

2007/2008

# ANNUAL REPORT



[ METSWEDING DISTRICT MUNICIPALITY ]

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**EXECUTIVE MAYOR'S FOREWORD**

Whilst this Annual Report reflects on the financial year under review, it also comes at time of the worst global financial crisis. This crisis will affect local government more specifically our ability to ensure that as we continue and upscale the provision of basic services to our communities, it will require that we become more prudent in our management of our resources, specifically our financial resources.

Hence, as we implement our programme to improve the quality of life for all our people, we are also mindful that our ability to alleviate poverty, unemployment, and underdevelopment requires that we grow the economy of the District at a much higher rate than it is growing currently. This certainly cannot be achieved by government alone and partnerships with the private sector are of paramount importance to achieve our growth and development objectives.

It is in this context that we re-affirm our strategic direction developed in the year under review and remain committed to ensuring that we attract investment, create jobs and expand and grow the tax base of the District.

This requires of us to move away from the survivalist approach to economic development. Whilst in some instances, survivalist activity is necessary to deal with short term poverty alleviation; it cannot be the mainstay of our activity to sustainable development and economic growth. It would also require that we fundamentally shift from programmes and projects that do not qualitatively improve the lives of our people and move away from acerbating the dependency syndrome.

Other than the global financial crisis, climate change and energy efficiency matters have become matters of priority for the District. In the year under review we have committed ourselves to ensuring that a comprehensive energy efficiency programme is developed for the District as well undertake a comprehensive education programme to ensure that our communities contribute to the energy saving. Notwithstanding, as we grow the regional economy, the demand for energy will increase and this would require a comprehensive public-private partnership approach in satisfying this need.



**EXECUTIVE MAYOR'S FOREWORD**

The sad xenophobic attacks that took place within our District, albeit on a small scale, have highlighted the need for continuous interaction with our communities on matters of rights and international solidarity. However, the ready acceptance of the displaced back into our communities is an indication that our communities are a caring and loving people.

The District is indeed on track towards improving the lives of our residents, developing the economy and in an integrated governance framework and protocol, making local government work better for our people. We acknowledge the contribution of councillors, management, other employees, business and civil society. The achievements highlighted in the report serve as good foundation to build on and address the challenges that remain.

**Councillor Agnes Mlondobozi**  
**Executive Mayor (signed)**





### VISION AND MISSION

#### Vision

A tourist destination where excellence, good governance, sustainable growth and service delivery prevails.

#### Mission

Metsweding District Municipality is committed to mobilise and utilise resources in partnership with its stakeholders for the realisation of its vision through:

- Provision of capacity to local municipalities
- Promotion of social and economic development
- Creation of a safe and healthy environment
- Encouragement of community participation
- Consolidation and implementation of IDP's
- Adequate training and development of staff

#### Values

- Consultation: citizens should be consulted about the level and quality of the public service they receive and, wherever possible, be given a choice about the services that are offered.
- Access: all citizens should have equal access to the services to which they are entitled.
- Courtesy: citizens should be treated with courtesy and consideration.
- Information: citizens should be given full, accurate information about the public services they are entitled to receive.
- Openness and transparency: citizens should be told how national and provincial departments, as well as the municipalities are run, how much they cost and who is in charge.
- Redress: if the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response.
- Value for money: public services should be provided economically and effectively in order to give citizens the best possible value for money.



**1. Introduction**

The Office of the Speaker has four key strategic objectives which are:

- To ensure that Council performs its oversight functions effectively;
- To give support and capacitate Councillors;
- To facilitate and ensure the participation of the community in all Council activities;
- To oversee the functioning and operations of Council committees.

**2. Council Work**

In ensuring that Council fully performs its oversight function as per the legislation, the Speaker convened 6 Ordinary Council Meetings and 3 Special Council Meetings. Notices for all of these meetings were issued in time and they all had a quorum that took legitimate resolutions in accordance with the Standing Orders of Council.

The Speaker's Office with the assistance of the Corporate and Legal Services Department which is serving as the secretariat of Council developed an electronic system of tracking the implementation of Council Resolutions. This would ensure that all the resolutions and recommendations are implemented and reports thereof are presented in every Council meeting.

**3. Support for Councillors**

Councillors were given general administrative support and assistance in logistical arrangements for their varying engagements internally and externally.

Following a resolution taken by the Speakers Forum, a study tour to Ethekewini Metropolitan Municipality in Durban was organized for all Councillors to practically learn about the Community Based Planning program.

Two major training programs were organized for councillors. Councillors across the District attended a Municipal Management Development Program (MMDP) offered by the University of Pretoria.

The Speaker attended training for local government Speakers which was offered by African Governance Transformation in conjunction with the University of Zululand. The Political Management Team also attended the Senior Management Program offered by the University of Pretoria and a computer literacy program in which they were joined by the Members of the Mayoral Committee.

Amid growing contentions about the relationship of the Community Development Workers, Ward Councillors and Ward Committees, a role clarification workshop in collaboration with



### SPEAKER'S REPORT

the Speaker's office in Kungwini Local Municipality was organized. The main aim of the workshop was to ensure an improved working relationship between three.

In response to the recommendations of the Ward Committee Assessment Report to be elaborated on below, training was organized for all Ward Councillors on the Ward Committee system.

#### 4. Public Participation

The Office of the Speaker is part of the IDP Steering Committee where in we give the necessary advices and inputs pertaining to public participation in particular. Two rounds of Public Participation meetings in the two local municipalities were held respectively as part of the IDP review process. Six meetings of the clustered wards were held in Kungwini Local Municipality whilst eight were held in Nokeng Tsa Taemane Local Municipality.

Pursuant to the concerns raised about the functioning of the ward committee system, a ward committee assessment study was conducted in conjunction with the Speakers offices of the Local B's. All the wards were visited and a thorough diagnosis was conducted of how the committees are functioning. According to the report of the study, 80% of the wards were functioning well albeit having various challenges, the common one being the lack of feedback from the municipalities which results in some members becoming disillusioned and absconding from the activities of the committee. A number of recommendations were made in the report, some of which will be implemented during the 2008/09 financial year.

Following the resumption of the process of the review of the Provincial and Local Government White Paper and Green Paper respectively by the Department of Provincial and Local Government (DPLG), all offices of the Speakers were mandated by SALGA to conduct public engagements in their localities. Twelve meetings were held throughout the District where communities were given an opportunity to make inputs and comments on the policies. All the comments thereof were forwarded to SALGA who ultimately forwarded them to DPLG.

In line with the program of the Premier, the Office of the Speaker assisted in coordinating the launch of the Thusong Services Centre at the Masakhane Community Hall in Kungwini. SASA has since been operating from the centre and there is also a library that is functioning, some of the services like the home affairs are only coming once a week.

As part of the program of ensuring that the community is informed about the services of government and about progress on the programs that were under way and those that were planned for, a big screen was arranged to flight the State of the Province Address (SOPA) for the Refilwe community in particular. Subsequent to the delivery of the latter address, a special Council meeting to present the State of the District Address (SODA) was organized which targeted all key stakeholders.





**SPEAKER'S REPORT**

The Office of the Speaker coordinated a Ministerial Imbizo in conjunction with the Department of Trade and Industry (DTI). The Deputy Minister of the department was part of the meeting which targeted bulging entrepreneurs and those who wish to start businesses.

In order to ensure that communities understand how public participation functions in all the spheres of government, particularly at local and provincial level, the Speakers Office in collaboration with the Gauteng Provincial Legislature conducted a public education workshop for all stakeholders in the District. The workshop concentrated mainly on how information from the community reaches the political principals and vice versa, and the importance of the participation of the community in various government activities.

The District's public participation strategy provides for Council and the Executive to interact with the community at least once in a financial year. To respond to this provision, a Council Outreach Program was organized at the Roodeplaat Community hall in Ward 5 of Nokeng tsa Taemane. This program was coupled with the sector departments' service delivery program where communities were able to access information and were assisted on the spot by departments such as the Home Affairs and SASA amongst others. The main issues that the community raised on the day were that of the unavailability of land from which the matters of evictions arise and the provision of basic services for the communities that are living in privately owned lands.

**4.1. Petitions and complaints**

Only one petition was received from the Victory Fellowship Church in Rethabiseng (Ward 13 in KLM). The petition was about the street naming in the area and it was referred to the Speakers Office in Kungwini and the relevant Ward Councillor.

**5. Work of Committees**

Council has four committees reporting directly to it and those are the Petitions and Complaints Committee, the Municipal Public Accounts Committee, the Ethics Committee and the Audit Committee which is based in the Municipal Manger's office.

**5.1. Petitions and Complaints Committee**

The Committee comprises of four (4) members and is chaired by the Speaker. The Committee has not sat since its establishment largely because there was no policy and formal processes in place at the time and the fact that the complaints that were received did not necessarily need the intervention of the committee and they were dealt with administratively whilst some were referred to the relevant authorities.



**SPEAKER'S REPORT**

5.2. Municipal Public Accounts Committee

The MPAC is newly established and it is different from other committees in that it is a District committee that represents and has representatives from the three municipalities. The Committee has a total of eight (8) members, six (6) are from Kungwini, one (1) is from Nokeng tsa Taemane and one (1) is from the District

All the members of the committee were inducted immediately after the establishment and will continue to be capacitated so that they can be abreast of their responsibilities.

The committee held a total of four meetings in the financial year under review, one of those meetings was to consider the 2006/07 Annual reports. The committee has developed an oversight report to this effect that has been served and adopted by Council.

5.3. Ethics Committee

The Committee comprises of four members including the Speaker who is the chairperson. The Committee has not sat since its establishment as no Councillor acted in violation of the code of conduct of Councillors and as such there were no cases referred to it or the Speaker.

**6. IGR Matters**

The District Speakers Forum was established during the 2004/05 financial year. At the initial stages, the Forum did not function as well as it should, however this changed after the March 2006 Local Government elections when a new Speaker was elected for the Nokeng Tsa Taemane Local Municipality. The Forum is chaired by the District Speaker and it is where joint programs are conceived which the three municipalities implement together, one such program being the Ward Committee Assessment Study.

The Speakers Office was in constant contact with the CDW Unit, as the Regional Supervisor is also housed in the District offices. The CDW's program is integrated with the Speakers Offices program and the CDW's participated in most of the Council's activities. The CDW's are also ex-officio members of the Ward Committees and they have been sitting in their meetings as and when they were available and reporting on their programs and some of the common issues that are also addressed by the committees. The Regional Supervisor has also been invited to form part of the Speakers Forum Technical Team which will further assist in ensuring that the programs of the Speakers Offices are synchronized with the CDW program.



### **7. Other Delegated Function**

As part of the Speakers Office program of public education, a training workshop was organized for the unemployed that targeted the out of school youth.

This program was implemented in conjunction with the Department of Corporate and Legal Services utilizing the discretionary funds from LGSETA. Forty (40) young unemployed people were trained in the following modules:

- Project Management
- Entrepreneurial Skills
- Financial Management
- Basic Agricultural training
- Civil Engineering

A refresher course was offered in all these modules after which certificates were awarded to all the participants.



**REPORT OF THE AUDIT COMMITTEE**

**1. PURPOSE**

The purpose of this report is to inform Council about the activities of the Audit Committee as required in terms of the audit Committee Charter as approved by the Council.

**2. LEGISLATIVE REFERENCE**

In terms of section 166 of the Local Government: Municipal Finance Management Act 56 Of 2003, an Audit Committee established by a municipality, is an independent advisory body which must-

- (a) Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to:
  - (i) internal financial control and internal audits;
  - (ii) risk management;
  - (iii) accounting policies;
  - (iv) the adequacy, reliability and accuracy of financial reporting and information;
  - (v) performance management;
  - (vi) effective governance;
  - (vii) compliance with the Municipal Finance Management Act , the annual Division of Revenue Act and any other applicable legislation;
  - (viii) performance evaluation; and
  - (ix) any other issues referred to it by the municipality
- (b) review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with the Municipal Finance Management Act, the annual Division of Revenue Act and any other applicable legislation;
- (c) respond to the council on any issues raised by the Auditor-General in the audit report;
- (d) carry out such investigations into the financial affairs of the municipality as the council of the municipality may request; and
- (e) perform such other functions as may be prescribed.

**3. BACKGROUND**

After the establishment of the current Audit Committee, meetings were scheduled for the: -



**REPORT OF THE AUDIT COMMITTEE**

- 9 April 2008 - Did not take place due to disruptions at the municipality;
- 15 May 2008 - Where the committee was warmly welcomed by the Speaker, Cllr. R Makola; MMC Finance, Cllr. J Mabona; the Municipal Manager, Mr. N Pillay; members of the administration, the CFO, Mr. E Sweeney; The Chief Internal Auditor, Mr. P Mhlanga; the PMS coordinator, Mr. M Matthys; the Manager in the Office of the Speaker, Mr. T Rakgahla, and the Secretary, Ms. T Phuthi – Secretary in the Office of the Speaker;
- 24 June 2008;
- 2 July 2008;
- 23 July 2008, and
- 10 September 2008

In performing its duties, the committee maintained effective working relationships with the Council, management, and the internal and external auditors.

**4. AUTHORITY**

The authority of the committee was never comprised by the municipality and all information requested was furnished to the committee promptly. The meetings were well attended by management and the external auditors and oversight authorities.

At this stage the committee did not find cause to request councillors to be present.

**5. INTERNAL CONTROL**

The committee did not assess the extent of council's internal control; however during our brief engagements council seems to have good control over reporting, financial and administrative matters. With the introduction of an Internal Audit Charter & an Internal Audit Plan the committee should have better insight to analysis weaknesses and make recommendations on improved internal controls with a view to enhancing appropriate accountability.

**6. FINANCIAL REPORTING**

**a) General**

With the information submitted it was concluded that Monthly and Quarterly reports are submitted on time and budget statements are taken to Council, however management reports should be submitted every Quarter.

Due to the burning of the municipal offices, serious challenges were faced when finalizing the 2007/2008 budget. This resulted in the budget being poorly executed.



The committee is not sure if sufficient consultation took place with the community during the IDP & Budget consultation processes.

Challenges were also experienced in the compilation of the Annual Report as some departments did not submit reports on time.

**RECOMMENDATION**

*A corporate yearly calendar is introduced and the time lines be managed by the office of the municipal manager.*

*The above recommendations are incorporated into the individual performance plans of managers.*

**b) Annual Financial Statements**

The committee reviewed the annual financial statements and based on the information supplied determined that they were complete and consistent with the information known to committee members and reflects appropriate accounting principles. The CFO satisfied the committee that the disclosures in the financial statements is appropriate and complies with legislation and the requirements of the Auditor-General.

A planned meeting is scheduled for the 10 December 2008, the same day that this report is being tabled to the committee, with the external auditors to review the financial statements and the results of the audit prior to presentation to the Mayoral Committee. An addendum will be added to this report to reflect the outcomes of this meeting.

**Internal Audit**

An Internal Audit plan was reviewed and approved by the committee for the current financial year.

The committee expresses concern at the capacity in this department and: -

**RECOMMENDS**

*Council considers additional human capacity in the form of internal auditors and,*

*The possibility of introducing interns in the internal audit department.*



**7. PERFORMANCE MANAGEMENT**

The committee perused the Annual Performance Report for 2007/08. The committee noticed that the report did not contain any IDP reference.

**RECOMMENDATION**

*The committee recommends that IDP reference numbers be reflected in the budget, performance and other reports in order to show clear alignment to the councils IDP.*

**8. OTHER MATTERS**

The committee was not requested by Council or Management to look into any specific matters during the period under review.

**9. CONCLUSION**

Although the committee included meeting dates during the new financial year it concentrated on mostly on matters relevant to the financial year ended 30 June 2008 and Audit plans for the current financial year.

The committee also concentrated on its governance matters to ensure that the Audit Committee and Internal Audit Charters are in place, and that the internal audit department has its annual audit plan in place.

The chairperson has been requested by SAICA, who are working on a Gauteng Municipal Finance programme in partnership with the DBSA and the provincial government, to resign as chairperson as they consider the appointment to be a conflict of interest.

The committee will like to record its appreciation to councillors and staff for their excellent cooperation.

**RECOMMENDATION**

*That the report be adopted by council and incorporated into the Annual report for 2007/2008.*



#### Foreword by the Municipal Manager

Since its establishment in December 2000, the Metsweding District Municipality has come a long way in forging a common identity, an integrated approach to service delivery and building a cohesive inter-governmental structure to ensure efficiency and good governance.

This laid the basis for a much improved interaction, co-ordination and integration of work and purpose at all levels of the organisations, specifically between departments of the municipality as well as between officials of the District and the two local municipalities. However, much still needs to be done to ensure optimal operation of the inter-governmental relations structures.

In the year under review, the District had redefined its role to include amongst others the following key strategic perspectives viz.

- Identifying and focusing on facilitating catalytic projects and initiatives that can make a significant impact district wide and which can collectively deliver on our five year mandate;
- Improving ongoing service delivery in areas where we have a clear mandate to deliver;
- Building a strong organization;
- Ongoing co-ordination and support to local municipalities;
- The separation of the Executive and Legislative roles and functions.
- Ensure a District wide shared service approach in many respects for e.g. integrated supply chain management, human resources, external communication and marketing etc.
- District wide strategic economic and infrastructure development.

During the years to come we shall focus our collective resources towards implementation of the following key catalytic projects:

- Development of the Ekandustria conurbation.
- Energy Efficiency and climate change programmes.
- Regional Disaster Management Centre.
- Corridor Development.
- Public Transport interventions specifically rail transport.
- Comprehensive Commercial Farming and related services such as packaging etc.
- Inclusionary and Social Housing.

The Districts commitment to achieving an accelerated economic growth trajectory is under pinned by these perspectives and programmes. Much planning work has





#### **REPORT OF THE MUNICIPAL MANAGER**

already started and in some instances also concluded. However, our economic growth and prosperity is aimed at ensuring a more balanced sharing of benefits by addressing the disparities of the urban and rural divide, the untenable skills gap, the significant lack of urban management and poverty alleviation.

Notwithstanding, the year started off with menacing signs of eminent global financial crisis, amidst a local economy faced with the highest inflation and fuel prices in years, as well as a volatility in the market indicators making any attempt at predictability extremely unpredictable.

However, going forward our approach cannot be business as usual, and our strategies must focus towards unlocking the joint potential of the three municipalities collectively in the interest of our communities. As we enter the new financial year, it has become prudent for the municipality to begin to manage its resources optimally and cut out all the “nice to haves”. Undertaking events or programmes which has no positive impact on our strategic perspectives is a thing of the past.

Furthermore, the performance of the municipality during the period under review was influenced by the developmental challenges it faced in its endeavour to enhance the quality of life all its residents and the performance highlights contained in this report reflect these success and achievements.

I take this opportunity to express my appreciation for the work done by the previous Municipal Manager, Mr C.A. Chikane who left the employ of the municipality at the end of November 2007.

In conclusion, the District Municipality is well positioned and together in partnership with its two local municipalities, other spheres of government, the private sector and civil society, we can do more. In this regard we are proud of our past achievements and are confident of our future endeavours to create a sustainable and liveable District for all our residents.

I present to you the annual report for the 2007/08 financial year, inclusive of the annual financial statements, the annual performance report and the report of the Auditor-General.

**N Pillay**  
**Municipal Manager (signed)**

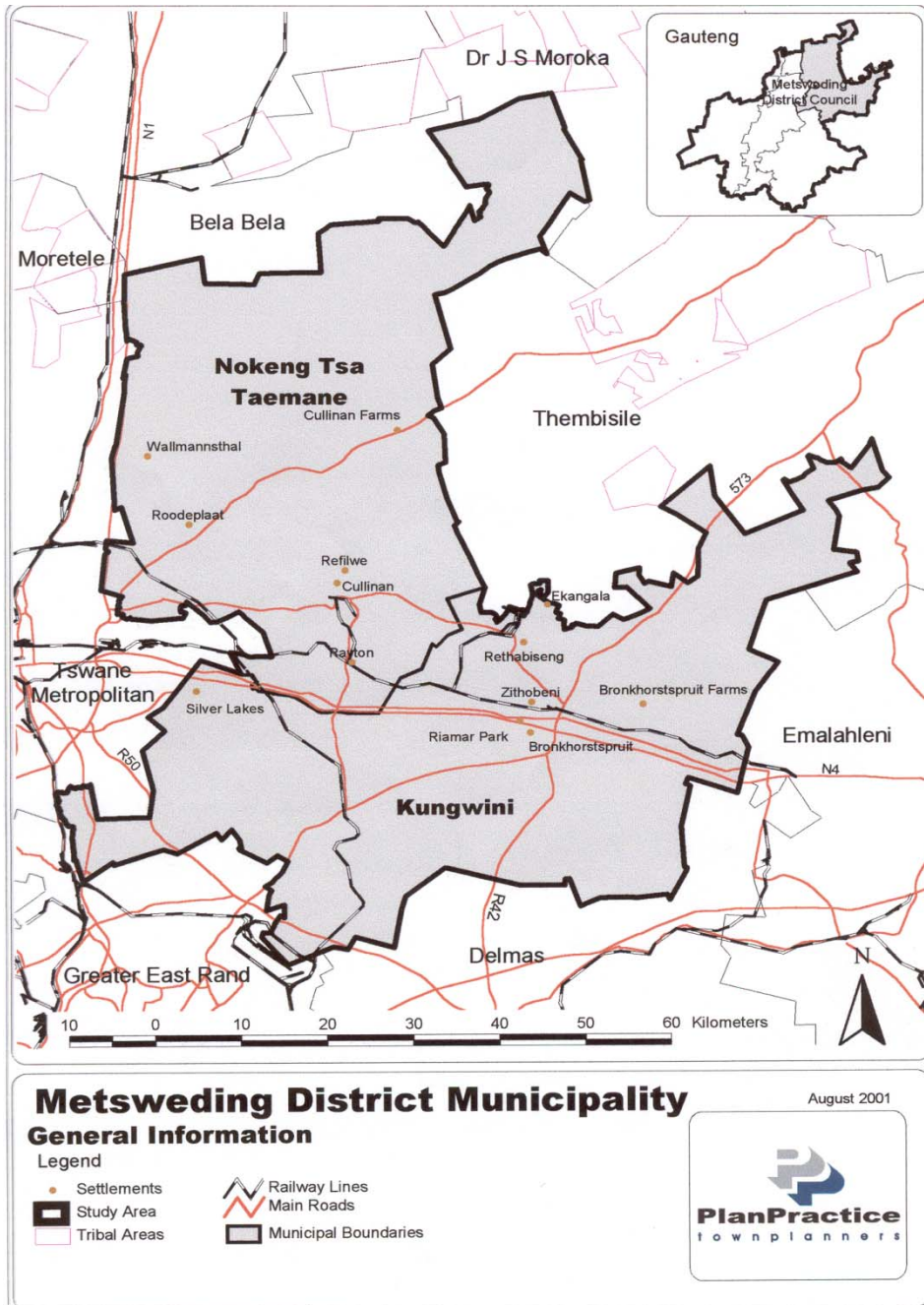


# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### REPORT OF THE MUNICIPAL MANAGER: OVERVIEW OF THE MUNICIPALITY

#### 1. General Profile



### OVERVIEW OF THE MUNICIPALITY

#### 1.1 Economic Activity and Potential

The Metsweding District Municipality (MDM) is situated in the north-eastern corner of Gauteng and comprises a number of natural, cultural and historic attractions. The area is in close proximity to the economic areas of Johannesburg and Tshwane, and easy access is provided via the N1 and N4 freeways.

