p>Ongoing</p> <p>To host the day before 30 June 2009</p> <p>Tourism enhancement by the end of June 2009</p>



Capacity Building	Inputs: Finance, Human Resources Activities a) Project Management fees b) Number of Educational support programmes attended by staff Output LED b) Training and capacity building Input	By the end of June 2009 Quarterly reports by June 2009 Quarterly report by the end June 2009 Quarterly report by the end June 2009 Ongoing
Information distribution	Input: Finance, Human resources Activities: a) Number of reports on Public Relations/radio Ukhozi b) Number of Mayoral Izimbizo c) Draft proposal for Development of Community magazine/newsletter d) Number of budget engagement activities Output Communication Input Information sharing	Ongoing Quarterly reports by the end of June 2009 Quarterly reports by the end of June 2009 2 biannual engagement meetings by end June 2009 Ongoing



DEPARTMENT: CORPORATE SERVICES

1. Position Purpose

To co-ordinate and manage the corporate services of the Municipality efficiently and effectively in

2. Scorecard

KPA	OBJECTIVES	KEY PERFORMANCE INDICATORS	TARGETS
Good Governance	To promote sound administration within the applicable legal mandate	<p>Input: Human Resources Activities: a) Rendering secretarial support b) Number of reports on maintenance of buildings Output a) Properly governed institutions b) Conducive working environment Impact a) Improved administrative support b) Improved working conditions</p>	<p>Ongoing 4Quarterly reports by the end of June 2009 4Quarterly reports by the end of June 2009 4Quarterly reports by the end of June 2009 Monthly reporting on progress to Manco 2 internal surveys By end June 2009 2 internal surveys By end June 2009 Ongoing</p>
Municipal Transformation and Organisational Development	Implementation of the HIV/AIDS strategy in the work place	<p>Input: Finance, Human Resources Activity a) Establishment of EAP b) Monitoring of the implementation of the strategy c) verification of the strategies adherence to the legal framework Output Employee certification Impact A functional EAP programme</p>	<p>1 EAP established by end of June 2009 Quarterly reports by the end of June 2009 Verification by December 2008 Quarterly reports by June 2009 1 EAP functional by end June 2009 Ongoing</p>
Good Governance	Engagement of the private security provider	<p>Input: Finance, Human Resources Activities: a) Monitoring of the existing security contract b) Number of reported and solved cases c) Number of reports on progress made Output: Safety of staff members Impact Safety of staff members</p>	<p>Monthly reporting on progress to Manco 4Quarterly reports by the end of June 2009 4Quarterly reports by the end of June 2009 Quarterly reports by the end of June 2009 Quarterly reports by the end of June 2009</p>
			Quarterly reports by the end of June 2009

Good Governance	Development, adoption and implementation of the public safety programme	<p>Input: Human Resources</p> <p>Activities:</p> <p>a) Development of the programme</p> <p>b) Approval and adoption of the programme by the MM</p> <p>c) Implementation and the monitoring of the programme</p> <p>Output</p> <p>Safety in the region</p> <p>Stability in the region</p> <p>Impact</p> <p>a) Programme drawn</p> <p>b) Adoption of programme</p>	<p>Ongoing</p> <p>1 programme by December 2008</p> <p>Adopted programme by the end of December 2008</p> <p>Quarterly reports by the end of June 2009</p> <p>Ongoing</p> <p>Ongoing</p> <p>1 Programme by December 2008</p> <p>Adopted programme by the end of December 2008</p>
Good Governance	To facilitate a swift response to incidents of disaster	<p>Inputs: Finance, Human Resources</p> <p>Activities</p> <p>a) Review of the Plan</p> <p>b) Adoption of the reviewed plan</p> <p>c) Number of capacity building exercises</p> <p>d) Implementation of the plan</p> <p>Outputs</p> <p>Reviewed plan</p> <p>Reduced risks to potential disasters</p> <p>Impact</p>	<p>Review by end of December 2008</p> <p>Adoption by end of December 2008</p> <p>1 Capacity building session by December 2008</p> <p>Monthly reports to Manco By end of June 2008</p> <p>Quarterly reports by the end of June 2008</p> <p>Ongoing</p>
Municipal Transformation and Organisational Development	Skills audit	<p>Input: Human resources</p> <p>Activities:</p> <p>Gathering of skills profiles</p> <p>Output:</p> <p>A profile of individual staff skills</p> <p>Identification of skill gaps</p> <p>Impact</p> <p>Organisation of relevant training</p>	<p>1 Skills profile by December 2008</p> <p>1 Skills profile by December 2008</p> <p>1 Assessment by end June 2009</p> <p>Training by the end of June 2009</p> <p>Ongoing</p>
Municipal Transformation and Organisational Development	Development of workplace skills plan	<p>Input: Human Resources</p> <p>Activities:</p> <p>a) Gather the employees skills profiles</p> <p>b) Identify training needs out of the IDP objectives</p> <p>c) Compilation of the training plan</p> <p>d) Reporting on previous years training</p> <p>Outputs</p> <p>a) Completion of the work place skills plan</p> <p>b) Receipt of the discretionary grant funding for training</p> <p>Impact</p> <p>Coordinated work place structure</p>	<p>1 Skills profile by December 2008</p> <p>Training needs identified by September 2008</p> <p>Training plan compiled by September 2008</p> <p>1 Report done by September 2008</p> <p>1 Work place skills plan by December 2008</p> <p>End of December 2008</p> <p>End of June 2008</p>

