

IDP Objectives/ Key performance area	Key performance indicator	Target date	Actual performance
Proclaimed Roads	roads		
	Blading of gravel roads	Ongoing	Achieved
	Patching of gravel roads	Ongoing	Achieved
	Patching of sealed roads	Ongoing	Achieved
	Reseal	AD HOC	Achieved
	Installment and repair of drainage structures and road signs	Ongoing	Achieved
	Adhering to Act 21/1940 and Ord. 19/1976, as well as PAWC policies and guidelines	Ongoing	Achieved
Management of Karwyderskraal Regional Landfill site	Land use and Way leave applications	Ongoing	Achieved
	Liaison with Landfill Monitoring Committee	2 meetings	Achieved
	Physically maintaining the landfill site to comply with auditing requirements	Continuous	Achieved
	Monthly inspections	12	Achieved
	Yearly Auditing of landfill terrain	30 June 2009	Achieved
	Yearly monitoring of ground and surface water for pollution detection purposes	30 June 2009	Achieved
	The promotion of refuse recycling	Managing the contractor to comply with permit requirements	Continuous
Monthly inspections		12	Achieved
Management of resorts	Regular inspections (4), responding to complaints and requisitions, ensure health and safety standards, marketing and advertising resorts, delegated of authority to open and close resorts, to allow or disallow major events taking place in resorts, direct management of resort managers to ensure compliance with resort rules and regulations	Continuous	Achieved
	Transport of staff, maintenance of plants, vehicles, equipment, beaches and road signs.	Continuous	Achieved
	Upkeep of roads, buildings and amenities		
	Installation of effective access control equipment, maintenance of equipment, once installed.	Continuous	Achieved
	Effective contracted security (yearly),	Continuous	Achieved

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	maintenance of guard house and up keep.		
	Website, figures (brochures), local tourism bodies, media, publications (magazines), join appropriate organizations in respect of resort properties. Property/ resort manager to assist weekends and after hours. Direct communication with council's communication strategy Utilizing of bookings list and statistics to improve income of resorts Feedback (telephone, e-mails, word of mouth, etc.). Attend camping meetings regularly, queries and concerns	Continuous	Achieved
	Upgrade of bookings Equipment	Continuous	Achieved
	Regular monitoring of capital budget, SDBIP, meetings and consultation with finance and corporate staff	Continuous	Achieved
	Financial reporting to council	Continuous	Achieved
	Training ( resort management and property management	Continuous	Achieved
	Direct liaison with all department heads regarding resort/property management	Continuous	Achieved
Management of Municipal Infrastructure Grant (MIG)	100% allocation of funds one year in advance		Achieved
	50% expenditure of funds by October each year		Achieved
	100% expenditure of funds by March (end of CMIP financial year)	March 09	Achieved
	100% reporting to PAWC each month	Continuous	Achieved
	Revised IDP of each municipality received by MIG manager by June each year	June 09	Achieved
Control over dairies and the enforcement of general hygiene requirements for the transport of dairy products	Each producer on top of applicable legislation	Continuous	Achieved
	The uniform application of applicable legislation to supply COA	Continuous	Achieved

IDP Objectives/ Key performance area	Key performance indicator	Target date	Actual performance
Monitor the impact of the keeping of animals, pets, bees on the inhabitants of the rural areas, small settlements and towns, the monitoring of a vector control service. Manage, monitor and gather info on the safe handling and disposal of medical waste	Keep a complete file for each dairy as prescribed by E U standards	Continuous	Achieved
	Take annual water samples	Continuous	Achieved
	Act according to environmental health by-laws to prevent and control nuisances	Continuous	Achieved
	Inspections within 3 days after complaint	Continuous	Achieved
	COA for each medical generator	Continuous	Achieved
	Applicable by-laws available for medical waste	Continuous	Achieved
	Inspections at medical generators	Continuous	Achieved
Monitor premises and render a building control service from a health point of view and evaluate development applications from an environmental health point of view	Evaluate all building and development plans submitted to the B municipalities	Continuous	Achieved
	Visit premises and evaluate environmental health aspects	Continuous	Achieved
	Investigate all environmental health complaints within 3 working days	Continuous	Achieved
Manage, control and monitor air pollution and noise	Take care of air pollution monitoring program for the province	Continuous	Achieved
	Enforce the applicable protocol on noise control	Continuous	Achieved
Manage, control and monitoring of environmental health issues pertaining to epidemics, pandemics and notifiable diseases	Handle every environmental health notifiable disease according to protocol and keep database in place	Continuous	Achieved
Law enforcement into council by-laws	Necessary prosecutions done	Continuous	Achieved
		Continuous	Achieved
Co-ordinating and measurement of compliance with Batho Pele principles in all spheres of service delivery for Municipal Health personnel	Actions co-ordinated with other institutions and department in ODM	Continuous	Achieved
	Personnel trained	Continuous	Achieved
	Monitoring mechanisms in place to determine effective application of principles	Continuous	Achieved
Safety control in respect of drinking water and final sewerage outflow and water for recreational purpose	Taking of water samples and inform WSA 's	Continuous	Achieved
Monitor and collect information about the safe	All solid waste sites in the whole region be monitored	Continuous	Achieved