Metsweding has always been seen as a rural area with a significant, but somewhat underdeveloped agricultural base. However, the greatest strength in respect of agriculture of this area relates to its central location and access to markets, the east-west transport network and proximity to the urban centres within Gauteng.

Metsweding is also an important centre for diamond mining. Cullinan, for example, developed because of the diamond mining activities, which produced the world's largest diamond and the world's largest cut diamond. The mining history of this area has also contributed to the tourism potential of the area.

The "new" economy in the region is Tourism. Existing visitor attractions, ranging from recreation-oriented activity at Roodeplaats Dam to mining and heritage tours in Cullinan, also offer opportunities for further development. The types of opportunities are concentrated in adventure and eco-tourism, and cultural heritage tourism, and include:

- ✚ Visitor attractions (museums, natural areas, conservation areas)
- ✚ Visitor activities (eco-tours, conservation activities, cultural events)
- ✚ Recreation areas and activities (boating, fishing, hiking, biking, etc)
- ✚ Accommodations, food and beverage
- ✚ Provincial Youth Dialogue
- ✚ Conference and meeting facilities (avoid over-supply)
- ✚ Retail trade (especially at nodes)
- ✚ Manufacturing and distribution in support of tourist trade
- ✚ Animal husbandry and agricultural supply in support of game reserve

Through Blue IQ's Dinokeng initiatives, a significant commitment has been made to conservation and the development of an eco-tourism industry in the region. Dinokeng will focus on existing tourism activities in the area and will also provide capacity to develop these activities in the area and the proposed nodes for development within Dinokeng.

It is believed that through the ongoing commitment from the stakeholders in the region, that the focus of the manufacturing base can be changed, resulting in better growth and a larger contribution to the region's economy.



### OVERVIEW OF THE MUNICIPALITY

#### 1.2 Spatial Structure and Land Use

The District is characterised by a mix of peri-urban land use (e.g. low-density residential expansion from Tshwane on its western border), agricultural activities, mining (mainly in the Cullinan area), and natural areas with tourism potential (Dinokeng area in Nokeng LM). The region is in a developing phase and the spatial structure is currently fairly disjointed, with the two activity centres of Bronkhorstspuit / Ekandustria (in Kungwini) and Cullinan (in Nokeng LM) and the N4 / 'Maputo Corridor' serving as the main distinguishable elements.

New residential developments are occurring around Roodeplaats and Bronkhorstspuit dams, as well as on the region's western boundary with Tshwane. These developments will have to be managed carefully to ensure that the value that they create is in line with the DM's vision and priorities.

There are numerous tourism and recreation facilities that, if managed well in terms of how they are developed, will form an important structuring and place-making element in the district.

#### 1.3 Poverty and Need

Creating sustainable communities who have access to the aforementioned economic opportunities is an important strategy of the MDM in order to address poverty (45%) and unemployment (19%) in the district. The MDM is finalising a comprehensive economic strategy that will not only target the 32% economically inactive part of its community for training, but will also create the relevant economic activity that can act as an entry point for relevant skilled and trained people. Higher economic growth will also allow the MDM to address its service provision concerns.

The provision of services is a national challenge and priority and the MDM is no different. With an average of 25% of the population not having access to most of the basic services<sup>1</sup>, the MDM's focus, together with the local municipalities, will be to address the service backlogs, **Table 1.1**, in line with the targets set by the national and provincial governments.

Table 1.1: Backlogs

<sup>1</sup> Source: MIG estimates presented at IDP Hearings in 2005

Service	Backlog %
Water	16%
Sanitation	31%
Electricity	30%

The intention is, however, to ensure that basic service delivery is addressed within a sustainable infrastructure investment framework that includes the maintenance of current infrastructure investments and the development of new infrastructure for growth.



### OVERVIEW OF THE MUNICIPALITY

#### 1.4 Financial Challenges

Like so many growing and developing regions, the MDM is at a sensitive point in its growth path. On the one hand, it has to address current needs whilst on the other, it has to, at the same time, nurture the potential of the region despite limited financial capacity. The challenge is to address current backlogs and, simultaneously, invest in growth that will, in future, ensure that more funding is available to address basic needs.

The intention of the MDM is to achieve the delivery and growth strategy through the creation of partnerships with role players, public and private, well-planned investment strategies and a clear measuring and monitoring process.

#### 1.5 Institutional Capacity

The MDM was newly established at the time of the demarcation process in 2000. With no base from which to work, the focus during the first two years was on devoting the majority of its financial and institutional resources towards establishing the administration and dealing with committed projects inherited from the former Eastern Gauteng Services Council. Institutional issues such as staff recruitment and retention, a comprehensive performance management system and ensuring relevant planning capacity in general will have to be addressed on a continuous basis.

The focus of the next stage is to consolidate its role as a facilitator and coordinator of development and growth for the region in terms of its legal mandate.

#### 1.6 Strategy

Against the backdrop of current reality and challenges, as well as the potential in the region, the MDM developed a strategic framework that addresses the basic building blocks for the development of the region and one that will permit the region to take up its role as a tourism destination and future growth area for the province.

The MDM strategy development process was transformed from an organisational strategic planning process to an integrated and measurable management strategy that does not only focus on the MDM as an institution, but combines the institutional capacity with the impact area and physical development of the region.

## 2. Social profile

The following Table provides an indication of the composition of the population.



## METSWEDING DISTRICT MUNICIPALITY

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#### OVERVIEW OF THE MUNICIPALITY

Table 2.1.1 – Composition of the population of South Africa, Gauteng and Metsweding, 2004

Indicator	South Africa	Gauteng	Metsweding	Nokeng Tsa Taemane	Kungwini
<b>Total Population</b>	45 857 655	8 927 378	176 315	52 314	124 001
<b>Population Growth p.a.</b>	1.0%	0.7%	2.9%	0.7%	4.5%
<b>HIV&amp;AIDS +</b>	10.9%	12.1%	11.9%	12.4%	11.5%
<b>Population Groups</b>					
African	36 390 157	6 637 555	137 878	38 194	101 681
Asian	1 120 407	222 215	353	54	248
Coloured	4 099 960	338 392	2 116	1 248	868
White	4 247 131	1 729 216	35 968	14 757	21 204
<b>Gender Percentage</b>					
Male	48.0%	49.2%	52.5%	56.8%	50.3%
Female	52.0%	50.8%	47.5%	43.2%	49.7%

Source: Quantec Research as in Metsweding LED, 2005

The population of Metsweding is estimated at (176 000 in 2004) and it grew by 2.9% on average per annum between 2001 and 2004 while the provincial growth rate was recorded at 0.7%. The majority of the local population is resident in Kungwini LM (approximately 70%). According to the Metsweding SDF (2006), closer examination of the distribution of people in the district indicates that larger numbers of the people are concentrated in Refilwe, Cullinan, Rayton, Zithobeni, Ekangala, and Bronkhorstspuit area.

It is also relevant to note that Provincial net in-migration for Gauteng was 1 186 335 people (2001 to 2004). Gauteng provincial migration accounts for 35% of the national total (Draft Gauteng Spatial Development Perspective, as in DIB, 2005, Net Population Gains and Losses for the period 2001-2004.). A challenge that confronts Metsweding is a lack of information relating to in and out migration.

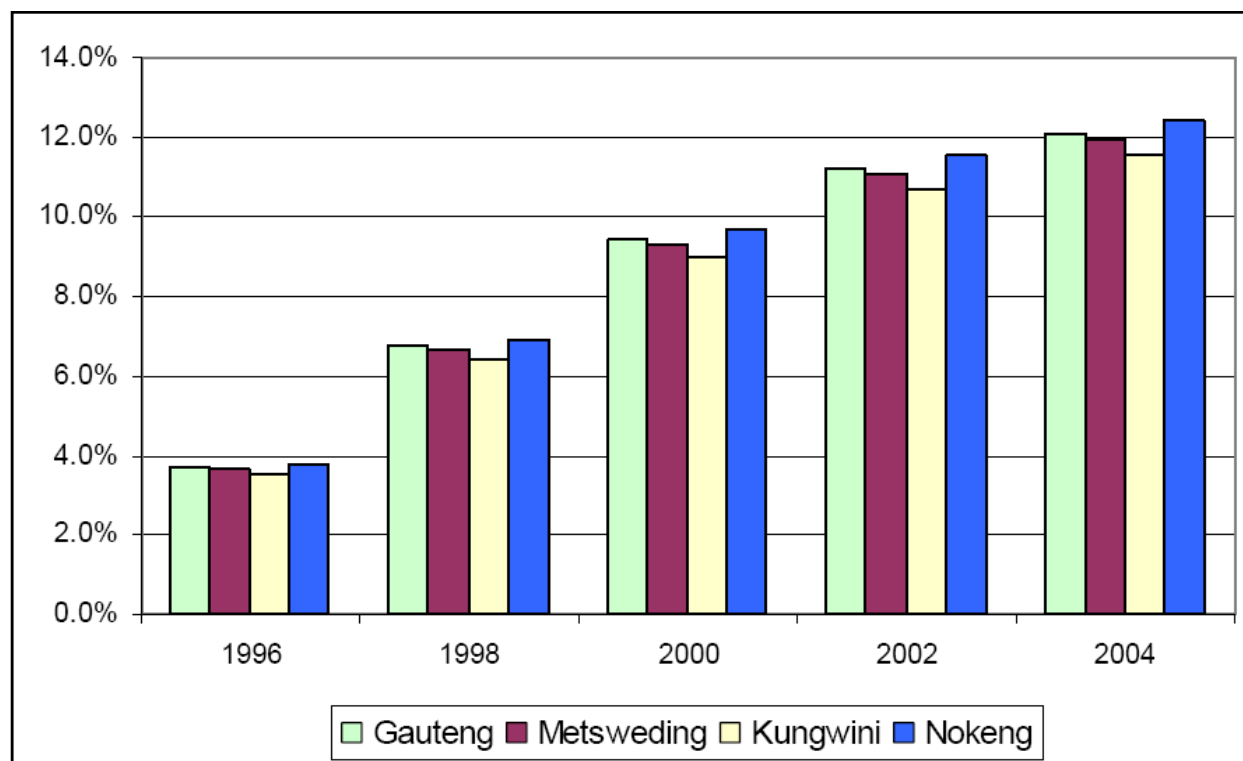
The following Diagram provides an indication of the HIV and AIDS prevalence.

The HIV and AIDS prevalence rate of Metsweding was estimated at 11.9% during 2004 compared to 12.1% for Gauteng as a whole. A higher HIV and AIDS prevalence rate was estimated in Nokeng Tsa Taemane LM (12.4%) than in Kungwini LM (11.5%).



**OVERVIEW OF THE MUNICIPALITY**

**Diagram 2.1.2 HIV & AIDS prevalence in GP, Metsweding, Kungwini and Nokeng Tsa Taemane**



Source: ASASA model for HIV and AIDS Quantec Research as in Metsweding LED, 2006

The following Table provides a summary of the education profile.

**Table 2.1.3 Education Profile of Gauteng and Metsweding, 2001**

Level of Education	% of Metsweding	% of Nokeng Tsa Taemane	% of Kungwini	% of Gauteng
None	17.01%	12.49%	20.42%	8.4%
Some Primary	15.15%	14.56%	15.60%	11.2%
Completed Primary	6.15%	6.49%	5.88%	5.5%
Some Secondary	29.36%	33.23%	26.44%	34.3%
Grade 12/ Std 10	21.64%	23.49%	20.24%	28.0%
Higher	10.69%	9.73%	11.42%	12.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Quantec Research as in Metsweding LED, 2006

Less than 33% of the Metsweding population has a Grade 12 or higher education qualification while 17% have no schooling at all. Kungwini has the largest concentration of



#### **OVERVIEW OF THE MUNICIPALITY**

adults (18.4%) who did not have any form of formal education while only 32.0% had at least a Grade 12 qualification. Nokeng Tsa Taemane (87.5%) had a higher adult literacy rate than Kungwini (81.6%).

The Metsweding SDF (2006) reveals that following status quo with regards to Health and social infrastructure:

**Emergency services:** The Metsweding District Municipality is fully responsible for the provision of emergency services. Fire and Rescue activities are carried out by Nokeng Tsa Taemane and Kungwini municipalities. Fire and rescue activities are carried out from Kungwini and Nokeng Tsa Taemane Municipalities and so are the emergency services of the district. The district has 2 primary response vehicles, one rescue vehicle, ten ambulances and 1 utility vehicle to service the rest of its jurisdictional area and immediate areas in a case of an emergency.

**Medical services:** The District only has one major private hospital, the Bronkhorstspuit Hospital. There are only 20 beds for public patients, which is not sufficient for the number of people in Metsweding.

**Educational facilities:** The provision of crèches, primary and secondary schools is very limited in both the local municipalities. Although the provision of primary and secondary education is critical, most needed are tertiary and adult education facilities in the district.

**Community centres:** Within the different areas of the District there exists at least one community centre in each community. The centres appear to be used by the community for local functions. There is however a management and a resource issue related to these facilities.

**Social infrastructure:** In terms of community centres and health services, the district is fairly well serviced. The only concern relates to the standard of these services and the staff required for the servicing of the patients.







**REPORT OF THE MUNICIPAL MANAGER:  
CORPORATE AND LEGAL SERVICES****1. Key Objectives**

- To develop sustainable Council administration;
- To develop and sustain customer relations management for Councillors and staff;
- To ensure employee satisfaction and wellbeing;
- To develop a high performance culture within the organisation.

**2. Municipal Structure**

There is currently a proposal made on a new staff establishment plan which was work shopped in February 2008. The proposal made provision for six (6) departments excluding the following offices: Executive Mayor, Speaker and the Municipal Manager. The six proposed departments pending the approval by the council are:

- Finance
- Corporate and Legal Services
- Infrastructure Services
- Economic Development and Tourism
- Community Services
- Development Planning and Environment Management

**3. Workforce Movement**

The workforce movement during 01 June 2007 to 30 June 2008, is as follows:

**Appointments**

The following appointments were made during the 2007/8 financial year.

	<b>Employee Name</b>	<b>Designation</b>	<b>Department</b>	<b>Race</b>	<b>Gender</b>
1	Radebe J	Finance Interns	Finance	B	M
2	Sehlabo NB	Finance Interns	Finance	B	F
3	Madisa M	Office Attendant	Corporate and Legal Services	B	F
4	Matthys MG	PMS Co-ordinator	MM 's Office	C	M
5	Molopo T	I T Specialist	Corporate	B	F
6	Mashava E	Senior Manager	Infrastructure	B	M
7	Mokwena F	Finance Clerk	Finance	B	F
8	Mashile L	IDP Co-ordinator	Planning	B	F



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	Employee Name	Designation	Department	Race	Gender
9	Prinsloo HIB	Finance Clerk	Finance	W	F
10	Mhlanga P	Chief Internal Auditor	Finance	B	M
11	Pillay N	Municipal Manager	MM'S Office	I	M
12	Mabasa V	Tourism Officer	LED	B	M
13	Mmakola P	Secretary: Community	Community Serv	B	F
14	Mahoro R O	Office Attendant	Corporate	B	F
15	Waldick J	Secretary :LED	LED	C	F
16	Lebelo S	Manager : Environment	Planning	B	F
17	Masilela RV	Admin Assistant	Corporate & Legal	B	F

#### Contract expiry / Renewal

Ms R V Masilela 's was employed on the temporary basis until the position of Secretary Corporate and Legal Services was filled. Her contract expired end of February 2008. Ms R O Mahoro and Ms N P Jwaga's contracts wre renewed on a monthly basis.

#### Promotions

The following personnel had been promoted during the financial year (2007/08):-

- Mr L J Mononela from Finance Intern to Senior Manager Finance (01/11/2007)
- Ms T M Moela from LED Co-ordinator to Manager LED (01/02/2008)
- Ms L M Skosana from Receptionist to Secretary Planning and Development (01/06/2008)

#### Terminations / Resignations

The following personnel resigned during the financial year (2007/08).

- Ms S Kubayi - Manager LED (31/07/2007)
- Ms M R Mothiba - PIMS Co-ordinator(30/09/2007)
- Mr C A Chikane – Municipal Manager (30/11/2007)
- Ms P Mokgotho - Secretary LED (31/03/2008)

#### Transfers

Ms KD Tshambo has been transferred **from** Secretary: PIMS **to** Secretary: Corporate and Legal Services.



**REPORT OF THE MUNICIPAL MANAGER:  
CORPORATE AND LEGAL SERVICES**

**4. Employment Equity**

Occupational Categories	Post Levels	Black Male	White Male	Coloured Male	Indian Male	Black Female	White Female	Coloured Female	Indian Female	Totals
Top Management	0	0	1	0	1	0	0	0	0	2
Senior Managers & Managers	1 - 3	6	0	0	0	2	1	0	0	9
Associate Professionals	4 - 7	8	0	1	0	5	0	0	0	14
Secretaries & Clerks	7 - 8	1	0	0	0	11	1	1	0	14
Drivers & Body Guards	8 - 12	3	0	0	0	0	0	0	0	3
Service Workers	15	0	0	0	0	4	0	0	0	4
<b>TOTALS</b>		<b>18</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>22</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>46</b>
<i>Percentage</i>		<b>39</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>48</b>	<b>4</b>	<b>2</b>	<b>0</b>	

*NB. (0% pd) indicates number of persons with disabilities.*

**5. Training and Development**

The Metsweding District Municipal Council approved the Workplace Skills Plan for the year July 2007 to June 2008 in August 2007. The WSP objectives are:

- To improve productivity through skills;
- To enhance multi-skilling of the workforce;
- To serve as the support base for customer service;
- To enhance individual performance and the performance of the entire municipality;
- To increase management, leadership supervisory competencies;
- To build teamwork and motivation;
- To manage diversity within the local authority – so as to increase understanding and realization of the organisational vision;
- To foster affirmative action in short, medium and long term

The implementation of the WSP for the past year has been as follows:

Course Name	Start	Course End	Service Provider	Venue	Name of employee	Accredited Yes /No	Amount
Project Management	06 Months		University of PTA	Pretoria	CA. Chikane	Yes	<b>R21 000</b>
Conciliation & Arbitration	20 November 2007	22 November 2007	CBA Training		SL Sihlangu EM Chipu		
Assessors coaching & mentoring	14 July 2007	17 July 2007	Institute for quality		SL Sihlangu TS Kone TM Moela	Yes	Sponsored by LGSETA
Skills Disciplinary	25 Sept 2007	27 Sep 2007	CBA training		SL Sihlangu EM .Chipu	Yes	<b>R5 940</b>
Records	28 Sept	01 Feb 2007	Assessment		Onicca Louw	Yes	Arranged by



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	2007		college of S.A.				Provincial Archives
Executive Secretary	Jan 2008	Nov 2009	Damelin		LM Skosana JT Phuthi		<b>R10 982</b>
Registry	25 Sept 2007	28 Sept 2007	Provincial Archives		LM Skosana CM Kekae TJ Mogale	No	Arranged by provincial Archives
Basic office Administration	22 Oct 2007	24 Oct 2007	Le- Mark		Iris Mpayela	Yes	<b>R3 495</b>
Labour court proceedings	11 Dec 2007	12 Dec 2007	Lexis Nexis		EM. Chipu	Yes	<b>R4 400</b>
<b>INFRASTRUCTURE</b>							
Project Management	24 –Jan-2008	31-Apr -2008	Damelin		E .Mashava	Yes	
Housing policy development & management	28-01-2008	31 March 2008				Yes	
Contract management	22-01-2008	24 -01-2008	R. Mthombeni	SAMDI		Yes	
<b>FINANCE</b>							
Employment Equity workshop	18 Oct 2007	18Oct 2007	Soft line VIP		EV Sweeney CJ Sweeney IH Prinsloo	Yes	<b>R1 083</b> <b>R2 166</b>
Supply chain Management	12 July 2007	13 July 2007	Gauteng Treasury with SAMDI		LJ Mononela MJ Radebe	Yes	Gauteng Treasury
Supply chain Management	23 July 2007	25 July 2007	Gauteng Treasury With SAMDI		LJ Mononela MJ Radebe	Yes	Gauteng Treasury
Supply chain management	13 Feb. 2008	15 Feb 2008	Gauteng treasury		BF. Mokoena	Yes	Gauteng Treasury
Supply chain management	11 Sept 2007	13 Sept 2007	Gauteng treasury		NB Sehlabo MJ Radebe	Yes	Gauteng Treasury
Finance management	25 Feb 2008	November 2008	Wits University		NB Sehlabo		<b>R45 000</b>
<b>SPEAKER 'S OFFICE</b>							
Executive Secretary	Jan 2008	December 2009	Damelin		JT Phuthi	Yes	