Municipal Transformation and Organisational Development	To create an environment within the district that does not reflect the apartheid past	<p>Input: Human Resources Activities</p> <ul style="list-style-type: none"> a) Review of EPP b) Adoption of the reviewed plan c) Implementation of the plan d) Monitoring and reporting of the plan <p>Output</p> <ul style="list-style-type: none"> Institutional support <p>Impact</p> <ul style="list-style-type: none"> Gender equality in the organisation 	<p>Ongoing</p> <p>1 Review and report by Adoption by December 2008</p> <p>Ongoing</p> <p>Monthly reporting to Metroc</p> <p>Quarterly reports by end June</p> <p>End of 2008</p> <p>Ongoing</p>
Municipal Transformation and Organisational Development	Develop, adopt and implement policies	<p>Input: Human Resources Activities</p> <ul style="list-style-type: none"> a) Develop HR policies b) Adoption of policies c) Monitor implementation of policies <p>Output</p> <ul style="list-style-type: none"> Adopted HR policies <p>Impact</p> <ul style="list-style-type: none"> Informed decisions 	<p>Policies developed by 1 policy adopted by December</p> <p>Quarterly reports by end June</p> <p>Policies adopted by December</p> <p>Ongoing</p>
Good Governance	Holding consultation meetings on service delivery	<p>Input: Human Resources Activities</p> <ul style="list-style-type: none"> a) Facilitate community meetings b) Community awareness on service delivery campaigns <p>Outputs</p> <ul style="list-style-type: none"> Reports <p>Impact</p> <ul style="list-style-type: none"> Public participation on municipal processes 	<p>2 community meeting by end</p> <p>2 community awareness campaigns by end June 2009</p> <p>Ongoing</p>
Municipal Transformation	Review of the employment equity plan	<p>Input: Human Resources Activities</p> <ul style="list-style-type: none"> a) Review of the plan b) Adoption of the reviewed plan c) Workshop on the plan d) Implementation of the plan e) Monitoring of the plan <p>Outputs</p> <ul style="list-style-type: none"> a) The reviewed EEP b) Adopted plan c) Understanding of the plan d) Balanced organogram e) Submission of monthly reports <p>Impact</p> <ul style="list-style-type: none"> Gender equity in the organisation 	<p>ongoing</p> <ul style="list-style-type: none"> a) End Dec 08 b) End Dec 08 c) End March 09 d) End March 09 e) Quarterly reports by end <ul style="list-style-type: none"> a) End Dec 08 b) End Dec 08 c) End March 09 d) End March 09 e) Quarterly reports by end



DEPARTMENT: WATER SERVICES

1. Position Purpose

To co-ordinate and manage the delivery of water and sanitation services efficiently and effectively in order to ensure a developed and thriving region for all people in the uThukela District.

2. Scorecard

KPA	OBJECTIVES	KEY PERFORMANCE INDICATORS	TARGETS
Service Delivery	To render service that is efficient and cost effective	Input: Finance, Human Resources Activities: a) Development of maintenance plan b) Adoption of maintenance plan c) Implementation of the maintenance plan Output: a) Developed maintenance plan b) Adopted plan c) Reports on implementation Impact: Customer satisfaction and improved service delivery	Ongoing a) End Dec 08 b) End Feb 09 c) End March 09 a) End Dec 08 b) End Feb 09 c) Done on monthly basis 4 Quarterly reports by end June 09 Ongoing
	To provide sustainable potable water and sanitation	Input: Human Resources Activity To ensure continued supply of potable water Output Prompt response to burst pipes and sewage blockages Impact: Uninterrupted service delivery	4 Quarterly reports by end June 09 Monthly reports to manco end of June 2009 Ongoing
	To create a functional customer care unit	Input: Human Resources Activities: To develop a functional customer care centre Outputs Customer Care Centre that is effective Impact: Customer satisfaction	End March 09 Monthly reports to manco 4 Quarterly reports by end June 09