IDP Objectives/ Key performance area	Key performance indicator	Target date	Actual performance
handling and disposal of solid waste ( including domestic waste ) with special reference to the impact thereof on humans and the environment	and that waste are dumped properly		
Guidance to and connection with public / community in respect of municipal health affairs and exposure of E H P's to training	Training of EHP's : C P D	Continuous	Achieved
	Liaise with health and welfare committees	Continuous	Achieved
Municipal health control along the coast	Regular inspections	Continuous	Achieved
	Sampling of recreational waters	Continuous	Achieved
	Monitor all cemeteries	Continuous	Achieved
Disposal of the dead	Monitor all undertaker premises	Continuous	Achieved
	Undertake pauper burials	Continuous	Achieved

Table 32: Performance against KPA's: Technical and Planning Services

### Main Delivery Agenda for 2008/09

Key performance indicator	Target
Closing down of Buffeljags resort and removal of all fixtures, fittings, furniture for transfer to other resorts.	June 09

Table 33: Main Delivery Agenda 2008/09: Financial Services

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.1 FINANCIAL OVERVIEW

One of the goals of the municipality is to provide equal service levels in the whole municipal area to improve the quality of life for all inhabitants and visitors. In order to reach this goal the municipality must ensure its long-term financial viability by optimizing our revenue raising capacity to generate the necessary capital needed, continuously improve financial management of our available resources and compile credible budgets.

The percentages of expenditure are within acceptable norms and indicate good governance of the funds of the municipality. The municipality also received an unqualified report from the Auditor-General that indicates that the municipality maintains an effective financial administration.

### 5.2 FINANCIAL STATUS

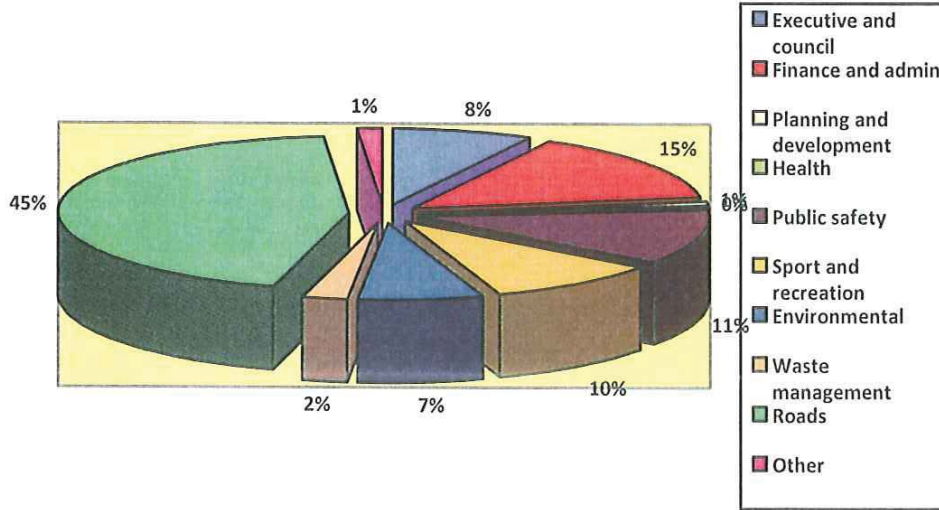
#### Summary of performance against budgets

Year	Revenue				Operating expenditure			
	Budget R'000	Actual I R'000	Diff. R'000	%	Budget R'000	Actual R'000	Diff. R'000	%
06/07	126264	98 129	(28 135)	(22)	130 661	111 260	19 401	15
07/08	94 092	93 113	(979)	(0.01)	94 092	89 037	5 055	5