## 6. Staff

Employee	Post Designation	Occupational Category	Race	Gender	Date Of Appointment
<b>N Pillay</b>	Municipal Manager	Top Management	Indian	Male	01/02/2008
<b>EV Sweeney</b>	Chief Financial Officer	Top Management	White	Male	02/01/2002
<b>SL Sihlangu</b>	Senior Manager: Corporate and Legal	Senior Management	Black	Male	01/06/2007
<b>JV Nkuna</b>	Manager	Middle	Black	Male	01/12/2003



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CORPORATE AND LEGAL SERVICES**

Employee	Post Designation	Occupational Category	Race	Gender	Date Of Appointment
	PIMSS Centre	Management			
<b>LJ Mononela</b>	Senior Manager: Financial Management	Senior Management	Black	Male	01/10/2006
<b>E Mashava</b>	Senior Manager Infrastructure	Senior Management	Black	Male	01/07/2007
<b>SJ Kgalake</b>	Manager: Disaster Management	Middle Management	Black	Male	01/12/2003
<b>EM Chipu</b>	Chief Legal Amin Officer	Middle Management	Black	Male	01/12/2006
<b>CJ Sweeney</b>	Asst Manager: Financial Management	Middle Management	White	Female	02/01/2002
<b>MO Rakgahla</b>	Co-ordinator Speakers Office	Admin support	Black	Male	05/01/2004
<b>PV Mhlanga</b>	Chief Internal Auditor	Middle Management	Black	Male	01/11/2007
<b>NPC Moitsi</b>	Manager: Office Executive Mayor	Senior Management	Black	Male	01/07/2006
<b>RS Lebelo</b>	Manager: Environment Management	Middle Management	Black	Female	09/06/2008
<b>TM Moela</b>	Manager: LED	Middle Management	Black	Female	15/03/2005
<b>RJ Malope</b>	Co-ordinator LED	Admin support	Black	Male	01/03/2006
<b>GM Matthys</b>	Co-ordinator: Performance Management System	Middle Management	Coloured	Male	01/10/2007
<b>ML Mashile</b>	Co-ordinator PIMSS	Middle Management	Black	Female	07/01/2008
<b>TS Kone</b>	Human Resource Officer	Admin support	Black	Female	01/04/2005



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Employee	Post Designation	Occupational Category	Race	Gender	Date Of Appointment
<b>LM Pheko</b>	Executive Mayor's PA	Admin support	Black	Female	22/09/2003
<b>NM Noge</b>	HIV and AIDS Co-ordinator	Admin support	Black	Female	01/08/2004
<b>JM Mdhuli</b>	Co-ordinator Disaster Management	Admin support	Black	Male	07/03/2005
<b>GR Mthombeni</b>	Project Manager	Admin support	Black	Male	01/04/2005
<b>MJ Radebe</b>	Finance Intern	Admin support	Black	Male	01/10/2006
<b>NB Sehlabo</b>	Finance Intern	Admin support	Black	Female	01/10/2006
<b>T Molopo</b>	IT Support Specialist	Admin support	Black	Female	01/10/2007
<b>VS Mabasa</b>	Tourism Officer	Admin support	Black	Male	01/01/2008
<b>MD Shongwe</b>	Executive Secretary	Admin support	Black	Female	23/09/2002
<b>AK Motsubela</b>	Secretary	Admin support	Black	Male	05/01/2004
<b>MO Louw</b>	Senior Records Clerk	Admin support	Black	Female	07/03/2005
<b>CM Matlala</b>	Senior Committee Clerk	Admin support	Black	Female	14/03/2005
<b>SR Matjebe</b>	Chauffer/Body Guard	Admin support	Black	Male	01/04/2006
<b>IHM Prinsloo</b>	Senior Clerk	Admin support	White	Female	01/08/2007
<b>BF Mokwena</b>	Senior Clerk	Admin support	Black	Female	01/01/2008
<b>SJ Mtshweni</b>	Driver	Admin support	Black	Male	01/10/2004
<b>NP Mzamane</b>	Secretary	Admin support	Black	Female	05/01/2004
<b>KD Tshambo</b>	Secretary	Admin support	Black	Female	01/04/2007
<b>JT Phuthi</b>	Secretary: Speaker	Admin support	Black	Female	03/04/2006
<b>LM Skosana</b>	Secretary	Admin support	Black	Female	03/03/2003
<b>JM Waldick</b>	Secretary	Admin support	Colored	Female	01/05/2008



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Employee	Post Designation	Occupational Category	Race	Gender	Date Of Appointment
<b>PA Mmakola</b>	Secretary	Admin support	Black	Female	03/01/2008
<b>NP Jwaga</b>	HIV and AIDS Assistant Co-ordinator	Admin support	Black	Female	01/08/2004
<b>TJ Mogale</b>	Driver	Admin support	Black	Male	04/06/2007
<b>SM Sithole</b>	Driver	Admin support	Black	Male	12/03/2007
<b>M Madisa</b>	Office Attendant	Admin support	Black	Female	01/09/2007
<b>NM Mahlangu</b>	Office Attendant	Admin support	Black	Female	01/10/2004
<b>DI Mpayela</b>	Office Attendant	Admin support	Black	Female	01/10/2004
<b>OR Mahoro</b>	Office Attendant	Admin support	Black	Female	01/03/2008

#### 7. Legal Services

The unit, headed by a Manager: Legal Services comprises of two sub units, namely Committee Services and Records Management.

Committee Services consists of a Committee officer and three Committee Clerks. The records management has one Records officer who is in charge of all records management requirements of this municipality who is ably assisted by the Manager: Legal Services.

The main focus of this unit it is to provide sound legal advice and professional committee services and records management to council, its committees and the entire administration.

The legal services unit has ensured that the functioning of Council and its committees has improved during the period under review.

During the year under review, council held a total of nine (9) council meetings, six (6) of these meeting were ordinary meetings of council scheduled accordingly, while three (3) were special meetings.

There was a total of eighty six (86) items considered by council during this period, seventy nine (79) of which were considered in the ordinary meetings of council and seven (7) by special meetings of council.





**REPORT OF THE MUNICIPAL MANAGER:  
CORPORATE AND LEGAL SERVICES**

All of these eighty six (86) items were considered for legal compliance by the Manager: Legal Services in order to ensure that council resolutions are legally correct and enforceable.

There was also a total of fifty eight (58) resolutions taken by council in the nine meeting referred to above and thirty nine (39) of these resolutions were implemented by management. The remaining nineteen (19) resolutions are in the process of being implemented.

We have also been successful in ensuring that council approves the system of delegation of powers as required by legislation. We also took the lead in introducing the standing rules and orders of council and ensuring that these rules and orders were gazetted in the provincial gazette.

We are pleased to report that there were no legal proceedings instituted against the municipality during the year under review.

We have also handled request for legal opinion and advice from various internal departments and all requests received were attended promptly.

The Manager: Legal Services has been tasked with the duty to convene and chair meetings the District Legal Advisors Forum which comprises of two legal advisors each from both Kungwini Local and Nokeng Tsa Taemane Local municipalities.

This forum was established under the auspices the Inter Governmental Relations Framework Act technical cluster on Corporate and Legal Services has already met twice during the year under review and further meetings have been scheduled, to deal with issues of common interest amongst these municipalities.

The records management system has started slowly but has now reached its full potential. At a touch of the button the Records Officer is now able to access all stored information and produce the required information within minutes.

The records office received a total of one thousand and sixty eight (1068) letters excluding personal ones and has processed a total of forty files requested from various departments.

We recorded a total of one hundred and sixty thousand two seven hundred and twenty three (162723) official copies made by mainly committee services and other sections in the department.

In conclusion, the year has been hectic one and all members of staff in legal services did their best to make it work. We were unfortunate when the municipal offices were vandalised and set alight by a group of disgruntled members of Ekangala community.



**REPORT OF THE MUNICIPAL MANAGER:  
CORPORATE AND LEGAL SERVICES**

This incident nearly made us lose our focus, but the agility, foresight, tenacity and expertise of our newly appointed municipal manager and the Chief Financial Officer and other senior staff members kept us together and we conquered where many would have capitulated. The support of our Speaker, the Executive Mayor and the MMC's did not go unnoticed and have to be acknowledged.



**REPORT OF THE MUNICIPAL MANAGER:  
DISASTER MANAGEMENT**

**1. Introduction**

The Metsweding District Municipality, Disaster Management unit was established in December 2003. The unit operates under The Community Services Department. Amongst others the unit envisage promoting an integrated and coordinated approach to disaster management in the municipal area, with special emphasis on prevention and mitigation.

**2. Services Provided**

**2.1. Disaster Risk Management Policy Framework**

In terms of section 42(1) of the Disaster Management Act, 2002, each metropolitan and each district municipality must establish and implement a framework for disaster risk management in the municipality aimed at ensuring an integrated and uniform approach to disaster risk management in its jurisdiction.

The disaster management unit developed the disaster risk management policy framework for the Metsweding District Municipality which was approved and adopted by Council.

**2.2. Disaster Management Centre**

The Provincial Disaster Management committed in assisting the district with the establishment of the district disaster management centre. The Provincial centre appointed a service provider to conduct a scoping research on the establishment and requirements of the Disaster Management Centre. The research is concluded and the findings will be presented to the district.

**2.3. Disaster Management Advisory Forum**

The Forum's aim is to make provision for all relevant role players and stakeholders in disaster risk management in the municipality to integrate and co-ordinate their actions on matters relating to disaster risk management as prescribed for in Section 44(1) of the Disaster Management Act 52 of 2002.

We arranged a training workshop to ensure that all the members of the Forum are informed and capacitated to play a meaningful role in the forum; the following areas were covered during the training workshop:

- A gap analysis to determine exactly where the District stands with regard to the implementation of the Disaster Management Act and the National Disaster Management Framework;
- A high level risk assessment to ensure that all the forum members understand the process and their roles and responsibilities;
- Introduction to risk reduction based on identified risks



**REPORT OF THE MUNICIPAL MANAGER:  
DISASTER MANAGEMENT****2.4. Provincial Heads of Disaster Management Centre Forum**

Metsweding District Municipality participate in the Provincial Heads of Disaster Management Centre and the Provincial Disaster Management Advisory Forums to share experiences and ideas in the disaster management fraternity. The forum is held quarterly and is attended by all the Metros, District Municipalities, Provincial Departments, NGO's, Private Sector and the Provincial Disaster Management Centre in Gauteng.

**2.5. Risk Assessment**

The following table contains a risk assessment for the Metsweding District Municipality in order of prioritised disaster risks.

<b>No</b>	<b>Identified Hazards in the Metsweding District Municipal Area</b>
<b>1.</b>	Fire – (veld and structural)
<b>2.</b>	Accidents – (road, rail & air)
<b>3.</b>	Storms – (hail, rain & wind)
<b>4.</b>	Floods
<b>5.</b>	Pollution – (water and air)
<b>6.</b>	Epidemics – (water & food borne)
<b>7.</b>	Waste
<b>8.</b>	Extreme temperatures
<b>9.</b>	Mass strike action
<b>10.</b>	Drought
<b>11.</b>	Hazmat
<b>12</b>	Drowning

**2.6. International Strategy for Disaster Risk Reduction (ISDR)**

The district's disaster management unit hosted the ISDR campaign attended by all the Metros and District Municipalities in Gauteng held at Zithobeni Stadium. The theme of the campaign was "Disaster Risk Management begins at School". Schools were visited district wide by disaster management and fire officials.

The topics covered in the visits were:

- Fire prevention
- How to prevent flooding
- The use of the emergency number



### REPORT OF THE MUNICIPAL MANAGER: DISASTER MANAGEMENT

- Swimming pool safety amongst others

The visits were conducted from 08 October 2007 to 11 October 2007 which culminated in to the ISDR campaign at the Zithobeni stadium. Each Metro and District Municipalities performed an activity as follows:

- Metsweding District – Shack fire and bucket brigade
- Sedibeng District – Safety Around Gases (LPG)
- West Rand District – Paraffin Safety
- City of Tshwane Metro – Career Guidance
- Ekurhuleni Metro – Escape Route
- City of Joburg – Water Safety (puppet show)
- Social Services – Emergency relief

#### 2.7. Arrive Alive Campaign

The disaster management unit, together with other relevant role-players in the jurisdiction of Metsweding district Municipality in support of the Arrive Alive Campaign participated in a joint venture especially on the busy Pretoria-Moloto (R573) road, Pretoria-Cullinan (R513) road, Groblersdal (R25) road, N4, old Pretoria road annually specifically during the Easter Weekend.

#### 2.8. Xenophobic Attacks

The district, like other parts of the Country was in the month of May affected by incidents of attacks of foreign nationals by the South Africans. However, unlike in other areas the attacks that occurred in the district seemed to have been criminal activities since only foreign nationals who had businesses were affected since their place of business were attacked. There were no reported incidents whereby foreign nationals forced to vacate their houses as the results of the attacks.

A shelter to accommodate all the affected foreign nationals throughout the district was opened at the Bronkhorstspuit Sports Centre. The district together with other stakeholders i.e. Bronkhorstspuit Muslim Jamaat, Gift of the Givers, Bronkhorstspuit-SAPS and Zonderwater Correctional Services provided the victims with relief materials from 19 May to 11 June 2008. All the affected foreign nationals went back peacefully to the areas where they lived before the attacks without any resistance from the communities.

#### 2.9. Volunteers

The disaster management Act provides for the recruitment of Volunteers to assist disaster management practitioners especially during disaster incidents. The disaster management



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DISASTER MANAGEMENT**

unit has roped in the rural disaster management organisations to assist while waiting for the National Disaster Management Centre to finalise guidelines/regulations on Volunteers to enable the municipality to establish Volunteer Unit.

**2.10. Fire Protection Association**

The disaster management unit facilitated the registration of Fire Protection Association (FPA) by the land owners throughout the District as required by the Veld Fire Management Act. The registration process has two length stages whereby the land owners have to submit two different forms with different specific information. Four organisations have already started with the registration process. Out of the four, one has already registered as a FPA.

**2.11. Evictions**

The number of evictions within the district was minimal in the year under review as compared to the previous year. The unit responded to only one reported incident of eviction which occurred in the Puntlyf area whereby a family was evicted from the farm and was relocated to the Witfontein area.

**2.12. Floods**

During the month of December 2007, the district experienced flooding in the Steve Bikovill area. The damaged experienced was to infrastructure i.e. roads. The Nokeng Tsa Teamane Local Municipality responded promptly and was able to fix the affected roads.

In the month of January 2008, floods were experienced in Refilwe and Ekangala (Dark City). The flooding especially at Ekangala was as a result of some areas not having storm water drainage systems

**2.13. Fires**

The district continued to experience incidents of fires under the period in review. Most of the fires occurred in informal settlements. However, the fires did not have much impact as it was mostly isolated cases i.e. a shack fire here and there. The district was able to deal with the incidents and assisted with providing relief materials. The veld fires were occurring mostly on farms which are privately owned and are covered by insurance in most cases

**2.14. Events and Imbizos**

The disaster management unit and relevant stakeholders continued to ensure safety and security in most of the government events that took place within the district. The events included amongst others:



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DISASTER MANAGEMENT**

- Annual King Silamba Celebration which is celebrated every first weekend of March at Komjekejeke National Heritage Site;
- Kungwini Cultural Festival (KUCUFE);
- Human Rights and foster Care;
- Visits by Ministers, MEC's and Premier to the district;
- Awareness campaigns.

**3. Conclusion**

In order for the disaster management unit to achieve or realise the objective as envisaged by the Disaster Management Act, the district must establish the disaster management centre with relevant facilities to ensure well coordinated disaster management activities within the district.



**REPORT OF THE MUNICIPAL MANAGER:  
HIV AND AIDS PROGRAMME**

**1. Introduction**

The objectives for the unit are as follows:

- Coordinate and manage HIV and AIDS programmes within the District;
- Fighting HIV and AIDS within Metsweding District;
- Reduce new infections by creating awareness in the communities and workplace through education, training and campaigns;
- Encourage Voluntary Confidential Counseling and Testing to reduce stigmatization;
- Enhancing quality of life of people infected with and affected by HIV and AIDS in the District through holistic care and support.

**2. Campaigns**

As preparation to the 16 Days of Activism and the World AIDS Day Activities, Fathers Speak Out (an organisation that deal with men issues) approached the District and wanted to conduct a door to door campaign in one to the informal settlements in the District. In consultation with Kungwini it was agreed that Zithobeni Extension 10 be targeted and 20 young men were recruited, trained and conducted the campaign. The campaign reached more than 200 people in the informal settlement and was educated at the comfort of their own home on issues related to HIV and AIS and challenges faced by men and women, though the focus was on men.

**2.1 16 Day of Activism for No Violence Against Women and Children**

In November 2007 during the 16 Days of Activism for No Violence Against Women and Children the Metsweding Victim Empowerment Forum launched the Zithobeni Victim Support Centre at the Zithobeni SAPS. The programme was led by the SAPS and Department of Community Safety. On the day of the event volunteers were selected in Rethabiseng, Zithobeni and Sokhulumu to conduct a door to door campaign with a purpose of educating community members of their rights and responsibilities in relation to domestic violence and to make them aware of the Victim Support Centre that is launched. These areas were targeted because they high social crime rate within the policing area on Bronkhorstspuit. More than 3000 people were reached during the campaign and 2700 information pamphlets (HIV and AIDS, Domestic Violence and Social Crime) and 4000 condoms were distributed.

In partnership with Kungwini Local Municipality, SAPS and other stakeholder an awareness roadshow was held at Bronkhorstspuit and Zithobeni taxi ranks and 50 taxi drivers and 2000 passengers were reached with the programme.





**REPORT OF THE MUNICIPAL MANAGER:  
HIV AND AIDS PROGRAMME**

Nan Hua Temple (Buddist Temple) offer spiritual and emotional retreats within the District annual and 20 caregivers attended the retreat from 5<sup>th</sup> to 7<sup>th</sup> December 2008. This is done to offer caregivers a debriefing session at the end of every year after a yearlong of hard stressful work. They taught how manage stress and conflicts and also to channel stress as a positive energy to do other productive things in their lives.

Traditional Healers had a spiritual festival in Tswaing to address the challenges faced in our communities due to HIV and AIDS. In Metsweding about 50 traditional healers attended the festival supported by the District.

## **2.2 Girls Camp**

Metsweding VEP forum decided to have an annual camp as it was recommended by the girls who attended the 2006 girls' camp that was held in June 2006. It targets girls who are at higher risk of abuse, teenage pregnancy, violence due to the impact of HIV and AIDS and poverty. The girls are chosen by the social workers in different area in Metsweding, of which many are have been abused, orphaned or traumatized in any form and also experiencing rejection in their lives. Metsweding targeted 100 (hundred) girls as follows:

- Have experience any kind of abuse,
- HIV and AIDS positive
- Parents are terminally ill
- Orphans in foster care
- Child headed household

The camp targeted 100 girls and 20 adults (caregivers) but only 74 girls and 13 adults attended.

The camp had different activities for the girls and they meant to assist the girls to have a different perspective of life so that they can take informed decisions in life and be an HIV free generation. Activities of the camp included a talk by our MMC Clr. Rachel Seoketsa, presentations by Magaliesoord on issues of drugs and substance abuse, the Mpinji's from Lovelife and other.

The camp made them realized that it does not matter where you come from and what circumstance you grow up in, what is important is where you want to go in life. Growing up in abusive families or being orphans does not imply you are worthless. The camp opened their eyes and made then realizes that they live for themselves and have to take control of their lives no matter what. Sex is pleasure of the moment that does not worth risking their whole lives.

## **2.3 Door2Door Campaign**



**REPORT OF THE MUNICIPAL MANAGER:  
HIV AND AIDS PROGRAMME**

The Metsweding District Municipality commemorated its World AIDS Day with the Door-to-Door Campaign from the 26<sup>th</sup> to the 30<sup>th</sup> November 2007. The campaign started late in the whole of the District due to the delays in the delivery of materials by the Gauteng Department of Health (Multi-Sectoral AIDS Unit). Most parts of the district started on the 28<sup>th</sup> November 2008 and this made the volunteer's morale to be very low. With committed volunteers the District managed to reach more places that have never been reached before such as Bronkhorstspuit CBD and Ekandustria. The campaign reached people from all works of life including farm areas, townships, rural areas and informal settlements, in farmstead, informal settlements, townships, inmates in prisons, workers in factories. People are educated in the comfort of their own home with information on the prevention of new infections, behaviour change, TB, MDRTB, XDRTB, ART, care and support etc. Nokeng is a greatly challenged due to lack of coordination. Volunteers were acknowledged for their commitment in the campaign by the Executive Mayor of the District, Clr. Agnes Mlondobozi.