To conserve water	Inputs: Finance and Human Resources Activities Implementation of the water conservation and demand management programme	4 Quarterly reports by end June 2009
To engage with the framework for housing delivery	Impact: Financial saving and enhanced service delivery	4 Quarterly reports by end June 2009
	Inputs: Finance and Human Resources Activities Engagement with housing forums Outputs: Number of households with basic water Impact To provide water to new developments	As per schedule programme 4 Quarterly reports by end June 2009 4 Quarterly reports by end June 2009

DEPARTMENT: HEALTH & ENVIRONMENTAL SERVICES

1. Position Purpose

To co-ordinate and manage the delivery of Health & Environmental Services efficiently and effectively in order to ensure a safe and healthy living, working and recreational environment for all people in the uThukela District.

2. Scorecard

KPA	OBJECTIVES	KEY PERFORMANCE INDICATORS	TARGETS
Good Governance	To prevent water wastage and water loss	Inputs: Human Resources and Finance Activities: Conduct water conservation awareness event! Outputs: At least one water conservation awareness event held Impact: Reduced water loss and wastage	Ongoing End March 2009



To monitor the quality of water	Inputs: Finance, Human Resources Activities Taking of water samples Outputs At least 13 main water purification plants monitored monthly Impact: Safe water supplied to the consumers	Ongoing Monthly 12 monthly reports by June
To monitor the quality of food	Inputs: Human Resources Activities: Taking of food samples Inspection of food premises	Ongoing 4 Quarterly reports submitted to MM by end June 2009 4 Quarterly reports submitted to MM by end June 2009
To monitor management of waste	Inputs: Human Resources & Finance Activities Finalisation and implementation of Outputs Documented waste management plan and waste management reports Impact: Reduced indiscriminate littering	Ongoing End March 2009 4 quarterly reports and 2 recycling projects by June 2009

To monitor the ambient air quality	Inputs: Finance & Human resources Activities: Finalisation and implementation of air quality management plan Outputs: Documented air quality management plan and air quality management reports Impact: Reduced atmospheric emissions	Ongoing End December 2009 4 quarterly reports by June 2009
To promote occupational health and safety	Inputs: Finance and Human Resources Activities: Finalisation and implementation of work place based employee wellness programme Outputs: Documented employee wellness Impact: Reduced occupational diseases and injuries	Ongoing End March 2009 Health and safety report by June 2009
To mitigate the impact of HIV/AIDS	Inputs: Finance and Human Resources Activities: Finalisation and implementation of Outputs: Documented Strategy in place and quarterly reports Impact: Reduced new HIV infections	End March 2009 4 quarterly reports by June
To conduct health promotion awareness events	Inputs: Finance and Human Resources Activities: Organise health promotion Outputs: Documented health promotion awareness events held Impact: Increased community knowledge on prevention of ill-health and promotion of wellness	At least 4 health

DEPARTMENT: TECHNICAL SERVICES

1. Position Purpose

To co-ordinate and manage the delivery of infrastructural services efficiently and effectively in order to ensure a developed and thriving region for all people in the uThukela District and to address the backlogs in service delivery within the uThukela District Municipality

2. Scorecard

KPA	OBJECTIVES	KEY PERFORMANCE INDICATORS	TARGETS
Basic Service delivery	Backlogs in the provision of sustainable infrastructure, water and sanitation services	Input: Human Resource and Finance	
		Activity: No of engagements with local housing forums Implementation of water projects in line with the WSDP	
		Output: Implemented projects	
		Impact: Improved quality of life	
Basic Service delivery	WATER	Umhlumayo (Mleyi Extension)	End Nov 08
		Moyeni Zweishi Phase 4 &	End June 09
		Dukuzal-tofentha 1	End June 09
		Driefontein Bulk water supply Bergville Bulk	End June 09
		Indaka bulk water audit	End June 09
		Indaka bulk water	End June 09
		Emajokweni augmented water scheme	End June 09
		Nhlawe water supply scheme	End June 09
		Ntabantlophe water supply phase 2	End June 09
		Uthukela plant refurbishment	End June 09



This Annual Report for the 2006/2007 financial year was produced by the uThukela District Municipality, Department Strategic Planning and Economic Development.

Municipal Manager
Mr. SSB Nkehi
Tel: 036—638 5100
Fax: 036—637 5608
76 Murchison Street
PO Box 116
Ladysmith
3370

Email: municipalmanager@uthukeladm.co.za

Website: www.uthukeladm.co.za