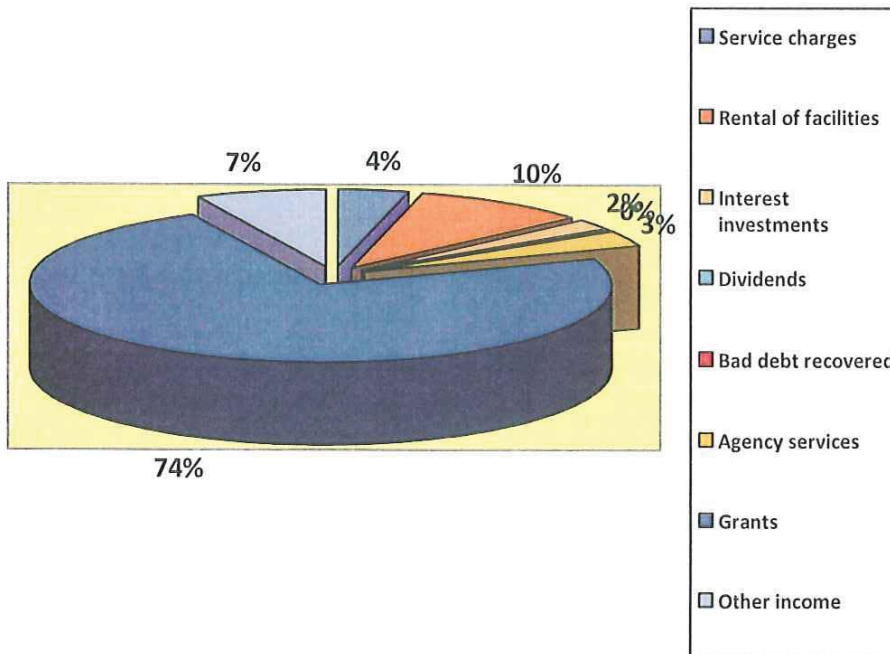
Table 34: Performance against budgets

Being a District Municipality, 73% of the municipality's revenue is dependent on other spheres of government, either for agency functions on behalf of the Province such as roads, or equitable share from the national government. The allocations for the agency services are annually finalised by the Province only after the municipality had already finalised budgets, which caused an under-recovery of revenue or over-expenditure.

Total operating expenditure 2007/08



Total revenue 2007/08



## Level of reliance on grants and subsidies

Financial year	Total grants and subsidies received (R'000)	Total Operating Revenue (R'000)	Percentage (%)
2006/07	79 829	98 129	81
2007/08	68 281	93 113	73

Table 35: Reliance on grants

As mentioned before, being a District Municipality, 73% of the municipality's revenue is dependent on other spheres of government, either for agency functions on behalf of the Province such as roads, or equitable share from the national government.

## Liquidity ratio

Financial year	Net current assets (R'000)	Net current liabilities (R'000)	Ratio
2006/07	15 169	12 366	1.2:1
2007/08	16 048	10 606	1.5:1

Table 36: Liquidity ratio

The municipality is currently within the national norm of 1.5:1, which indicates that they have sufficient current asset (cash and reserves) to cater for short term liabilities (creditors, etc).

## 5.3 ACCOUNTING POLICY

### 1. Summary of significant accounting policies for the year ended 30 June 2008

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

#### 1.1 Basis of preparation

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

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures

GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Asset
GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.	

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

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards.

**The Municipality applied all the exemptions as per General notice 552 of 2007 as issued by the Minister of Finance. Further details of the Minister's exemptions are mentioned throughout this policy.**

*The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with the following requirements of GAMAP 3 (Accounting Policies, Changes of Accounting Estimates and Errors):*

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

*The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with the following requirements of AC 142 (Non-current Assets held for Sale and Discontinued Operations):*

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

*The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with AC 109 (Construction Contracts) in its entirety.*

#### 1.2 Presentation currency

These annual financial statements are presented in South African Rand.

#### 1.3 Going concern assumption

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

#### 1.4 Segmental reporting

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

*The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with AC 115 (Segment Reporting) and AC 146 (Operating Segments).*



## 1.5 Foreign currency transactions

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

## 1.6 Reserves

### 1.6.1 Capital Replacement Reserve ( CRR)

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

- The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- The proceeds from the disposal of property, plant and equipment originally financed through the CRR must be transferred to the CRR.
- All proceeds from the sale of land will be transferred from the Accumulated Surplus to the CRR via the Statement of Changes in Net Assets.
- The CRR is reduced and the accumulated surplus/ (deficit) credited with corresponding amounts when the funds are utilised.
- The amounts transferred to the CRR are based on the Municipality's need to finance future capital projects. The Integrated Development Plan, the municipality's ability to raise external finance and the amount of government grants and subsidies that will be received in future will be taken into account in order to determine the annual contribution to the CRR.

### 1.6.2 Government Grant Reserve

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

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

### 1.6.3 Public Contributions and Donations Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Public Contributions and Donations Reserve equal to the Public Contributions and Donations Reserve recorded as revenue in the Statement of Financial Performance in accordance with a

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

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

## 1.7 Financial Instruments

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

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

*The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with AC 144 (Financial Instruments: Disclosure). For AC 133 (Financial Instruments: Recognition and Measurement) the initial measurement of financial assets and liabilities at fair value is exempted. [SAICA Circular 09/06 paragraphs 43, AG 79, AG 64 and AG 65 of AC 133]*

## 1.8 Leases

### 1.8.1 Lessee Accounting

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

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

Operating lease payments are recognised as an expense on the basis of the cash flows in the leases.

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

*The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with AC 105 (Leases) with regards to the recognition of operating lease payments / receipts on a straight line basis if the amount is recognised on the basis of the cash flows in the lease agreement. [SAICA Circular 12/06 paragraphs 8-11 and paragraphs 33, 34, 50, 51 of AC 105]*