The District had targeted 450 volunteer to work in the campaign, 450 volunteers were trained but only 410 participated in the campaign. Theme for the District was: "Zila Umseme (abstain from sex in Ndebele)! Thembeke (be faithful in Ndebele ! Tshepega (be faithful in Sotho)!!, the local languages were used to ensure that ordinary people in the communities understand the messages.

The campaign managed to reach 21435 households and 40829 people in the whole of the District. The campaign came at the time, where credibility and safety of condoms were questioned by most South African because of the scandals of irregularities in relations to approval of condoms by South African Bureau Standards and the manufacturing company that was awarded tender by the our Government. All volunteer were faced with a task of wining the confidence of the communities to trust and continue to use government free condoms. More than 5000 defaulted condoms were retrieved from communities and 33070 condoms and 48999 pamphlets were distributed in Metsweding. Volunteer found cases in the communities that needed to be referred and 234 people were referred to different government department to access available services.

#### **2.4 World AIDS Day Commemorations**

World AIDS Day was commemorated throughout the District by different organizationS and some volunteers in other area organized events to commemorate it. The following events took place with the District during the December 2007:

##### **Metsweding District Municipality Candle Light**

Personnel commemorated World AIDS Day by candle lighting done at the office with some community members. The purpose was to:



**REPORT OF THE MUNICIPAL MANAGER:  
HIV AND AIDS PROGRAMME**

- pray for the grandparents who bear the burden of caring for their grandchildren as they have lost their children due to HIV and AIDS related illness;
- pray for the child headed households;
- pray for people to be faithful and young people to abstain.

**District World AIDS Day**

Celebrations were held on the 13<sup>th</sup> December 2007 at Ekangala. The event was graced with the presence of the Executive Mayor, Clr. Agnes Mlondobozi; MMC's and councillors of Metsweding, Kungwini and Nokeng Tsa Taemane Local Municipalities. Volunteers were awarded with certificates for participating and those who did their job diligently were given awards in the form of shopping vouchers.

**Magaliesoord Rehabilitation Centre**

World AIDS Day Celebration was commemorated by personnel and clients of Magaliesoord. The Purpose was to make them aware of HIV and AIDS basic facts and positive living. Rayton ART clinic was invited to give more information about the clinic itself and the benefit of knowing your status and starting ART treatment on time. Metsweding They received support of candle, ribbons, pamphlets and stickers

**Baviaanspoort Correctional Services**

Was planned but postponed due to unforeseen circumstances.

**De Beer Cullinan Mine**

Management commemorated WAD by candle lighting. The occasion was graced by the Managing Director and the De Beer Choir. As candles were lit to remember those who passed away, those that are HIV positive were also encouraged to live positively. A donation of R10, 000.00 was also made to the Rayton ART clinic.

**Steve Bikoville**

Volunteers together with the CDW and Health Promoter organized a march in the village. Volunteers marched with lighted candle in the village to make people aware of World AIDS Day.

**Refilwe**

The event was organized in partnership with the ward councillor of ward 3, Refilwe clinic, Rayton ART Clinic and Metsweding District. More than 200 people were reached.

**Rethabiseng**

Rethabiseng Youth Forum organized a youth march against HIV and AIDS in partnership with Metsweding District Municipality and Metsweding Parliamentary Constituency Office. More than 100 people were reached with Education and awareness messages.



**REPORT OF THE MUNICIPAL MANAGER:  
HIV AND AIDS PROGRAMME**

**2.5 Sexually Transmitted Infection and TB Campaigns**

February has been declared as a condom and STI month and March as the TB month by the national Department of Health. During these months' education and awareness campaigns were conducted in five (5) areas in Metsweding to educate people about STI's, condom usage and TB. The campaigns were done in partnership with the Gauteng Department of Health, Health Promotion Unit in the following areas:

Phumzile Park; Roodeplaat; Steve Bikoville and L&J.

The campaign reached more than 15 000 people. Local Radio Stations were also used to educate people in and around the District.

**2.6 Child Protection Week**

Metsweding District Municipality partnered with the Metsweding Victim Empowerment forum for programmes that will address the child protection issues. Posters and entry forms were distributed throughout the District and 20 schools (8 primaries, 9 secondary and 3 combined schools) and Youth Out of School from Rethabiseng, Refilwe and Cullinan has entered the competition. Out of 9 primary schools that entered the competition children from 6 schools were selected for finals and of the 11 of the secondary and combined children from 10 schools were selected to compete at the finalised that were held on Zonderwater Baviaanspoort.

Ekrankala Comprehensive High School took the trophy for the overall winning schools as it has scooped 4 four of the prizes from individual to group and they were followed by Sitjhejiwe and Lingitjhu. Other schools who managed to win some prizes are Strauss, Hlabelela, Vezulwazi, Althea, Mshuluzane and Hlolisiza. In the Youth Out of Schools category GN Production from Rethabisend took the prize for the drama, the individual song was taken by the Jafta's from Cullinan and the Baitshepi Ba Morena from Refilwe won the Choir prize.

**2.7 Education and Training**

Metsweding believes in empowering community members so that they are able to address and deal with issues as they face them. The following training was conducted in the District during the year.

- As part of the August month program training was conducted for 30 young girls and 50 women on self defence in partnership with VEP. This was done give women skills on how to deal with sexual assaults and harassment which is in the rise in our communities;



**REPORT OF THE MUNICIPAL MANAGER:  
HIV AND AIDS PROGRAMME**

- Training conducted in partnership with De Beers, NICDAM, St. Joseph's and Soul City;
- 25 Educators in Refilwe were trained on basic HIV and AIDS;
- 15 people were trained on HIV and AIDS of which 8 were People with disabilities;
- 40 Baviaanspoort Correctional Services inmate were trained on train the trainer course;
- 29 informal settlements volunteer were trained on basic HIV and AIDS information and train the trainer course;
- 60 trained on basic facts on HIV and AIDS by Gauteng Council of Churches;
- 15 ward committee members were trained as volunteers for WAD Campaign in the District;
- 29 Volunteers from informal Settlements have been trained as trainers in partnership with De Beers and Soul City, to develop activity plan for their areas. The following informal settlements were targeted. The training resulted in the cancellation of ward committees training which was scheduled but due to unforeseen circumstance.

**2.8 Indigent Burials**

The District has assisted families who are regarded as indigent with funeral services to bury their loved ones. Through this programme we have seen shame, sadness and poverty stricken families where there is no one in the family who earns any income. In some of the cases that have been referred to the District, the families survived on food from the dumping sites that are in the area. One case that really touched our hearts was in April 2008 where there was no one except a ten year old boy who was to be present at the funeral of his mother and no one else until the assistant HIV and AIDS coordinator took it upon herself to just call people on the street to go with her and the boy to bury the mother. One can really wonder where is Ubuntu in our communities, who left the boy all by himself to go bury without any assistance.

47 (23 Males and 24 Females) indigent people were buried, of which 21 were adults, 15 youth and 11 Children.



**REPORT OF THE MUNICIPAL MANAGER:  
INFRASTRUCTURE****1. Introduction**

The department strives for the effective and sustainable co-ordination, management and the provision of adequate services infrastructure and facilities to all constituents within the Metsweding District Municipality area of jurisdiction.

Metsweding District Municipality has limited powers and functions.

The District remains responsible for the following:

- Solid waste management sites, serving the area as a whole;
- Municipal roads that serve the area as a whole;
- Regulate passengers transport services;
- Establishment of cemeteries;
- Co-ordinate the provision electricity, water and sanitation and land use;
- Capacity building for the local municipalities, making sure that they deliver as per their mandate.

**2. Development Focus Areas**

PROJECT	TARGET	BUDGET (R'000)	ACTUAL (R'000)	PROJECT STATUS
Roads Master Plan	1	R600	R0	DBSA withdrew counter funding
Integrated Transport Plan	1	R100	R0	Deferred to 2008/09
Electricity Master Plan	1	R50	R0	DBSA withdrew counter funding
Construction of Road in Cullinan – S249	1,7km	R2,891	R2,891	Completed
Design and Construction of a Mini-Waste Transfer Station	1	R250	R0	Insufficient Budget



**REPORT OF THE MUNICIPAL MANAGER:  
LOCAL ECONOMIC DEVELOPMENT AND TOURISM**

**1. Introduction**

We take the approach of fast tracing economic emancipation and self reliance of our communities as the agenda and mission of the next four years. The department's objectives are as follows:

- Ensure integrated development for economic growth in the region;
- Development of SMME and cooperatives ;
- Increase economic opportunities through economic empowerment;
- Promote and develop tourism potential of the district;
- Promote tourism as a key economic development sector;

**Key Performance Highlights**

**2. SMME and Cooperative Development**

- Facilitate the establishment and support for the Cooperatives development in the District;
- 85 Cooperatives established;
- Procuring of the brick making machines for Emanzini Wonder Bricks Cooperative at total amount of R148 000;
- Capacity Building for Cooperatives;
- 80 Coops have received training on project management, participatory development, financial management, marketing and costing provided by Tswelangpele Cooperative LTD;
- MADSED- conducted training needs assessments for SMME's, CBO, & Coops etc;
- National Cooperative Week Conference(NCWC);
- 20 Cooperatives are participated in the NCWC organized by DTI in Pretoria.

**3. Agricultural Development**

**Agricultural hubs & road signage**

- GDACE developed the Agriculture Plan (A-plan), which is the defining programme of action for the agriculture hubs.
- The department has facilitated the process of identifying the suitable areas for the Agricultural Road Signage and GDACE is in the process of calling for tenders.

**Support for Emerging Farmers**

- We supported seven emerging farmers with production inputs, boreholes, & extension of layers structures,(Nolufefe project , Maria Mashiga Piggery Project, Xulu



**REPORT OF THE MUNICIPAL MANAGER:  
LOCAL ECONOMIC DEVELOPMENT AND TOURISM**

layer production , Phaphamang MaAfrica cc,Phirima broiler,Legodi broiler & Mohlathi Poultry Project).

- We supported the establishment of the agro-processing facilities (egg processing at Qoboshane farming Cc);
- The Department facilitated the training on broiler management for Mohlathi Poultry Project;
- We secured funding of R1,312,018 for both Mohlathi poultry project & Kholiwe sewing Cooperative , and R1,2 million to implement De Wagendrift Layer project from NDA(National Development Agency).

**4. Tourism Development**

- 30 tourism product owners have been trained on customer care and accommodation services;
- Facilitated the tourism awareness workshop for 30 cooperatives;
- Facilitated the establishment of the Kungwini Tourism Association;
- 80 establishments have been for graded including the Dinokeng area;
- 13 youth trained on Italian Language at the Italiano institute de Cultura;
- Coordinated 2 tourism SMME's to be assisted in the participation at Tourism Indaba in Durban;
- Facilitated the funding for 2,3 mil from Department of Environmental Affairs and Tourism to implement the infrastructural development for Komjekejeke Heritage site;
- Process of implementing the Tourism Institutional framework for GTA and established the Regional Tourism Organisation;
- MOU was signed between the private sector and public sector agreeing on the roles and responsibilities that they have to undertake in other to promote tourism in the region;
- Hosted the Puisano Roving Jazz in Tarven to promote local jazz musicians and tourism in Township;
- Development of Tourism Marketing Material;
- Participation at the Tourism Indaba 2008.

**5. Projects for 2008/09**

- Development of Tourism Development Strategy;
- Support for Tourism grading and Signage;
- Support for the Komjekejeke Heritage Site event and the Development;
- Support for the Puisano Roving Jazz in township to promote tourism;
- Tourism Marketing and Exhibitions;





**REPORT OF THE MUNICIPAL MANAGER:  
LOCAL ECONOMIC DEVELOPMENT AND TOURISM**

- Capacity Building for Unemployed , Businesses and Cooperatives;
- Agricultural Development Strategy;
- Implementation of the A-Plan for the Agricultural Hub;
- Support the implementation of Sokhulumi Jewellery Project;
- LED strategy review;
- Implementation of CASP projects.

**6. Challenges**

- Insufficient funding to develop strategies identified in LED strategy;
- Only 12% of the projects are implemented;
- Local Municipalities not supporting the MDM strategy hence they are in the process of developing their own strategies;
- Institutional Arrangements for LED to implement strategy;
- Sector forums not organised;
- Limited funds for tourism development;
- Plans not in line with the local municipalities;
- Delays in acquiring and purchasing land within Agricultural Hubs by GPLRO(Gauteng Provincial Land Reform Office);
- Insufficient budget dedicated to Agricultural & Cooperative development by the District, while no budget was allocated by the Local Bs for Agric and Coop Development;
- Backlog in CASP funding programme for infrastructure support;
- Zoning and Council approval to authorise the utilisation of identified land for De Wagensdrift Layer project by Nokeng tsa Taemane.





**GENERAL INFORMATION  
for the year ended 30 June 2008**

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# **METSWEDING DISTRICT MUNICIPALITY**

## **ANNUAL FINANCIAL STATEMENTS 2007/08**

### **GENERAL INFORMATION**

**for the year ended 30 June 2008**

#### **EXECUTIVE MAYOR**

Councillor A. Mlondobozi

#### **SPEAKER OF THE COUNCIL**

Councillor R. Makola

#### **MEMBERS OF THE MAYORAL COMMITTEE**

Councillor J.S. Mabona

Councillor J.M. Masango

Councillor R.N. Seoketsa

#### **MEMBERS OF THE METSWEDING DISTRICT MUNICIPALITY**

Councillor V.S. Botha

Councillor M.M. Chaba

Councillor J.H. Faul (w.e.f. 1 October 2007)

Councillor M.I. Janse van Vuuren (w.e.f. 1 October 2007)

Councillor H.A.M. Khan

Councillor C. Knox (until 30 September 2007)

Councillor S.P. Mabena (until 30 September 2007)

Councillor E.S. Mashiloane (w.e.f. 1 October 2007)

Councillor P.M. Molo

Councillor N.E. Ntshabeleng (until 30 September 2007)

Councillor P. Pitseng

Councillor T.J. Rossouw

Councillor P.J.A. van der Merwe

#### **MUNICIPAL MANAGER**

Mr. C.A. Chikane (resigned 30 November 2007)

Mr. E.V. Sweeney (acting 1 December 2007 – 31 January 2008)

Mr. N. Pillay (appointed 1 February 2008)

#### **CHIEF FINANCIAL OFFICER**

Mr. E.V. Sweeney

#### **GRADING OF THE LOCAL AUTHORITY**

Grade 4 for the purpose of the remuneration of councillors and grade 8 for the purpose of remuneration of officials.

#### **AUDITORS**

Auditor – General

#### **BANKERS**

ABSA Bank Limited



**GENERAL INFORMATION**

**for the year ended 30 June 2008**

**REGISTERED OFFICE**

MEEC Building  
287 Iridium Street  
Ekandustria

**POSTAL ADDRESS**

Private Bag X10579  
Bronkhorstspuit  
1020

**CONTACT DETAILS**

Tel: (013) 933 3483/6/7  
Fax: (013) 933 3566

**DECLARATION OF THE ACCOUNTING OFFICER**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 25, in terms of Section 126(1) of the Municipal Finance Management Act, 2003 and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 13 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

**Mr. N. Pillay**  
**MUNICIPAL MANAGER (signed)**  
**29 August 2008**



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****STATEMENT OF FINANCIAL POSITION**

as at 30 June 2008

	NOTES	2008 R	2007 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		<b>17 290 577</b>	<b>17 560 924</b>
Government grant reserve		110 174	343 590
Accumulated surplus/(deficit)		17 180 403	17 217 334
<b>Current liabilities</b>		<b>17 032 162</b>	<b>20 465 922</b>
Provisions	3	125 220	322 957
Creditors	4	2 198 434	1 939 179
Unspent conditional grants and receipts	5	14 708 508	18 203 786
<b>Total net assets and liabilities</b>		<b>34 322 739</b>	<b>38 026 846</b>
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>3 524 726</b>	<b>3 067 227</b>
Property, plant and equipment	6	3 524 726	3 067 227
<b>Current assets</b>		<b>30 798 013</b>	<b>34 959 619</b>
Levy debtors	7	0	214 038
Other debtors	8	669 435	518 339
Bank balances and cash	9	30 128 578	34 227 242
<b>Total assets</b>		<b>34 322 739</b>	<b>38 026 846</b>



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 30 June 2008**

	NOTES	2008 R	2007 R
<b>REVENUE</b>			
Regional services levies		118 358	2 534 626
Agency fee: emergency medical services		0	6 414 750
Interest earned – external investments		3 552 992	2 731 672
Interest earned – outstanding levy payers		0	1 480
Government grants and subsidies	10	29 012 576	22 899 191
Other income	11	308 505	1 043 101
<b>Total revenue</b>		<b>32 992 431</b>	<b>35 624 820</b>
<b>EXPENDITURE</b>			
Employee related costs	12	12 055 169	16 350 557
Remuneration of councillors	13	2 151 277	2 057 807
Bad debts		10 425	49
Depreciation		949 289	654 879
Repairs and maintenance		674 165	513 050
Regional services – operational		7 048 418	4 706 273
Grants and subsidies paid – capital	14	2 890 784	1 528 227
General expenses	15	7 367 120	8 957 477
Loss on disposal of property, plant and equipment		116 130	0
<b>Total expenditure</b>		<b>33 262 777</b>	<b>34 768 319</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>-270 346</b>	<b>856 501</b>



**METSWEDING DISTRICT MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS 2007/08**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**for the year ended 30 June 2008**





**METSWEDING DISTRICT MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS 2007/08**

**STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 30 June 2008**

	Pre-GAMAP Old Reserves and Funds  R	Capital Replace- ment Reserve  R	Govern- ment Grant Reserve  R	Accumu- lated Surplus / (Deficit)  R	Total  R
<b>2007</b>					
Balance at 1 July 2007	2 235 313	0	0	14 792 067	17 027 380
Implementation of GAMAP (Note 16)	-2 235 313	1 438 532	630 111	-39 259	-205 929
<b>Restated balance</b>	<b>0</b>	<b>1 438 532</b>	<b>630 111</b>	<b>14 752 808</b>	<b>16 821 451</b>
<b>2007</b>					
Surplus for the year				856 501	856 501
Change in accounting policy (Note 16)				-117 028	-117 028
PPE financed from CRR		-1 557 496		1 557 496	0
Transfer to CRR		118 964		-118 964	0
Offsetting of depreciation			-286 521	286 521	0
<b>Balance at 30 June 2007</b>	<b>0</b>	<b>0</b>	<b>343 590</b>	<b>17 217 334</b>	<b>17 560 924</b>
<b>2008</b>					
Deficit for the year				-270 346	-270 346
Asset disposals			-27 145	27 145	0
Offsetting of depreciation			-206 271	206 271	0
<b>Balance at 30 June 2008</b>	<b>0</b>	<b>0</b>	<b>110 174</b>	<b>17 180 403</b>	<b>17 290 577</b>



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****CASH FLOW STATEMENT  
for the year ended 30 June 2008**

	NOTES	2008 R	2007 R
<b>CASH FLOW UTILISED IN OPERATING ACTIVITIES</b>			
Cash receipts from levy payments, government and other sources		26 007 103	35 041 012
Cash paid to suppliers and employees		-32 135 842	-39 530 610
Cash utilised in operations	17	-6 128 739	-4 489 508
Interest received		3 552 992	2 733 152
		<u>-2 575 747</u>	<u>-1 756 356</u>
<b>CASH FLOWS UTILISED IN INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		-1 522 917	-1 610 754
		<u>-1 522 917</u>	<u>-1 610 754</u>
<b>NET DECREASE IN CASH &amp; CASH EQUIVALENT</b>			
		<u>-4 098 664</u>	<u>-3 367 110</u>
Cash and cash equivalents at the beginning of the year		<u>34 227 242</u>	<u>37 594 352</u>
Cash and cash equivalents at the end of the year	18	<u>30 128 578</u>	<u>34 227 242</u>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS**

**1.1 BASIS OF PRESENTATION**

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention.

These 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 No. 991 and 992 of 2005.

These 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	Effects of changes in foreign exchange rates
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 assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP and or 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 No. 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual financial statements.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP or GRAP.

**1.2 PRESENTATION CURRENCY**

These annual financial statements are presented in South African Rand.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

**1.3 GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on a going concern basis.

**1.4 RESERVES**

**1.4.1 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 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 by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). The balance on Government Grant Reserve equals the carrying value of the items of properties, plant and equipment funded from government grants.

When an item of PPE financed from government grants is disposed, the balance in the GGR relating to such items is transferred to the accumulated surplus/(deficit).

**1.4.2 Capital Replacement Reserve (CRR)**

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of a Council resolution. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

**1.5 PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment, is stated at cost, less accumulated depreciation. Land is not depreciated as it is deemed to have an indefinite life.

Accounting Policy for the 2006/07 financial year:

The carrying values of items of property, plant and equipment have not been adjusted with impairment losses as no impairment testing was done. The useful lives and residual values of assets classified as property, plant and equipment were not reviewed at financial year-end. No property was classified and disclosed as investment property.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

Accounting Policy for the 2007/08 financial year:

In terms of the exemptions granted by the Minister of Finance no review of useful life of items of PPE or the depreciation method applied to PPE was done as is required by GAMAP 17. No impairment testing was done for non-cash-generating assets as well as cash-generating assets due to the application of an exemption of IAS 36/AC 128 granted in Government Gazette No. 30013. The municipality is exempt from IAS 40 (AC 135) as it has not recognised any property as investment property but as property, plant and equipment in terms of GAMAP 17. It only recognises its property as investment property when it is certain that it meets the definition of investment property.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-

**Other:**

Land and buildings	Not depreciated
Motor vehicles	5 years
Office equipment and computers	3 – 5 years
Furniture and fittings	3 – 7 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

**1.6 INVESTMENTS**

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

Accounting policy for 2006/07 financial year:

No impairment testing of assets is done to determine impairment losses that should be recognised as an expense in the period that the impairment is identified.

Accounting policy for 2007/08 financial year:

The municipality does not test for impairment of assets as it is exempted from IAS 36 (AC128) in its entirety.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

**1.7 ACCOUNTS RECEIVABLE**

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

**1.8 TRADE CREDITORS**

Trade creditors are stated at their nominal value.

**1.9 REVENUE RECOGNITION**

**1.9.1 Revenue from Exchange Transactions**

Interest and rentals are recognised on a time proportion basis.

**1.9.2 Revenue from non-exchange transactions**

Revenue from Regional Services Levies, both those based on turnover as well as those based on remuneration, is recognised on receipt basis.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act, 2003 (Act No.56 of 2003) and is recognised when the recovery thereof is virtually certain.

**1.10 CONDITIONAL GRANTS AND RECEIPTS**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

**1.11 PROVISIONS**

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

**1.12 CASH AND CASH EQUIVALENTS**

Cash is cash on hand and cash with banks. Cash equivalents are all short-term liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, investments in financial instruments and net of bank overdraft.

**1.13 UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act, 2003 (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.14 IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003 (Act No.56 of 2003), the Municipal Systems Act, 2000 (Act No.32 of 2000), the Public Office Bearers Act, 1998 (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.15 FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.16 COMPARATIVE INFORMATION**

Current year comparatives:

Budgeted amounts have been included in the annual financial statements for the current year only.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

**1.17 LEASES**

Accounting policy for 2006/07 financial year:

Operating lease payments are recognised on the basis of the cash flows in the lease agreement.

Accounting policy for 2007/08 financial year:

Exempted from recognising operating lease payments on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement (IAS 17) (AC 105).

**1.18 RETIREMENT BENEFITS**

The Municipality provides retirement benefits for its employees and councillors. Contributions to defined contribution retirement plans are recognised as an expense when employees and councillors have rendered the employed service or served office entitling them to the contribution.





**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008****2. EXEMPTIONS FROM THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT  
IN 2006/07 AND 2007/08**

<b>GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General Notice 552 of 2007</b>
<b>GRAP 03 - Accounting policies, changes in accounting estimates and errors</b>
Identification and impact of GRAP standards that have been issued but are not yet effective (GRAP 3.30 – 31). A list of these standards is as follows: GRAP 4 The Effects of Changes in Foreign Exchange Rates GRAP 5 Borrowing Costs GRAP 6 Consolidated Annual Financial Statements GRAP 7 Associates GRAP 8 Joint Ventures GRAP 9 Revenue GRAP 10 Financial Reporting in Hyperinflationary Economies GRAP 11 Construction Contracts GRAP 12 Inventories GRAP 13 Leases GRAP 14 Events After the Reporting Date GRAP 16 Investment Property GRAP 17 Property, plant and equipment GRAP 18 Segment Reporting GRAP 19 Provisions, Contingent Liabilities and Contingent Assets GRAP 100 Non Current assets held for sale GRAP 101 Agriculture GRAP 102 Intangible Assets Changes in accounting policies (GRAP 3.14, 19)
<b>GAMAP 09 – Revenue</b>
Initial measurement of fair value; discounting all future receipts using an imputed rate of return (GAMAP 9.12 and SAICA circular 9/06)
<b>GAMAP 12 – Inventories</b>
The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP17.
The entire standard as far as it relates to water stock that was not purchased by the municipality.
<b>GAMAP 17 – Property, plant and equipment</b>
Review of useful life of items of PPE recognised in the annual financial statements (GAMAP 17.69 – 71, 77)
Review of depreciation method applied to PPE recognised in the annual financial statements(GAMAP 17.62, 77)
Impairment of non-cash generating assets (GAMAP 17.64 – 69, 75(e)(v) - (vi))
Impairment of cash generating assets (GAMAP 17.63, 75(e)(v) – (vi))
<b>IAS 11 [AC 109] – Construction contracts</b>
Entire standard
<b>IAS 14 [AC 115] – Segment reporting</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 30 June 2008**

Entire standard
<b>IAS 17 [AC 105] – Leases</b>
Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement (IAS 17.33 – 34 and 50 – 51 and SAICA circular 12/06.8 – 11)
<b>IAS 19 [AC 116] – Employee benefits</b>
Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and defined benefit obligation disclosed by narrative information (IAS 19.29, 48 – 119 and 120A(c) – (q))
<b>IAS 20 – Accounting for government grants</b>
Entire standard excluding paragraphs 24 and 26, replaced by GAMAP 12.8, 17.25 and 9.42 – 46.
<b>IAS 36 [AC 128] – Impairment of assets</b>
Entire standard.
<b>IAS 38 [AC 129] – Intangible assets</b>
The entire standard except for the recognition, measurement and disclosure of computer software and website costs (SIC 32) and all other costs are expensed.
<b>IAS 39 [AC 133] – Financial instruments: recognition and measurement</b>
Initially measuring financial assets and liabilities at fair value (IAS 39.43, AG79, AG64 – AG65 and SAICA circular 9/06).
<b>IAS 40 [AC 135] – Investment property</b>
The entire standard to the extent that the property is accounted for in terms of GAMAP 17.
<b>IFRS 3 [AC 140] – Business combinations</b>
Entire standard.
<b>IFRS 5 [AC 142] – Non-current assets held for sale and discontinued operations</b>
Classification, measurement and disclosure of non-current assets held for sale (IFRS 5.6 – 29 (in so far as it relates to non-current assets held for sale) and 38 – 42).
<b>IFRS 7 [AC 144] – Financial instruments: disclosures</b>
Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998.



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>3. PROVISIONS</b>		
Provision for development aid to local b municipalities	-	-
Provision for performance bonuses	125 220	322 957
<b>Total Provisions</b>	<b>125 220</b>	<b>322 957</b>
Movement in provision for performance bonuses		
<b>Balance beginning of year</b>	<b>322 957</b>	<b>205 929</b>
Contributions	125 220	-
Change in accounting policy (See note 16)	-	117 028
Performance bonuses paid to employees	-322 957	-
<b>Balance end of year</b>	<b>125 220</b>	<b>322 957</b>
Opening balances for 2007 restated. (See note 16)		
Movement in provision for development aid		
<b>Balance beginning of year</b>	-	<b>1 167 030</b>
Paid to service providers	-	-1 082 589
Provisions recognised as own income	-	-84 441
<b>Balance end of year</b>	-	-
Opening balances for 2007 restated. (See note 16)		
<b>4. CREDITORS</b>		
Trade creditors	926 042	239 730
Retentions	385 885	868 870
Staff leave	886 507	830 579
<b>Total Creditors</b>	<b>2 198 434</b>	<b>1 939 179</b>



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>5. UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
<b>5.1 Conditional Grants from other spheres of Government</b>	<b>14 708 508</b>	<b>18 075 036</b>
LGTF - Local Government Transition Fund Grant	14 982	14 982
HIV&AIDS Grant	6 352 416	6 260 235
LED - Local Economic Development Grant	1 043 502	1 180 702
LED - Local Economic Development Grant Entrepreneurial Development Centre	1 442 477	5 381 897
MSP - Municipal Support Programme Grant	1 364 886	732 428
LED - Local Economic Development Thuthuka Poultry Grant	22 429	53 364
BSRP - Building for Sports & Recreation Programme Grant	451 554	451 554
MSIG - Municipal Systems Improvement Grant	1 946 737	1 568 643
WSP - Water & Sanitation Master Plan Capacity Building Grant	986 199	1 258 554
FMG - Financial Management Grant	397 326	425 840
Gauteng Capacity Building Grant	-	140 997
ITPR - Integrated Transport Plan Railway Study Grant	87 149	87 149
S249 - Construction of Road S249 Grant	1 986	518 691
IDP NSDP - National Spatial Development Perspective Grant	596 865	-
<b>5.2 Other Conditional Receipts</b>	<b>-</b>	<b>128 750</b>
SETA Skills Development	-	128 750
<b>Total Conditional Grants and Receipts</b>	<b>14 708 508</b>	<b>18 203 786</b>

See Note 10 for reconciliation of grants from other spheres of government.

These amounts are invested until utilised.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

**6. PROPERTY, PLANT AND EQUIPMENT**

Reconciliation of Carrying Value	Community Assets R	Other PPE R	Total R
<b>30 June 2008</b>			
<b>Carrying values at 1 July 2007</b>	-	<b>3 067 227</b>	<b>3 067 227</b>
<i>Cost</i>	-	5 067 027	5 067 027
<i>Accumulated depreciation - Cost</i>	-	-1 999 800	-1 999 800
Acquisitions	-	1 522 917	1 522 917
Depreciation - based on cost	-	-949 288	-949 288
Carrying value of disposals	-	-116 130	-116 130
<i>Cost/revaluation</i>	-	-599 463	-599 463
<i>Accumulated depreciation</i>	-	483 333	483 333
<b>Carrying values at 30 June 2008</b>	-	<b>3 524 726</b>	<b>3 524 726</b>
<i>Cost</i>	-	5 990 481	5 990 481
<i>Accumulated depreciation - Cost</i>	-	2 465 755	2 465 755
<b>30 June 2007</b>			
<b>Carrying values at 1 July 2006</b>	-	<b>4 801 194</b>	<b>4 801 194</b>
<i>Cost</i>	-	3 456 273	3 456 273
<i>Accumulated depreciation - Cost</i>	-	-1 344 921	-1 344 921
Acquisitions	-	1 610 754	1 610 754
Depreciation - based on cost	-	654 879	654 879
<b>Carrying values at 30 June 2007</b>	-	<b>3 067 227</b>	<b>3 067 227</b>
<i>Cost</i>	-	5 067 027	5 067 027
<i>Accumulated depreciation - Cost</i>	-	-1 999 800	-1 999 800

Refer to Appendix A and B for more detail on property, plant and equipment.

**Pledged as security**

None of the assets included in property, plant and equipment have been pledged as security.



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>Detail of properties</b>		
Freehold land to the value of R189 105 was acquired through succession from our predecessor in title, the Eastern Gauteng Services Council. The land has not yet been transferred into the name of the municipality and is still registered in the name of the Eastern Gauteng Services Council.	<u><b>189 105</b></u>	<u><b>189 105</b></u>
<b>Land and buildings comprise of the following properties</b>		
Kleinzonderhout 519 JR, Gauteng	189 105	189 105
Erf 135, Erasmus Township, Bronkhorstspuit, Gauteng	660 000	660 000
Erf 136, Erasmus Township, Bronkhorstspuit, Gauteng	150 000	150 000
	<u><b>999 105</b></u>	<u><b>999 105</b></u>
<b>7. LEVY DEBTORS</b>		
Levy Debtors	-	<b>214 038</b>
Less : Provision for Bad Debt	-	-
<b>Total</b>	<u><b>-</b></u>	<u><b>214 038</b></u>
Reconciliation of Bad Debt Provision		
<b>Balance at beginning of year</b>	-	<b>626 713</b>
Utilised for writing off bad debt	-	-626 713
Contribution to provision	-	-
<b>Balance at end of year</b>	<u><b>-</b></u>	<u><b>-</b></u>
<b>8. OTHER DEBTORS</b>		
Investment interest accrued	39 811	36 995
Eastern Gauteng Services Council: Distribution account	7 754 333	7 754 333
SARS VAT	568 624	409 919
Deposits	61 000	71 425
<b>Sub Total</b>	<u><b>8 423 768</b></u>	<u><b>8 272 672</b></u>
Less: Provision for bad debt	-7 754 333	-7 754 333
<b>Total Other Debtors</b>	<u><b>669 435</b></u>	<u><b>518 339</b></u>



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	2008	2007
	R	R
<b>9. BANK BALANCES AND CASH</b>		
The Municipality has the following primary bank account: -		
<b><u>Current Account (Primary Bank Account)</u></b>		
Bank: ABSA Bank Ltd Account Number: 4053347128		
Cash book balance at beginning of year / (overdrawn)	<u>34 227 242</u>	<u>37 594 352</u>
Cash book balance at end of year / (overdrawn)	<u>30 128 578</u>	<u>34 227 242</u>
Bank statement balance at beginning of year / (overdrawn)	<u>34 227 242</u>	<u>37 594 352</u>
Bank statement balance at end of year / (overdrawn)	<u>30 128 578</u>	<u>34 227 242</u>
The municipality had opened and closed the following bank accounts during the year:		
<b><u>Fixed Deposit</u></b>		
Bank: ABSA Bank Ltd Account Number: 2067015876		
Cash book balance at beginning of year / (overdrawn)	<u>-</u>	<u>-</u>
Cash book balance at end of year / (overdrawn)	<u>-</u>	<u>-</u>
Bank statement balance at beginning of year / (overdrawn)	<u>-</u>	<u>-</u>
Bank statement balance at end of year / (overdrawn)	<u>-</u>	<u>-</u>
<b><u>Current Account</u></b>		
Bank: ABSA Bank Ltd Account Number: 4068936483		
Cash book balance at beginning of year / (overdrawn)	<u>-</u>	<u>-</u>
Cash book balance at end of year / (overdrawn)	<u>-</u>	<u>-</u>
Bank statement balance at beginning of year / (overdrawn)	<u>-</u>	<u>-</u>
Bank statement balance at end of year / (overdrawn)	<u>-</u>	<u>-</u>



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b><u>Current Account</u></b>		
Bank: ABSA Bank Ltd		
Account Number: 4069036389		
Cash book balance at beginning of year / (overdrawn)	-	-
Cash book balance at end of year / (overdrawn)	-	-
Bank statement balance at beginning of year / (overdrawn)	-	-
Bank statement balance at end of year / (overdrawn)	-	-

**10. GOVERNMENT GRANTS AND SUBSIDIES**

Equitable share	17 750 240	14 986 802
LG SETA	324 730	-
HIV & AIDS Grant	1 990 819	822 674
LED - Local Economic Development Capacity Building Grant	151 200	1 985 837
LED - Entrepreneurial Development Centre Grant	3 939 420	2 054 468
MSP - Municipal Support Programme Grant	367 542	902 984
LED - Local Economic Development Thuthuka Poultry Grant	30 935	108 659
BSRP - Building for Sports & Recreation Programme Grant	-	71 400
MSIG - Municipal Systems Improvement Grant	621 905	868 151
WSP - Water & Sanitation Master Plan Capacity Building Grant	272 355	-
FMG - Financial Management Grant	528 514	308 933
Gauteng Capacity Building Grant	140 997	170 636
S249 - Construction of Road S249 Grant	2 890 784	618 647
IDP NSDP - National Spatial Development Perspective Grant	3 135	-
<b>Total Government Grant and Subsidies</b>	<b>29 012 576</b>	<b>22 899 191</b>

**10.1 Equitable Share**

This unconditional grant is used as general revenue

**10.2 LG SETA**

Balance unspent at beginning of year	<b>128 750</b>	-
Current year receipts	195 980	128 750
Conditions met - transferred to revenue	-324 730	-
Conditions still to be met - transferred to liabilities (see note 5)	-	<b>128 750</b>

The conditions of the grant have been met. There was no delay or withholding of the subsidy





**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>10.3 HIV &amp; AIDS Grant</b>		
Balance unspent at beginning of year	6 260 235	2 486 248
Current year receipts	2 083 000	4 596 660
Conditions met - transferred to revenue	-1 990 819	-822 673
Conditions still to be met - transferred to liabilities (see note 5)	<u>6 352 416</u>	<u>6 260 235</u>

The conditions of the grant have been met to the extent that it has been expensed. No funds have been withheld. A portion of the grant remains unspent due to implementation problems at local level. The district has however taken over implementation of the project, and the bulk will be spent during the next financial year.

**10.4 LED - Local Economic Development Capacity Building Grant**

Balance unspent at beginning of year	1 180 702	2 086 539
Current year receipts	14 000	1 080 000
Conditions met - transferred to revenue	-151 200	-1 985 837
Conditions still to be met - transferred to liabilities (see note 5)	<u>1 043 502</u>	<u>1 180 702</u>

The conditions of the grant have been met to the extent that it has been expensed. There was no delay or withholding of the grant. The unspent portion of the grant will mainly be spent during the next financial year on the economic growth strategy, following the economic growth summit held during November 2007.

**10.5 LED - Entrepreneurial Development Centre Grant**

Balance unspent at beginning of year	5 381 897	7 436 365
Current year receipts	-	-
Conditions met - transferred to revenue	-3 939 420	-2 054 468
Conditions still to be met - transferred to liabilities (see note 5)	<u>1 442 477</u>	<u>5 381 897</u>

The conditions of the grant have been met to the extent that it has been expensed. The bulk of the grant was spent during the 2007/08 financial year for the establishment of the centre. However, due to the late start of the project, not all funds were spent. The unspent portion of the grant will be spent during the next financial year.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>10.6 MSP - Municipal Support Programme Grant</b>		
Balance unspent at beginning of year	732 428	1 635 412
Current year receipts	1 000 000	-
Conditions met - transferred to revenue	-367 542	-902 984
Conditions still to be met - transferred to liabilities (see note 5)	<u>1 364 886</u>	<u>732 428</u>

The conditions of the grant have been met to the extent that it has been expensed. There was no delay or withholding of the grant. The bulk of the grant was received during the second half of the financial year, earmarked for redesign of the organisational structure and HR policies. Therefore the unspent portion of the grant will be spent during the next financial year.

**10.7 LED - Local Economic Development Thuthuka Poultry Grant**

Balance unspent at beginning of year	53 364	162 023
Current year receipts	-	-
Conditions met - transferred to revenue	-30 935	-108 659
Conditions still to be met - transferred to liabilities (see note 5)	<u>22 429</u>	<u>53 364</u>

The conditions of the grant have been met to the extent that it has been expensed. Although the project has been completed, there remains a few minor details that will be attended to with the unspent portion of the grant during the next financial year.

**10.8 BSRP - Building for Sports & Recreation Programme Grant**

Balance unspent at beginning of year	451 554	522 954
Current year receipts	-	-
Conditions met - transferred to revenue	-	-71 400
Conditions still to be met - transferred to liabilities (see note 5)	<u>451 554</u>	<u>451 554</u>

The conditions of the grant have been met to the extent that it has been expensed. Although phases 1 – 3 of the project have been completed, additional financing will be needed to complete phase 4 as the remaining amount is insufficient due to the escalation of costs. Dependant on financing secured, the unspent portion of the grant will be spent during either the next or subsequent financial years.



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>10.9 MSIG - Municipal Systems Improvement Grant</b>		
Balance unspent at beginning of year	1 568 643	1 436 794
Current year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	-621 905	-868 151
Conditions still to be met - transferred to liabilities (see note 5)	<u>1 946 738</u>	<u>1 568 643</u>

The conditions of the grant have been met to the extent that it has been expensed. There was no delay or withholding of the grant. Counter funding of Integrated Development Planning and related projects by the Gauteng Provincial Government has as a result that the unspent portion of the grant will only be spent during the next financial year.

**10.10 FMG - Financial Management Grant**

Balance unspent at beginning of year	425 840	234 773
Current year receipts	500 000	500 000
Conditions met - transferred to revenue	-528 514	-308 933
Conditions still to be met - transferred to liabilities (see note 5)	<u>397 326</u>	<u>425 840</u>

The conditions of the grant have been met to the extent that it has been expensed. There was no delay or withholding of the grant. Due to the late appointment of finance interns during prior financial years, the unspent portion of the grant will only be spent during the next financial year.

**10.11 Gauteng Capacity Building Grant**

Balance unspent at beginning of year	140 997	311 633
Current year receipts	-	-
Conditions met - transferred to revenue	-140 997	-170 636
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>140 997</u>

The conditions of the grant have been met.

**10.12 Road S249 - Construction of Road S249 Grant**

Balance unspent at beginning of year	518 691	1 137 338
Current year receipts	2 374 078	-
Conditions met - transferred to revenue	-2 890 784	-618 647
Conditions still to be met - transferred to liabilities (see note 5)	<u>1 985</u>	<u>518 691</u>

The conditions of the grant have been met. There was no delay or withholding of the grant. The project has been completed, with an unspent portion indicative of a saving on the project.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>10.13 IDP NSDP - National Spatial Development Perspective Grant</b>		
Balance unspent at beginning of year	-	-
Current year receipts	600 000	-
Conditions met - transferred to revenue	-3 135	-
Conditions still to be met - transferred to liabilities (see note 5)	<u><b>596 865</b></u>	<u>-</u>

The conditions of the grant have been met to the extent that it has been expensed. There was no delay or withholding of the grant. The grant was received during the second half of the financial year. Therefore the unspent portion of the grant will be spent during the next financial year.

**10.14 LGTF - Local Government Transition Fund Grant**

Balance unspent at beginning of year	<b>14 982</b>	<b>14 982</b>
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 5)	<u><b>14 982</b></u>	<u><b>14 982</b></u>

The conditions of the grant have been met to the extent that it has been expensed. The bulk of the grant was spent in the early years of establishment. The unspent portion of the grant will be spent during the next financial year.

**10.15 ITPR - Integrated Transport Plan Railway Study Grant**

Balance unspent at beginning of year	<b>87 149</b>	<b>87 149</b>
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 5)	<u><b>87 149</b></u>	<u><b>87 149</b></u>

The conditions of the grant have been met to the extent that it has been expensed. The project has been completed, however the outcome remains inconclusive. The unspent portion of the grant will be augmented during the next financial year to further improve Integrated Transport Planning.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>10.16 WSP - Water &amp; Sanitation Master Plan Capacity Building Grant</b>		
Balance unspent at beginning of year	<b>1 258 554</b>	<b>1 627 816</b>
Current year receipts	-	-
Conditions met - transferred to revenue	-272 355	-
Change in accounting policy (see note 16)	-	-369 262
Conditions still to be met - transferred to liabilities (see note 5)	<u><b>986 199</b></u>	<u><b>1 258 554</b></u>

The conditions of the grant have been met to the extent that it has been expensed. The Water and Sanitation Master Plan has been completed with a resultant saving. As this grant is essentially given to enhance capacity to deliver infrastructure projects, the unspent portion of the grant will be spent during the next financial year on similar projects.

**10.17 Changes in levels of government grants**

Based on the allocations set out in the Division of Revenue Act, 2007, no significant changes in the level of government grant funding are expected over the forthcoming three financial years.

**11. OTHER INCOME**

Ambulance fees	-	94 667
Creditors money recognised as own income	-	201 106
Project savings money recognised as own income	-	198 387
Provisions money recognised as own income	-	84 441
Retention money recognised as own income	205 301	-
Miscellaneous revenue	103 204	464 500
	<u><b>308 505</b></u>	<u><b>1 043 101</b></u>



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>12. EMPLOYEE RELATED COSTS</b>		
Salaries and Wages	6 378 656	9 154 193
Contributions for Bargaining Council	1 648	3 330
Cellphone Allowance	223 480	162 350
Housing Subsidy	153 973	261 889
13th Cheques	449 066	793 022
Contributions for Medical Aid	472 287	597 632
Overtime Payments	288 462	432 551
Contributions for Pension and Retirement Funds	1 259 740	1 862 008
Shift Allowance	-	528 156
Performance Bonus	125 220	-
Skills Development Levy	90 654	130 312
Travel Allowance	1 756 178	1 498 345
Contributions for UIF	52 587	102 021
Provision for Annual Leave	735 211	703 961
Contributions for Compensation Commissioner	68 006	120 788
<b>Total Employee Related Costs</b>	<b><u>12 055 169</u></b>	<b><u>16 350 557</u></b>

There were no advances to employees.

***Remuneration of the Municipal Manager: appointed 1 August 2004 - resigned 30 November 2007 (5 months)***

Salary	161 239	345 600
13th Cheque	31 650	28 000
Leave encashed	76 331	28 870
Travel allowance	54 750	123 000
Housing allowance	31 669	69 954
Pension contribution	23 123	51 840
Performance bonus	134 389	-
<b>Total</b>	<b><u>513 151</u></b>	<b><u>647 264</u></b>

***Remuneration of the Municipal Manager: appointed 1 February 2008 (5 months)***

Salary	182 500	-
Travel allowance	51 945	-
Medical aid contribution	6 941	-
Pension contribution	27 375	-
<b>Total</b>	<b><u>268 761</u></b>	<b><u>-</u></b>



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>Remuneration of the Chief Financial Officer: appointed 2 January 2002</b>		
Salary	325 889	291 000
13th Cheque	27 000	23 500
Leave encashed	22 827	21 334
Acting allowance	22 909	4 232
Travel allowance	101 700	90 000
Housing allowance	59 188	45 220
Pension contribution	70 400	64 020
Performance bonus	102 898	-
<b>Total</b>	<b>732 811</b>	<b>539 306</b>

**13. REMUNERATION OF COUNCILLORS**

Executive Mayor	428 786	416 097
Speaker	343 028	332 358
Councillors	506 337	448 714
Mayoral Committee's allowances	742 248	740 360
Councillors' pension contribution	130 878	120 278
<b>Total Councillors' Remuneration</b>	<b>2 151 277</b>	<b>2 057 807</b>

***In-kind Benefits***

The Executive Mayor, Speaker and three Members of the Mayoral Committee are full-time. Each is provided with an office and secretarial support at the cost of the Council. Both the Mayor and the Speaker have use of a Council owned vehicle for official duties. The Mayor has a full-time driver/bodyguard. The Speaker has a full-time driver.

**14. GRANTS AND SUBSIDIES PAID**

Grant to Nokeng tsa Taemane Local Municipality (Road Infrastructure)	2 890 784	618 646
Grant to Nokeng tsa Taemane Local Municipality (Sport Infrastructure)	-	71 400
Grant to Nokeng tsa Taemane Local Municipality (Regional Cemetery Infrastructure)	-	405 464
Grant to Kungwini Local Municipality (Hawker Stalls Infrastructure)	-	420 537
Grant to Kungwini Local Municipality (Roads Infrastructure)	-	12 180
<b>Total Grants and Subsidies</b>	<b>2 890 784</b>	<b>1 528 227</b>

The grants paid are in the form of special infrastructure projects. It includes the transfer of cash grants.



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>15. GENERAL EXPENSES</b>		
Included in general expenses is the following:-		
Advertising	103 928	130 463
Audit fees	373 729	762 100
Cellphones and telephone costs	586 676	746 097
Computer services and consultancy fees	805 562	1 297 792
Entertainment	304 621	189 953
Fuel, oil and other vehicle operating costs	247 471	179 464
Insurance	198 835	261 912
Legal fees	241 257	613 434
Printing and stationary	251 454	228 666
Public relations	227 850	249 937
Rental - offices and buildings	480 000	701 036
Training of councillors and staff	585 756	619 196
Travel and subsistence	1 017 104	505 084
Institutional capacity building and improvement of municipal systems	916 314	902 984
Security services	224 042	270 502
Public participation	159 839	-
Communication strategy	168 950	-
Other	473 732	1 298 857
	<b><u>7 367 120</u></b>	<b><u>8 957 477</u></b>

**16. CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP**

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP: -

**16.1 Statutory Funds****Balance previously reported**

Asset Financing Fund

**1 438 532****Implementation of GAMAP/GRAP**

Transferred to Capital Replacement Reserve

**1 438 532**



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>16.2 Provisions and Reserves</b>		
<b>Balance previously reported</b>		
Non-Distributable Reserves:		
Capital Receipts		630 111
Asset Financing Reserve		166 670
		<u><b>796 781</b></u>
<b>Implementation of GAMAP/GRAP</b>		
Transferred to Government Grant Reserve		630 111
Transferred to Accumulated Surplus/(Deficit) (see 16.7 below)		166 670
		<u><b>796 781</b></u>
<b>16.3 Deferred Income</b>		
<b>Balance previously reported</b>		
Government grants received not yet expensed		<u><b>18 716 429</b></u>
<b>Implementation of GAMAP</b>		
Transferred to Unspent conditional grants and receipts (see 16.6 below)		<u><b>18 716 429</b></u>
<b>16.4 Provisions (current)</b>		
<b>Balance previously reported</b>		
Development aid - Transfer to Local Municipalities		1 829 017
Accumulated staff leave		1 495 368
		<u><b>3 324 385</b></u>
<b>Implementation of GAMAP</b>		
Development aid transferred to Unspent conditional grants (see 16.3 below)		661 987
Provision for performance bonuses (see 16.7 below)		-205 929
Staff leave transferred to Creditors (see 16.5 below)		1 495 368
		<u><b>1 951 426</b></u>
<b>16.5 Creditors</b>		
<b>Balance previously reported</b>		
		<b>4 324 689</b>
<b>Implementation of GAMAP</b>		
Staff leave transferred from Provisions (see 16.5 above)		1 495 368
		<u><b>5 820 057</b></u>
<b>16.6 Unspent conditional grants</b>		
<b>Balance previously reported</b>		
		-
<b>Implementation of GAMAP</b>		
Transfer from Deferred Income (see 16.3 above)		18 716 429
Transfer from Provisions (see 16.4 above)		1 829 017
		<u><b>20 545 446</b></u>



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>16.7 Accumulated Surplus/(Deficit)</b>		
<b>Implementation of GAMAP</b>		
Transferred to provisions (see 16.4 above)		-205 929
Asset finance reserve no longer permitted (see 16.2 above)		166 670
		<u><u>-39 259</u></u>
<b>16.8 Provisions and Reserves</b>		
Transferred from accumulated surplus - performance bonus (see 16.9 below)		<u><u>117 028</u></u>
<b>16.9 Accumulated Surplus/(Deficit)</b>		
Transferred to provisions - performance bonus (see 16.4 above)		<u><u>117 028</u></u>
<b>17. CASH GENERATED BY OPERATIONS</b>		
Surplus/(Deficit) for the year	-270 346	739 473
Adjustment for:-		
Depreciation	949 289	654 879
Loss on disposal of property, plant and equipment	116 130	-
Interest received	-3 552 992	-2 733 152
<b>Operating surplus before working capital changes:</b>	<u><b>-2 757 919</b></u>	<u><b>-1 338 800</b></u>
Decrease/(Increase) in levy debtors	214 038	-10 649
Increase/(Decrease) in other debtors	-151 096	2 965 449
Decrease in provisions	-197 737	-1 050 002
Increase/(Decrease) in creditors	259 254	-3 880 878
Decrease in unspent government grants	-3 495 278	-1 174 628
<b>Cash utilised in operations</b>	<u><b>-6 128 738</b></u>	<u><b>-4 489 508</b></u>
<b>18. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :		
Bank balances and cash	30 128 578	34 227 242
<b>Total cash and cash equivalents</b>	<u><b>30 128 578</b></u>	<u><b>34 227 242</b></u>
<b>19. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>		
<b><u>19.1 Unauthorised expenditure</u></b>		
None		
<b><u>19.2 Fruitless and wasteful expenditure</u></b>		
None		



**METSWEDING DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS 2007/08****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	2008	2007
	R	R
<b><u>19.3 Irregular expenditure</u></b>		
None		
<b>20. ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b><u>20.1 Contributions to organised local government</u></b>		
Opening balance	-	-
Council subscriptions	-	34 276
Amount paid - current year	-	-34 276
Amount paid - previous years	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
<b><u>20.2 Audit fees</u></b>		
Opening balance	-	-
Current year audit fee	373 729	762 100
Amount paid - current year	-373 729	-762 100
Amount paid - previous years	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
<b><u>20.3 VAT</u></b>		
The net of VAT inputs and outputs receivables are shown in note 8 .	<b>568 624</b>	<b>409 919</b>
All VAT returns have been submitted by the due date throughout the year.		
<b><u>20.4 PAYE, UIF &amp; SDL</u></b>		
Opening balance	-	-
Current year payroll deductions	2 391 615	2 990 727
Amount paid - current year	-2 391 615	-2 990 727
Amount paid - previous years	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
<b><u>20.5 Pension and Medical Aid Deductions</u></b>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	1 915 123	2 626 963
Amount paid - current year	-1 915 123	-2 626 963
Amount paid - previous years	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

**2008**                      **2007**  
**R**                              **R**

**20.6 Non-Compliance with Chapter 11 of the Municipal Finance  
Management Act**  
**None**

**21. RETIREMENT BENEFIT INFORMATION**

Contributions by Council in respect of Councillor and employees retirement funding have been expended in the year. All councillors and employees belong to 5 defined contribution retirement funds administered individually, under the statutory protection of the Registrar of Pension Funds. These funds are the Municipal Councillors Pension Fund, the Municipal Employees Gratuity Fund, the Municipal Employees Provident Fund, the Local Government Pension Fund and the National Fund for Municipal Workers.

**22. CONTINGENT LIABILITY**

**None**

**23. PRIVATE PUBLIC PARTNERSHIPS**

**None**

**24. EVENTS AFTER THE REPORTING DATE**

**None**

**25. COMPARISON WITH THE BUDGET**

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexure B(1) and B(2)

**26. AWARDS TO CLOSE FAMILY MEMBERS IN TERMS OF SECTION 45 OF  
THE SUPPLY CHAIN MANAGEMENT POLICY**

**None**

**27. RELATED PARTY TRANSACTIONS**

**None**



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>28. RISK EXPOSURES</b>		
<p>The municipality is at risk in the following areas:</p> <p>(i) Credit Risk, which is defined as the risk that one party to a financial instrument will fail to honour its obligation, thus causing the other party to incur a financial loss.</p> <p>(ii) Interest Rate Risk, which is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.</p> <p>Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, other debtors, short-term investment deposits and bank and cash balances. The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing.</p> <p>Long-term Receivables and Other Debtors are individually evaluated annually at balance sheet date for impairment or discounting.</p> <p>The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:</p>		
Fixed Deposit Investments	-	-
Long-term Receivables	-	-
Current portion of long-term debtors	-	-
Other Debtors	669 435	732 377
Short-term Investment Deposits	-	-
Bank and Cash Balances	30 128 578	34 227 242
<b>Maximum Credit and Interest Risk Exposure</b>	<b><u>30 798 013</u></b>	<b><u>34 959 619</u></b>

**29. MUNICIPAL SUPPLY CHAIN REGULATIONS  
DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF,  
PROCUREMENT PROCESSES AUTHORISED**

The municipality procured Information Technology goods and services in terms of Section 36(1)(a)(v) of the Local Government: Municipal Finance Management Act (56 of 2003): Municipal Supply Chain Regulations where the official procurement processes were dispensed with in an exceptional case where it was impractical to follow the official procurement processes. The IT goods and services so procured was as a result of the relationship built up with the municipality's IT service provider for IT network, web and IT maintenance support, as well as the lack of specialised in-house capacity where it was deemed impractical, and in certain instances impossible to follow the official procurement processes. The IT goods and services so procured were not reported timeously to the municipal council in terms of Section 36(2) of the regulation.



**METSWEDING DISTRICT MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS 2007/08**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 30 June 2008**



ANNUAL FINANCIAL STATEMENTS 2007/08

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT  
for the year ended 30 June 2008

	COST/REVALUATION			ACCUMULATED DEPRECIATION				
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Current year	Disposals	Closing balance
<b>Land and buildings</b>								
Land and buildings	99 105	-	-	99 105	-	-	-	-
	<b>99 105</b>	-	-	<b>99 105</b>	-	-	-	-
<b>Other assets</b>								
Furniture and office equipment	1 506 970	341 785	-35 740	1 813 015	703 716	284 418	-28 930	959 204
Computer equipment	1 001 722	1 181 132	-563 723	1 619 131	600 585	406 981	-454 403	553 163
Vehicles	1 559 230	-	-	1 559 230	695 499	257 889	-	953 388
	<b>4 067 922</b>	<b>1 522 917</b>	<b>-599 463</b>	<b>4 991 376</b>	<b>1 999 800</b>	<b>949 288</b>	<b>483 333</b>	<b>2 465 755</b>
<b>Total</b>	<b>5 067 027</b>	<b>1 522 917</b>	<b>-599 463</b>	<b>5 990 481</b>	<b>1 999 800</b>	<b>949 288</b>	<b>483 333</b>	<b>2 465 755</b>

	CARRYING VALUE	
	Opening balance	Closing balance
<b>Land and buildings</b>		
Land and buildings	999 105	999 105
	<b>999 105</b>	<b>999 105</b>
<b>Other assets</b>		
Furniture and office equipment	803 254	853 811
Computer equipment	401 137	1 065 968
Vehicles	863 731	605 842
	<b>2 068 122</b>	<b>2 525 621</b>
<b>Total</b>	<b>3 067 227</b>	<b>3 524 726</b>



ANNUAL FINANCIAL STATEMENTS 2007/08

**BUDGET COMPARISON – REVENUE AND EXPENDITURE**  
for the year ended 30 June 2008

	2008 R Actual	2008 R Budget	2008 R Variance	2008 % Variance	Explanation of significant variances >10% of budget
<b>REVENUE</b>					
Regional Services Levies	118 358	-	118 358	-	Not budgeted due to levies received from levy payers not registered previously.
Interest earned - external investments	3 552 992	2 000 000	1 552 992	78	In excess of budget due to higher than anticipated cash on hand and higher interest rates.
Government grants and subsidies	29 012 576	35 688 685	-6 676 109	-19	Below budget due to slower than anticipated spending of conditional grants.
Other income	308 505	547 000	-238 495	-44	Below budget due to rental income not realised.
<b>Total Revenue</b>	<b>32 992 431</b>	<b>38 235 685</b>	<b>-5 243 254</b>	<b>-14</b>	
<b>EXPENDITURE</b>					
Employee related costs	12 055 169	14 893 485	-2 838 316	-19	Below budget due to unfilled vacancies.
Remuneration of Councillors	2 151 277	2 202 172	-50 895	-2	
Bad debts	10 425	-	10 425	-	Unforeseen at the time of budget.
Capital costs	-	298 412	-298 412	-100	Not realised, loan for capital project not taken up.
Depreciation	949 289	850 000	99 289	12	In excess of budget due to increased acquisition of PPE.
Repairs and maintenance	674 165	314 500	359 665	114	In excess of budget due to increased maintenance to buildings.
Regional services - Operational	7 048 148	15 433 800	-8 385 382	-54	Below budget due to slower than anticipated spending of conditional grants.
Contributions	-	1 050	-1 050	-100	
Grants and subsidies paid	2 890 784	1 137 338	1 753 446	154	In excess of budget due to additional conditional grant received.
General expenses - other	7 367 120	8 730 332	-1 363 212	-16	
Loss on disposal of property, plant and equipment	116 130	1 000	115 130	11 513	In excess of budget due to PPE, mainly computers destroyed during the arson incident 3 April 2008.
<b>Total Expenditure</b>	<b>33 262 777</b>	<b>43 862 089</b>	<b>-10 599 312</b>	<b>-24</b>	
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>-270 346</b>	<b>-5 626 404</b>	<b>5 356 058</b>	<b>-95</b>	





ANNUAL FINANCIAL STATEMENTS 2007/08

**BUDGET COMPARISON - CAPITAL**  
for the year ended 30 June 2008

	2008 R Actual	2008 R Budget	2008 R Variance	2008 % Variance	Explanation of significant variances >10% of budget
<b>Land and Buildings</b>					
Land and buildings	-	6 000 000	-6 000 000	-100	Not realised, loan for capital project not taken up.
	-	<b>6 000 000</b>	<b>-6 000 000</b>	<b>-100</b>	
<b>Other Assets</b>					
Furniture and office equipment	341 785	240 000	101 785	42	
Computer equipment	1 181 132	665 000	516 132	178	In excess of budget due to replacement of PPE, mainly computers destroyed during the arson incident 3 April 2008.
	<b>1 522 917</b>	<b>905 000</b>	<b>617 917</b>	<b>168</b>	
<b>TOTAL</b>	<b>1 522 917</b>	<b>6 905 000</b>	<b>-5 382 083</b>	<b>22</b>	



ANNUAL FINANCIAL STATEMENTS 2007/08

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SEC 123, MFMA  
for the year ended 30 June 2008

Grants and Subsidies received: 2007/08								
Name of Grants	Name of organ of state or municipal entity	Total Receipts for the Year	Total Expenditure for the Year	Delay \ withheld	Gazette amount Municipal year	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
Equitable Share	DPLG	17 750 240	17 750 240	0	17 750 240	N/a	N/a	N/a
Financial Management Grant	National Treasury	500 000	528 514	0	500 000	N/a	Yes	N/a
HIV and AIDS	Provincial	2 083 000	1 990 819	0	-	N/a	Yes	N/a
LED	Provincial	14 000	151 200	0	-	N/a	Yes	N/a
LED - EDC	Provincial	0	3 939 420	0	-	N/a	Yes	N/a
MSP	Provincial	1 000 000	367 542	0	-	N/a	Yes	N/a
LED - Thuthuka	Provincial	0	30 935	0	-	N/a	Yes	N/a
MSIG	DPLG	1 000 000	621 905	0	1 000 000	N/a	Yes	N/a
Capacity Building	Provincial	0	140 997	0	-	N/a	Yes	N/a
S249	Provincial	2 374 078	2 890 784	0	-	N/a	Yes	N/a
IDP NSDP	DPLG	600 000	3 135	0	600 000	N/a	Yes	N/a
WSP	Provincial	0	272 355	0	-	N/a	Yes	N/a
LG SETA	LG SETA	195 980	324 730	0	-	N/a	Yes	N/a
		<b>25 517 298</b>	<b>29 012 576</b>	<b>0</b>	<b>19 850 240</b>			



## **REPORT ON THE FINANCIAL STATEMENTS**

### **Introduction**

1. I have audited the accompanying financial statements of the Metsweding District Municipality which comprise the statement of financial position as at 30 June 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages [xx] to [xx].

### **Responsibility of the accounting officer for the financial statements**

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

### **Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), 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. Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is still in the process of being developed, I have determined that my audit of any disclosures made by Metsweding District Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.

8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Basis of accounting**

9. The municipal entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements.

### **Opinion**

10. In my opinion the financial statements present fairly, in all material respects, the financial position of the Metsweding District Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury and in the manner required by the MFMA



**Emphasis of matters**

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

**Highlighting critically important matters disclosed in the financial statements**

**Material underspending of conditional grants**

11. As disclosed in note 5 to the financial statements, the municipality materially under spent on conditional grants. The material under spending occurred mainly in the HIV/Aids Grant, Local Economic Development Grant, Local Economic Development Grant Entrepreneurial Development Centre Grant, Municipal Systems Improvement Grant, Water and Sanitation Master Plan Capacity Building Grant and Financial Management Grant.

**Title deed not transferred**

12. As indicated in note 6 to the financial statements, the title deed for land to the value of R189 105 was not transferred and registered in the name of Metsweding District Municipality.

**Deviation from municipal supply chain management regulations**

13. As disclosed in note 29 to the financial statements, the municipality deviated from the procurement process during the acquisition of information technology related to goods and services to the value of R1 736 658. The deviation was not reported to council as required by regulation 36(2) of the municipal supply chain management regulations.



**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:

**Matters of governance**

14. 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:

<b>Matter of governance</b>	<b>Yes</b>	<b>No</b>
<b>Audit committee</b>		
<ul style="list-style-type: none"> <li>The municipality had an audit committee in operation throughout the financial year.</li> </ul>		✓
<ul style="list-style-type: none"> <li>The audit committee operates in accordance with approved, written terms of reference.</li> </ul>		✓
<ul style="list-style-type: none"> <li>The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.</li> </ul>		✓
<b>Internal audit</b>		
<ul style="list-style-type: none"> <li>The municipality had an internal audit function in operation throughout the financial year.</li> </ul>		✓
<ul style="list-style-type: none"> <li>The internal audit function operates in terms of an approved internal audit plan.</li> </ul>		✓
<ul style="list-style-type: none"> <li>The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.</li> </ul>		✓
<b>Other matters of governance</b>		
<ul style="list-style-type: none"> <li>The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.</li> </ul>		✓
<ul style="list-style-type: none"> <li>The financial statements submitted for audit were not subject to any material amendments resulting from the audit.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.</li> </ul>	✓	
<ul style="list-style-type: none"> <li>The prior year's external audit recommendations have been</li> </ul>	✓	



## METSWEDING DISTRICT MUNICIPALITY

### ANNUAL FINANCIAL STATEMENTS 2007/08

#### REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE METSWEDING DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008

Matter of governance	Yes	No
substantially implemented.		
<b>Implementation of Standards of Generally Recognised Accounting Practice (GRAP)</b>		
<ul style="list-style-type: none"><li>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.</li></ul>	✓	
<ul style="list-style-type: none"><li>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.</li></ul>	✓	
<ul style="list-style-type: none"><li>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.</li></ul>		✓

#### Unaudited supplementary schedules

15. The supplementary information set out on pages xx to xx 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

16. I have reviewed the performance information as set out on pages xx to xx.

##### Responsibilities of the accounting officer for the performance information

17. 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**

18. 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.
19. 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.
20. 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**

**Existence and functioning of a performance audit committee**

21. The performance audit committee did not review the performance management system and made recommendations in this regard to the council of the Metsweding District Municipality.

**Internal auditing of performance measurements**

22. The Metsweding 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 by section 45 of the MSA.





**APPRECIATION**

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

(signed)  
Johannesburg

30 November 2008



A U D I T O R - G E N E R A L



**PERFORMANCE REPORT  
for the year ended 30 June 2008**

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**1. INTRODUCTION**

Strategic Planning is central to the long term sustainable management of the Metsweding District Municipality. The Municipality's overarching strategic plan, the Integrated Development Plan, 2006 – 2010, was approved by Council in May 2006, and serves as the baseline for the respective Annual Plans.

.....  
**N PILLAY**  
**MUNICIPAL MANAGER (signed)**



**2. LEGAL REFERENCE**

This report is compiled in order to comply with the following legislation:

- Local Government: Finance Management Act, Act 56 of 2003, Section 121
- Local Government: Municipal Systems Act, Act no 32 of 2000, Chapter 6
- Local Government Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 ( Regulation no 805 of 2006)
- Local Government: Municipal Planning and Performance Management Regulations, 2001 ( Regulation no 796 of 2001)

**3. PURPOSE OF THE DOCUMENT**

The purpose of the document is to report on the actual implementation of the Strategic Goals of the Municipalities as defined in the various departmental plans. (SDBIP's).The nature of the report will thus be on the outcomes and the impact of the various Departments of the Municipality.

This Annual Performance Report is compiled for the financial year 2007/2008. The purpose of this report is:

- To provide a record of the activities of the municipality during the financial year.
- To provide a report on actual performance against planned of the municipality; and
- To promote accountability to the local community for the decisions made throughout the year by the municipality.

Individual Performance Plans for the 2008/09 Financial Year is envisaged and this will ensure more detailed Departmental and Individual Reports.



**FINANCE DEPARTMENT: PERFORMANCE REPORT: 2007/08**

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Internal Processes	HR Management	Capacitated staff and councillors on relevant statutes (roles & responsibilities)	Identify relevant statutes and lack of capacity applicable in our area of operation	Relevant assessments completed by 30 Sept	Copies of Payment certificates, Appointment letters	Skills Audit	N/A
			Create access to relevant training	Training booked for core areas throughout the year	Attendance Register	Orders placed; letters of acceptance	N/A
			Provide training to staff and councillors	Staff and Councillors trained by 30 Jun	Attendance Register	Certificates; Attendance Registers	N/A
		To eliminate, minimize and mitigate financial risks	Develop a comprehensive Asset Management Policy	Asset Management Policy developed by 30 Jun	Approved Council Policy	Asset Management Policy	N/A
			Implement Risk Management	Risk management implemented by 30 Jun		Asset Management Policy	N/A
			+95% of all assets captured on the Asset Register	>95% of assets captured on the Asset Register by 30 Jun	Asset Register	Asset Register	N/A
			+95% of all known risks insured	>95% of all known risks insured by 30 Jun	Insurance Portfolio	Insurance Portfolio	N/A
Financial Perspective	Budget	To ensure the compilation and approval of a Multi-Year Budget	Develop and maintain systems that enable the Executive Mayor to compile the Budget	Compile Key Budget Deadlines by 31 Aug and Budget Templates by 28 Feb	Report to Council	Council Resolution	N/A
			Table Budget to Council	Table Budget to Council by 31 Mar	Report to Council	Council Resolution	N/A
			Table Final Budget to Council for approval	Table Final Budget to Council by 31 May	Report to Council	Council Resolution	N/A
			Council approve Final Budget	Council approve Final Budget by 30 June	Report to Council	Council Resolution	N/A
			Executive Mayor approve SDBIP	Exec Mayor approve SDBIP by 30 Jun	Report to Mayoral Committee	Mayoral Committee Resolution	N/A
			Budget Information published in terms	Budget INFO published by	Budget on Website	Website	N/A



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

#### for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation	
	Financial Management	To ensure prudent Financial Management implementation in MDM with reference to financial reporting	of MFMA	15 Jul		Printout		
			Compile budget statements as per the MFMA and submit to Municipal Manager and Treasury	12 Budget Statements compiled and submitted to Treasury by the 10 <sup>th</sup> working day of the following month	Budget Statements	Statement + E-mail report	N/A	
			Compile quarterly reports and submit to Council and Treasury	4 Quarterly Reports compiled and submitted to Treasury by the 21 <sup>st</sup> working day of the following month	Quarterly Reports	Report + E-mail report	N/A	
	Financial Viability	To manage revenue to ensure financial stability [if applicable]	Recommend to Council and management on financial decisions to be made	CFO submit comments on all agenda items	Reports to Council	Council Agenda	N/A	
			To develop, review, train and implement Finance policies and procedures	Benchmark best practice with other municipalities / province / national treasury	Review current practices with guidelines issued by Treasury by 31 Mar	Research papers	Circulars	N/A
				Customize and re-align policies and procedures	Re-align policies and procedures by 31 May	Policy and procedure docs	Policy and procedure docs	N/A
			Implement, communicate and conduct training	Implement, communicate and conduct training by 30 Jun	Instruction manuals	Instruction manuals + circulation letter	N/A	
			To identify, develop and ultimately implement alternative sources of revenue in consultation with Local, Provincial and National Government	Collect over 92% of budgeted municipal revenue	>92% of budgeted municipal revenue collected by 30 Jun	Income Statement	Pastel printout of income Statement	N/A
				Identify and investigate possible sources of municipal taxes in terms of the Municipal Fiscal Powers and Surcharges Bill	Formulate possible municipal tax by 30 Jun	Report to Council	Council Agenda	N/A
				Develop and submit proposals to the Minister in terms of the Bill	Submit proposal to Minister by 31 Dec 2008	Proposal Doc	Proposal Doc + Submission Doc	N/A
				Develop systems and procedures for the billing and collection of any new municipal taxes	Billing and collection systems and procedures developed by 30 Jun 2009	Procedure Manual	Procedure Manual	N/A
	To direct limited financial resources	Review the budget	Review budget by the 25 <sup>th</sup>	Quarterly Reports	Quarterly	N/A		



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
		to maintain operations and execute IDP		day of the month following each quarter		Report + E-mail printout	
			Adjust or redirect budget to address critical objectives	Recommend adjustments every quarter if necessary	Quarterly Reports	Quarterly Report + E-mail printout	N/A
	To manage cash and bank, as well as investments effectively and efficiently	Bank reconciliations to pop-balance to the nearest Rand	Balanced Bank Reconciliations to be completed by the 25 <sup>th</sup> day of the following month	Bank Recon	Pastel printout	N/A	
		Review Cash Management and Investment Policy	Cash Management and Investment Policy to be reviewed by 30 Jun	Report to Council	Council Resolution	N/A	
		Prepare monthly cash flow forecasts	Prepare monthly cash flows by the 25 <sup>th</sup> day of the following month	Budget Statement	Budget Statement + E-mail printout	N/A	
		Invest surplus funds	Surplus funds invested daily to ensure maximum interest earned, and minimum interest paid	Bank Statements	Bank Statements	N/A	
Good, clean corporate governance	To review and implement SCM policies and procedures	Review Supply Chain Management Policy	SCM policy reviewed by 31 May	Report to Council	Council Resolution	N/A	
		Review Supply Chain Management Procedures	SCM procedures reviewed by 31 May	Procedure Manual	Procedure Manual	N/A	
		Implement Supply Chain Management Policy	SCM implemented by 30 Jun	Procedure Manual	AG Report	N/A	
		Implement Supply Chain Management Procedures	SCM implemented by 30 Jun	Procedure Manual	AG Report	N/A	
		Review Preferential Procurement Policy	PPP reviewed by 31 May	Report to Council	Council Resolution	N/A	
	To promote procurement from BEE, SMME and local suppliers	BBBEE Advancement	Develop a supplier data base	Supplier data base developed by 30 Jun 2007	Supplier data base	Pastel printout	N/A
			Develop targets in line with National and Province	New targets developed by 30 Jun	Report to Council	Council Resolution	N/A
			Report annually on implementation	Report on implementation by 31 Aug 2008	SCM Implementation Report	Council Resolution	N/A
To ensure the	Good, clean corporate governance	Turnover of trade creditors less than	Turnover of creditors less	Creditor Age Analysis	Pastel printout	N/A	



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
	timeous and efficient payment of all creditors		31 days	than 31 days for 12 consecutive months			
	To ensure the timeous, efficient and correct payment of all salaries	Improved staff morale	Timeous payment of salaries	Salaries paid b the 26 <sup>th</sup> monthly	VIP Payroll	ABSA Cashfocus printout	N/A
			Reduce number of errors	Known errors reduced to 7 per month	Register of errors	Register of errors signed off by CFO	N/A
	To ensure transparent and accountable financial management	Good, clean corporate governance	Ensure the compilation of the annual financial statements according to the standards of GAMAP	Compile AFS and submit to AG by 31 Aug	AFS	AG Receipt	N/A
			Receipt of an unqualified financial audit report	Receive unqualified audit opinion by 30 Nov [Timeline dependant on AG]	AG Report	AG Report	N/A
	To foster good relations with local municipalities	Good, clean corporate governance, shared services and best practices	Establish a District CFO Forum	Establish a District CFO Forum by 31 Mar 2008	Agenda	Attendance Register	N/A
	To facilitate capital investment in income generating projects	Financial sustainability	Develop investment strategies	Develop an investment strategy by 30 Jun	Investment Strategy	Council Agenda	N/A
			Identify and submit proposals of income generation projects	Submit a proposal of an income generating project by 30 Jun	Project Proposal	Council Agenda	N/A





**INFRASTRUCTURE PERFORMANCE REPORT: 2007/08**

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Customer & Stakeholder	Sustainable Infrastructure Services	To manage the development & implementation of all Infrastructure projects	Report with analysis of expenditure patterns of capital projects	Copies of Payment certificates, Appointment letters	Close-out reports	N/A
		Manage the provision of professional services to MDM utilizing expertise in Dept	Number of successfully completed projects	Copies of Payment certificates, Appointment letters	Close-out reports	N/A
		Development of a Road Master Plan	Completed Road Master Plan Report	Council approved Road Master Plan	Council Resolution	Funding was not obtained from DBSA
		Development of Electricity Master Plan	Completed Electricity Master Plan	Council approved Electricity Master Pan	Council Resolution	Funding was not obtained from DBSA
		Compilation of a Feasibility Study for a Cemetery	Completed Study with recommendations	Submission to the MM	Council Resolution	
		Review of Integrated Transport Planning (ITP)	Completed ITP Report	Council approved Report	Council Resolution	The GPTRW will assist the Municipality in the 2008/09 financial year with the Project
		Compilation of Busines Plan for the Upgrading of road in Kameelfontein	Completed Busines Plan and submitted to the GPTRW	Busines Plan signed by the MM	Copy of submitted BP	N/A
		Compilation of Busines Plan for the Upgrading of road in Hammanskraal connecting to the Moloto road	Completed Busines Plan and submitted to the GPTRW	Busines Plan signed by the MM	Copy of submitted BP	N/A
		Compilation of Busines Plan for the Upgrading of road in Tiegervoort to Swievelpoort	Completed Busines Plan and submitted to the GPTRW	Busines Plan signed by the MM	Copy of submitted BP	N/A
		Compilation of Busines Plan for the Upgrading of road in Roodeplaat	Completed Busines Plan and submitted to the GPTRW	Busines Plan signed by the MM	Copy of submitted BP	N/A
		Construction of Waste Transfer Station	Mini Waste Transfer Station in Roodeplaat	Functional transfer station	Close out report	Funding was insufficient and has been reallocated.
		Construction of road S 249 in Cullinan	Completed all weathered road open to traffic	Hand over minutes	Close out report	N/A



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
	Good Corporate Governance	Gauteng Public Transport, Roads and Works IGR	Transport Infrastructure Technical Working Team(TWT)	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Transport Planning TWT	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Transport Investment TWT	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Governance TWT	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Strategic Consultative Committee	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Public Transport TWT	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			DLTC (Urban Fund)	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Gauteng Intergovernmental Transport Forum (GITF)	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
		SALGA IGR	SALGA-Housing	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			SALGA-Technical Task Team	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			SALGA Energy	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			2010 Task Team	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
			Water & Sanitation Task Team	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Municipal roads	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

#### COMMUNITY SERVICES: PERFORMANCE REPORT 2007/08

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Customer & Stakeholders	Disaster risk management policy framework for the Metsweding district area	To have a disaster risk management policy framework for the district	Disaster management policy framework developed, approved and adopted by Council	Council approved Policy	The disaster management policy framework was developed and adopted by Council	None
	Disaster risk management centre	Conduct a scoping research on the establishment of the disaster management centre	Research conducted on the establishment of the disaster management centre	Scoping research document report	Scoping research completed on the requirements of the Disaster Management Centre	None
	Arrangement for stakeholder participation & engagement of technical advice in disaster risk management planning and operation	Establishment of disaster risk management advisory forum	To arrange meetings, workshops in each quarter with relevant stakeholder	Minutes of meetings	Two meetings held after the establishment of the forum	None
	Arrangement for stakeholder participation & engagement of technical advice in disaster risk management planning and operation	Development of terms of reference for the disaster risk management advisory forum	To have terms of reference for the advisory forum members	Terms of reference	Terms of reference developed and adopted by the forum members	None
		Provincial heads of disaster management centre and advisory forums	To benchmark with other municipalities in Gauteng and share best practices	Minutes of the meetings	Attended all provincial heads of the centre and advisory forums meeting	None
		Create and maintain database for stakeholders involved in disaster risk management	To have up to date contacts for stakeholders involved in disaster risk management within the district	Database	Database was created and is updated regularly	None
	Disaster risk management campaigns	International Strategy for Disaster Risk Reduction	Conduct awareness Campaign, arranging plenary meetings	Report and minutes	Plenary meetings for the campaign arranged and attended to culminating in to the campaign	None
		Fire awareness week 08 to 12 October 2007 them "Disaster Risk Management begins at School)	Three(3) schools and one(1) crèche to visit, arrange and attend plenary meetings	Minutes of the meetings and report	The targeted schools were visited and meetings were held to plan all the visits	None



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
		Arrive alive	Meetings with relevant stakeholders attended to plan the campaign and awareness campaign conducted	Arrive alive report	Roadblocks manned and visible patrols at targeted roads	None
Customer Perspective	Response and recovery	Fires	To respond to all reported fire incidents	Statistics of fire incidents	Responded to all reported incidents of fires and provided emergency relief materials	None
		Evictions	To respond to all reported eviction incidents	Report on eviction	Responded to all reported incidents of evictions and provided emergency relief materials	None
		Floods	To respond to all reported floods incidents and assist the affected victims	Report on floods	Responded to all reported incidents of floods, relocated affected victims from the flood area and provided emergency relief materials	None
		Xenophobic attacks	To respond to all reported floods incidents and assist the affected victims	Report submitted to Council	Engaged the relevant stakeholders to assist with the provision of relief materials. Provided the victims with accommodation. Facilitated the reintegration of the affected victims back to the communities.	None
	Events and Imbizos	Annual King Silamba Celebration	To ensure a safe and incidents free event	Council Report	Planning meetings were arranged and attended to. The safety of All the VIP's and the participants to the event was taken care of at all times by law enforcement agencies at all times. There was no	None



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
					report incident	
		Kungwini Cultural Festival	To ensure a safe and incidents free event	Minutes and report	The event was hosted without any reported incident	None
		Human Rights and Foster Care	To ensure a safe and incidents free event	Minutes and report	The event was hosted without any reported incident	None
	SALGA-Gauteng OR Tambo Inter municipal Games	To participated at the games and compete against other municipalities in Gauteng. To also realise teambuilding across municipalities through participation in sport and recreation	Prepare the athletes for the games and arrange logistics for participation at the games	Council approved report	Teams were established and the district participated in 15 different sporting codes	None
	Gauteng Carnival	Facilitate the establishment of the district troupes to participate at the Gauteng Carnival	Troupes established and participated at the Carnival	Photos and report	The district participated at the Carnival and the Ndebele troupe from Metsweding won prize money of R 10 000.00	None
	Metsweding Mayoral Sports Tournament	To host the Metsweding Mayoral sports tournament. Targeted sporting codes were soccer both sexes, netball, volleyball both sexes, basketball mixed and cricket	To encourage mass participation of Metsweding communities in sports. All the areas of Metsweding district participated at the tournament	Report	The tournament was hosted at the Ekangala Stadium and all the targeted sporting codes were played during the day	None
	Community Safety	Development of joint strategic plan with the Department of Community Safety	Workshops and meetings held to develop the joint strategic plan	Joint strategic plan and minutes	The joint strategic plan developed	None



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
		Conduct Women and Child safety audit	Improved Interventions aimed at supporting structures and services in relation to crime against women and children	Report on women and child safety audit	Workshop conducted, walkabout and interviews conducted at Zithobeni	None
		Men as Gender and Child Safety promoters	To raise awareness amongst vulnerable women and children using males as promoters	Report on men as gender and child safety promoters	A workshop was conducted at Cullinan police station	None
	To conduct awareness Campaigns throughout the District	World AIDS Day	Door to Door Campaign Candle light Ceremonies	Attendance register Statistics forms List of volunteers Photo Reports	World AIDS Day celebration of the District Rethabiseng Candle Light ceremony Refilwe Candle light ceremony	None
		STI/CONDOM	Door to Door Campaign Awareness Day	Report Attendance register photos	Awareness days were conducted Volunteers did Door to Door Campaign	None
		TB	Awareness Day	Attendance register Report Statistics	TB Day commemorated in Steve Biko ville in May	None
	To conduct awareness Campaigns throughout the District	Child Protection	Competition	Entry forms DVD Programme Schools confirmation letters for participation	19 schools entered for the competition and all competed 12 Youth Out of School entered 3 competed	None
		Girls Camp for 100 Girls	100 girls participated in the camp	Attendance register Indemnity forms signed by parents Report Photos	74 girls participated	None



# METSWEDING DISTRICT MUNICIPALITY

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### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
		To strengthen sectoral participation by capacitating and supporting sectoral initiatives	Prayer Day in partnership with De Beers and Zion Christian Church	Prayer Day	Photos	Prayer Day held on the 25 <sup>th</sup> November 2007
	To reduce the number of new infections within the special risk group	Candle Light Ceremony	Awareness campaign for inmate	Photos Report	Reached 605 inmate of Baviaanspoort and 88 men, mainly inmate went for HIV testing, of which 13 tested HIV positive and 75 tested HIV negative	None
		Road Show	Road Show held	Photos	Road Show held in December in Partnership with KLM, SAPS,	None
	To mainstream HIV and AIDS in the workplace and strengthening workplace programmes	Education and training Workshops for employees	Trained employees		None	None
		Posters displayed in the workplace and availability of condoms	Poster displayed and condoms distributed	Condotainers destroyed	More than 4000 condoms distributed	None
		Strengthening Employees Wellness Programmes	Employees accessing the wellness programmes within the municipality	Photos	World AIDS Day Candle light Ceremony held in December	None
Community Capacity Programmes	Indigent Burial	Indigent burial conducted	Indigent Statistics report Death Certificate Affidavit of applicants Burial order		None	
	Funding Local Municipalities	Transferring funds to Kungwini Local Municipality and Nokeng Tsa Taemane		None	None	





**LED PERFORMANCE REPORT: 2007/08**

Balance Scorecard Perspective	KPA	Objective/ target	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Customer & Stakeholder	Strengthen IGR Structures & Co-operate with Civic and NGO's	Create conducive environment for economic opportunities	Full Operation of The Business Place SMME training & Mentoring to assist Entrepreneurs in Bussines Skills	MEDC to facilitate economic growth			None
			Facilitate 10 Information Sessions	Information Sessions/workshops	Reports of Sessions/ Workshops	Attendance Register/ Photo's	None
			Developmet of Bussines Incubator in Cullinan 1	Conducive Bussines Environment	Increase in bussines activities		None
			Bronkhorstspuit Bussines Incubator1	Capacity Building for SMME's & Training for 80 Co-operatives	Reports		None
				Training in Customer Care & Hospitality (30)	Training Assessment Report	Attendance Register/ Photo's	None
				Training in Italian Language	Report	Attendance Regsiter/ Photo's	None
				HIV/AIDS in workplace(20)	Training Workshops	Attendance registers/ photos	None
				Bussines Management Skills	Traning workshops	Attendance Register	None
			Establishment & Implementation of Regional Tourism Organisation	The Establishment of RTO Phase 1 – Inception, Assessment	Assessment Report		None
				Phase 2 – Training & Workshops	Traning workshops		None
				Phase 3 – Finalisation of RTO/ LTO structures	Establishment of Structure		None
				Phase 4 - To Establish a legal Entity for Tourism			None



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Objective/target	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation	
				Support for the Operation of Regional Tourism Organisation	Ongoing support		None	
			Development & Implemenataton of Tourism Master Plan	Tendering process	Tender		None	
				Application for Funding at DBSA	Fund application	Fund application submitted	None	
				Appointment of Service Provider	Service provider appointed		None	
		Create conducive environment for tourism development	Support Komjejejeke Heritage Site	Development of Komjejejeke Heritage Sites	Completed		None	
				Appointment of Service Provider by DEAT	Completed		None	
				Facilitate stakeholder meetings to develop to make inputs in business plans	3 meetings held after appoitment of Service Provider	Attendance regisiter	None	
				Submission of Business Plan	Service Provider submitting Busines Plan before end of Financial Year	Bussines plan submitted	None	
				Implementation of Business Plan		N/A	None	
				Support the Puisano Roving Jazz Festival	Puisano Jazz Festival	Hosted the Puisano Roving Jazz Festival in Tarverns to promote Tourism & Musicin	Hosted the Roving jazz Festival in 1 Taverns	None
				Facilitate & Support the Grading of Establishment	Tourism Awareness Workshop on Grading	Awareness Workshops	Attendance Register	None
					Assessment of Establishments to be Graded	Pre assessments for 5 establishments completed	Assesment for 3 establishments has been completed	None
				Design & Print Tourism Marketing Material	Printing of marketing material to be used for the Tourism Indaba & other areas	1 000 folders 5 000 brochures	Folders & Brochures designed & distributed	None



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Objective/target	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
		Effective Development of Agricultural Sector	Support for Emerging Farmers Mohlathi Project Phirima Agariam Legodi Xulu Legodi Phaphameng Nolufefe	8 projects Identified & Supported	Identified Projects listed and supported	Reports	None
			Development of Agricultural HUB in Kungwini & Nokeng Lauching of HUB Development of Plan Identification of Site for Signage Facilitation of Land Claims Development of Business Plan	A plan completed	Report on Agricultural HUB	Report	None
		Create a conducive industrial area	Develop an Industrial Development Strategy	Development Strategy	Approved Strategy	Council resolution	None
			Support for Industrial Development	Funds to be utilised to support Industrial/ Manufacturing Project	1 Project Supported	Supported projects	None
		Poverty Alleviation Projects	Poverty Alleviation Projects & Initiatives	Poverty Alleviation Intervention	Partnership with NDA & Mintek to implement the 2 Assessment Projects conducted by Mintek	2 projects to be supported at Sokhumi Jewellery & De Wagensdrift Broiler project	None
			To empower a Vulnerable Sector Group		Dept are in process of procure Brick making Machine for Emanzinzi Wonder Bricks Co-operatives	Progress reports	None
Financial Perspective	Good Governance & Public participation	Prudent Financial Management	Operational Budget Compiled, Implemented & Monitored	Maintain Assets of he MDM effectively & efficiently	Timeframes met continously	Adherence to timeframes	None
					Budget drafted & submitted	Key deadlines adhered too	None



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Objective/target	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
					Maximum expenditure of allocated funds	Maximum expenditure of Allocation	None

### CORPORATE & LEGAL SERVICES PERFORMANCE REPORT: 2007/08

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
<b>LEGAL SERVICES</b>							
Internal Processes	Provide legal opinions and comments to council items	To ensure that council resolutions are legally correct and enforceable	All reports and items serving before council have legal opinions and comments	Legal compliance	Approved council resolutions	Ongoing process	None
	Legal advice	Provide sound legal advice to council	All matters that council engages in have been legally verified	Legal compliance	Reports and opinions available on request	Council Resolutions/ Reports	None
	Legal compliance	To ensure that all matters dealt with by council and its committees comply with the law	All matters dealt with should be legally compliant	Legal Compliance	Reports available for scrutiny	Reports	None
	Audit and verification of immovable properties	To ensure that all immovable properties owned by council are audited and verified	All properties have title deeds and such are filed of record	All properties filed & recorded	Title deeds Files available on request	Title deeds	None
	Good Governance	To ensure proper administration of council matters	All systems are in place to ensure proper governance	Completed standing rules have published in the government gazette	System of delegations, rules and orders of council, both approved and adopted by council until reviewed	Government gazette	None
	Contract management	to ensure that all contracts entered into by council and service providers are in	All contracts are properly managed	Proper Contract Management	Copies of contracts available on request	Records	None



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
		compliance with the law					
	Legal administration	To have the industrial park including MEEC building transferred from Mpumalanga Province to Gauteng Province for administration by MDM	To have complete control of the industrial park	Industrial park controlled and Managed by MDM	Correspondence between MDM and Gauteng DED	N/A	Not yet completed due to lack of cooperation from Mpumalanga province
	Labour issues	To handle all labour issues arising within the institution in a more proactive way.	To control and prevent unnecessary litigation in these matters	Minimize litigation	Files available on request on issues handled.	Records	None
Internal Processes	Committee services administration	To develop and coordinate schedule of meetings of council and its committees Compile and distribute agendas Taking and recording of minutes Audit and tracking of council resolutions	To ensure that administration of committees is effective and efficient	Effective & efficient Council Meeting Administration	Annual meeting plan available on request	Council Meeting Schedule	None
	Records and registry Administration	To execute records and registry administration Document filing Receiving, recording and distribution of mail Develop, update and coordinate a document management and archives system Safekeeping of municipal records	To ensure effective and efficient records and registry administration	Effective & efficient records Management System	Document management system is in place	Quidity DMS	None
<b>HUMAN RESOURCE MANAGEMENT</b>							



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Internal processes	Personnel Administration	Appointment of Personnel in line with the approved Organogram.	To achieve optimal utilization of Human Resources	To ensure effective & efficient functional Municipality	Appointed Personnel	Appointment Letters	Financial Considerations
		Induction of new appointees	All new appointees has received induction	To be held within the first four weeks of employment	Attendance register Workshop program	Attendance registers	None
		Opening up of personnel files (Permanent/ Temporary)	All employees must have personnel file	Personnel Files to be created and updated twice annually	All employees have Personnel files	Files	None
		Processing Terminations	All resigned employees' benefits to be processed within three months of termination of employment	To ensure adherence to proper procedures	Notification letter of payment by the pension fund schemes.	Closed Files	None
		Benefits Admin	All employees informed about new & changed benefits	Informed choices by employees	Benefits session attendance register	Attendance Register	None
	Employment Equity	Develop Employment Equity Policy Develop Employment Equity Plan	Draft Employment Equity Policy by Resolve. Draft Employment Equity Plan developed	Employment Equity Policy & Plan to be developed, approved & Implemented	Draft Employment Equity Plan	Policy	None
	Training and Development	ABET	57 Employees (District Wide )	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Project Management	2 Senior Management	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Conciliation & Arbitrations	2 Senior Management	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Assessors, Coaching & Mentoring	17 Employees (District Wide )	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Labour Court Proceedings	1 Professional	To capacitate	Training Reports/	Attendance	None



# METSWEDING DISTRICT MUNICIPALITY

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for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
				Employees	Certificate	Registers	
		Housing Policy Development & Management	1 Professional	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Employment Equity	3 Finance Personnel	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Supply Chain Management	4 Finance Personnel	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Finance Management	1 Professional	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Executive Secretary	Secretarial training for secretaries	To capacitate Employees	2 employees registered with Damelin	Reistration Certificates	None
		Train Office Attendants in Basic Office Admin	1 Office attendant trained	To capacitate Employees	Training results report (Copies of Qualification)	Reports	None
		Records Archives	1x Records officer	To capacitate Employees	Training results Report (Copies of Qualifications)	Reports	None
		Disciplinary skills	2x Managers	To capacitate Employees	Qualifications	Reports	None
		Employee Assistant Program	Rollout the EAP program	Launch of the District wide EAP	Increased well being of Employees	Attendance register Minutes of the EAP Meetings	Reports
		Develop EAP Policy Develop an EAP Plan	Draft Developed EAP Policy EAP Plan	Employees operate in conducive circumstances	Approved Draft Policy & Plan	Council Minutes	Draft Policies to be approved by Council
<b>INFORMATION COMMUNICATION &amp; TECHNOLOGY</b>							
Internal Processes	Maintenance, upgrades and repairs of IT equipments	Ensure full functioning of all IT equipments	To be attended within 48 hours after being reported	Fully functional operations with no interruptions	Helpdesk tickets	Closed tickets	None
	Software installation and	To use of legal software	License and install within 24 hours after being	Legal software	Software licenses register	Register of software	None



# METSWEDING DISTRICT MUNICIPALITY

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### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
	licensing		received				
	Monitoring the use of IT resources	To ensure appropriate use of resources	Monthly reports on the usage of IT resources	Effective utilization of IT Resources	Reports	Ongoing supervision	Reports from service provider
	Effective functioning of servers, internet and website	Ensure full functioning of IT systems	Downtime to be less than 24 hours	Effective utilization of IT Resources	Reports		None
	Development of IT policies and plans	To control and prevent the misuse of IT resources	All policies to be developed and approved	IT policies and plans approved by council	Council Resolutions	Council resolution	None
	Back ups	Recovery of lost data	Backups to be done daily	Minimum lost of Data	Back up register		None
Customer Stakeholders	End user support for all staff and council	Assist and answer questions/problems on the use of IT resources	Attend to the question/problem within 2 hours of fault logging	Ongoing end user support	Helpdesk tickets		None
	Assists in presentations and meetings	Effectiveness of presentation and meetings	All staff to efficiently use IT resources in presentations and meetings	Ongoing improvement in quality of outputs	Attendance register IT equipment register		None
Learning & Innovation	Train users in the use of IT systems	Self sufficient staff who can use IT resources efficiently	To train staff once a year	Improved and self efficient staff	Training manuals Staff attendance register		Training facilities not established
	Advice on the use of software	To ensure that the intended software is being used for the right purpose	To purchase needed and appropriate software	Effective utilization of software	Request for software needs		None
<b>AUXILIARY SERVICES</b>							





Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Internal Processes	Coordinate OHS	To comply with the provision of applicable statutes and ensure health and safety working environment	Train staff on OHS on a quarterly basis	To capacitate Employees	Reports Training manuals		OHS not implemented
	Fleet Management	Ensure that vehicles are maintained and serviced	All cars are serviced after 15000 kms Renew license disks annually	Efficient & effective fleet	Service books Receipts	Service Books	None
	Care taking of offices and building	Ensure that offices and building are in a presentable working conditions	Maintenance plan be put in place	Vehicles & plant maintained as per plan	Reports		due to vandalism and fire the plan has not being put in place
	Security services	ensure that employees are in a safe premises	Develop a scope of work for security guards	Outsourced services	OB books Reports		None
	Coordinate MDM functions	Assist during municipal events and functions		Events to be incident free and well coordinated	Reports	Reports	None



**INTERNAL AUDIT PERFORMANCE REPORT: 2007/08**

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of verification	Reason for deviation
Internal Business	Promote Good Governance	To develop Internal Audit Charter & Establish Audit Committee	Develop, Internal audit and audit committee charter.	Council resolution & Document	Signoff by the chairperson of audit committee	N/A
		Quarterly Audit of the performance information		Report send to Audit committee and MM	Signoff by the Chairperson of audit committee.	N/A
		Conduct risk assessment by 30 June 2008	Risk Assessment done	Internal audit annual operational plan.	Signoff by Chairperson of audit committee	N/A
		Facilitating of 4 audit communicate meetings per year	4 Audit Committee Meetings per Annum	Agenda's and minutes of the meetings	Attendance register	N/A
		Developing & implementing Risk based audit plan by 30 June 2008	Risk base Audit Plan developed & Implemented	Audit committee approval, meetings and agenda	Signoff by the Chairperson of audit committee	N/A
		Audits as per audit plan 30 June 2009	Audits as per Annual Audit Plan	Internal audits report to MM and Audit committee	Agenda & Minutes of Meeting	N/A
		Report to MM and audit committee by 30 June 2009	Report to MM & Audit Committee	Internal audits report to MM and Audit committee	Agenda & Minutes of Meeting	N/A
Learning & Innovation	Personnel development & Training	Achieve WSP targets	No of training sessions on Internal audit unit	Training Manual & Attendance Register	Attendance Register & Certificate	N/A



**PERFORMANCE MANAGEMENT PERFORMANCE REPORT: 2007/08**

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Internal Processes	Organisational & Individual PMS	Ensure adherence to Performance Planning & Legislative Regulatory Requirements	Develop, Review and Update Organisational & Individual Performance Management System Framework for 2008/09	Reviewed & Updated Organisational & Individual PMS Framework	Council Resolution & Document	Revised PMS Framework	Submitted & to be adopted by Council 25/09/2008
			To develop Performance Agreement for Section 57 Managers, Snr Managers & Managers for 2007/08	To give effect o the Municipal Systems Act & Performance Regulations	Signed Performance Agreements	Performance Agreements	Performance Agreements to be adopted by Council 25/09/2008
			To develop Performance Plans for Section 57 Managers, Snr Managers & Managers for 2007/08	To give effect o the Municipal Systems Act & Performance Regulations	Signed Performance Plans	Signed Performance Plans	Performance Plans to be adopted by Council 25/09/2008
			To develop Personal Development Plans for Section 57 Managers, Snr Managers & Managers for 2007/08	To give effect o the Municipal Systems Act & Performance Regulations	Signed Performance Plans	Signed Personal Development Plans	PMS not cascaded to non section 57 Managers
	Promote Good Governance & Performance reporting	To implement early warning systems and detect under performance	Compilation & Submission of Quarterly Departmental Performance Report for 2006/07	Quarterly Dept Reports	Quarterly Performance Reports	Council Resolution & Document	SDBIP format Q 1,2 &3
			Compilation of Annual Municipal Performance Report for 2006/07	Approved Annual Performance Report	Approved Annual performance report	Council Resolution & Document	N/A
			Compilation & Submission of Quarterly Departmental Performance Report for 2007/08	Quarterly Dept Reports	Approved Annual Performance Report	Council Resolution & Document	SDBIP format Q 1,2 &3
			Compilation of Annual Municipal Performance Report for 2007/08	Approved Annual Performance Report	Annual Performance Report	Council Resolution & Document Sept '08	



**METSWEDING DISTRICT MUNICIPALITY**

**ANNUAL REPORT 2007/08**

**PERFORMANCE REPORT  
for the year ended 30 June 2008**

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
			Submit Performance Appraisal Report of MM to Executive Mayor for 2007/08.	Timeous submission of Performance Appraisal to Executive Mayor	Performance Appraisal Report	Council Resolution & Document	December 2008
Innovation; Learning & Growth			Submit Performance Appraisal Reports of Section 57 Employees to MM for 2007/08	Timeous submission of Performance Appraisal to MM	Performance Appraisal Report	Council Resolution & Document	December 2008
			Submit Performance Appraisal Report of Snr Managers to MM for 2007/08	Timeous submission of Performance Appraisal	Performance Appraisal Reports	Council Resolution & Document	PMS not cascaded to non section 57 Managers
			Improve Systems & procedures	Address knowledge/skills gaps identified during performance of duties	Develop and Implement an Electronic Performance Management System	Enhance the Measuring & Monitoring of Performance	Electronic PMS System Developed & Implemented
	Personnel development & Training	Achieve WSP Targets	Train employees on training needs identified as per WSP	Capacitated Employees	WSDP Report	Signoff by Chief Legal Services	N/A
			Creating understanding & awareness	Increased awareness of Performance Management	Ongoing informal sessions	Reports	N/A
			Training sessions on Performance Management	Enhance the implementation of Performance Management	Training Manual & Attendance Register	Attendance register	PMS Framework to be adopted by Council 25/09/2008
			Percentage of newly recruited employees inducted (Training on the PMS Policy, Procedure & PMS Software)	Capacitated Employees	Attendance register	Certificate	N/A
			Identification and implementation of training interventions which may be necessary	Inclusion in Workplace Skills Plan	Proof of interventions as per quarterly staff performance	Reports	N/A



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
					assessment report		

#### OFFICE OF THE SPEAKER PERFORMANCE REPORT: 2007/08

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Internal Processes	Work of Council	Oversee and monitor the issuing of Council Notices and ensuring that Council Meetings are held accordingly	Timeous notification of Notices, etc	Adherence to the Standing Rules and Orders of Council	Council Notices	Council Agendas & Minutes	N/A
		Vetting of Council Items	Compilation of Council Agendas	Adherence to all relevant Legislation and Policies of Council	Final Council Items	Signed off Items by the Speaker	N/A
		Monitor Council Resolutions	100% Implementation of Council Resolutions	Implementation of Council Resolutions	Progress reports	Signed off Items by the Speaker	N/A
	Council Oversight Function	Ensure the achievement of the municipal goals and monitor the processes thereof	Implementation of the planned municipal programs and projects	MPAC Meetings as per Meeting Schedule	Agenda & Minutes of Meetings	Signoff by Chairperson of MPAC	N/A
		Ensure the adherence to the legislative prescripts of reporting		Minimize Complaints and Petitions	Complaints & Petitions	Reports	N/A
	Council Support Function	Administrative Support to Councillors	That All PR Councillors discharge of their functions without any hindrance throughout their term of Office	Excellent Performance by Councillors	Reports/ programs/ projects	Performance Reports	N/A
		Training of Councillors	To effectively coordinate least two training programmes	Well capacitated & informed Councillors	Program Reports	Attendance Registers/ Certificates	N/A



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
	Public Participation	Ensuring Community Involvement in all MDM Activities	At least 2 Community Meetings & continuous engagements	Enhanced relations between the Community & MDM	Community Meetings	Reports of Meetings, Engagements	N/A
		Capacitate & Educate the Community on Public participation & related Matters	At least 1 Workshop	Maximum & Effective participation of The Community	Reports of the Programs	Attendance registers	N/A
		Support & Educate Ward Committees & Ward Councillors	At Least 1 Capacity Building Workshop/ Session	Effective Public Participation & Functioning of the Ward Committee System	Reports of the Programs	Attendance registers	N/A
	IGR	Coordination of the Local B's (District ) program	4 Quarterly Meetings	Synchronized & synergized District Plans	District Integrated Plans	Minutes of Speakers Forum	N/A



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

#### INTEGRATED DEVELOPMENT PLANNING PERFORMANCE REPORT: 2007/08

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Customer & Stakeholders	Sustainable Infrastructure Services	Ensure Integrated development for economic growth	IDP Framework & Process Plan completed by Aug 2007	IDP Framework & Process Plan	Approved IDP Framework & Process Plan	Council resolution	N/A
			Completed IDP Status Quo Analysis	IDP Status Quo Analysis	Report on Status Quo	Council resolution	N/A
			Manage the Implementation the IDP Projects	IDP projects develop & implement	Implemented IDP projects	Completed Projects	N/A
			Establish , Manage & Coordinate IDP/PMS/Budget Representative & Steering Committee Meetings	IDP/PMS/Budget Representative & Steering Committee Meetings	No	Reports	N/A
			Annual Review of the IDP as per regulations	IDP that are relevant and updated	Annual Reviewed IDP	Council Resolution	N/A
	Cooperative Governance	Alignment of Planning with Province, Sector Departments & Local Municipalities	IDP aligned with NSDP, ASGISA, PGDS & GCR	Align the IDP with NSDP, ASGISA, PGDS & GCR	Approved IDP in line with National & Provincial Plans	Council Approved IDP	N/A
			Improved coordination with national & provincial sector departments	Improve coordination with national & provincial sector departments	IDP Alignment Sessions	Reports	N/A
			Improve interaction with local B's & neighbouring municipalities	Improve interaction with local B's & neighbouring municipalities	IGR Technical Clusters	Reports/ Minutes	N/A
	Infrastructure	Spatial Development	Manage the Drafting &	SDF reviewed &	Approved SDF	Council	Local B's not



# METSWEDING DISTRICT MUNICIPALITY

## ANNUAL REPORT 2007/08

### PERFORMANCE REPORT

for the year ended 30 June 2008

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
	& Service	Framework	Implementation and Review of the SDF	Implemented		Minutes	completed SDF's
	Environmental Management	Environmental Management	Manage the Drafting & Implementation of the Environmental Management Plan	Develop the Environmental Management Plan	Approved District Environmental Management Plan	Council Minutes	DBSA Funding not received





