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ACRONYMS

ACRONYMS	DESCRIPTION
ADM	Amathole District Municipality
D.o.R.T	Department of road and Transport
P.M.S	Performance Management System
LM	Local Municipality
LED	Local Economic Development
SMME	Small Medium Micro Enterprise
NLM	Ngqushwa Local Municipality
ROI	Return on Investment
VIC	Visitor's Information Centre
UIF	Unemployment Insurance fund
IDP	Integrated Development Plan
SAMWU	South African Municipal Workers Union
MIG	Municipal Infrastructure Grant
EPWP	Expanded Public Works Programme
SASSA	South African Social Security Agency
FET	Further Education and Training
FIFA	Federation of International Football Administration
IGR	Inter-governmental Relations
SETA	Sector and Educational Training Authority
DTI	Department of Trade and Industry





CHAPTER 1: INTRODUCTION AND OVERVIEW



MAYOR'S FOREWORD

I am very proud to present the annual report in terms of Section 21(a) of the Municipal Systems Act of 2000. Firstly, I take this opportunity to thank the Council, the management and staff, government, other stakeholders for their diligent effort in working together towards service delivery for our people. This document is a presentation of our year plan and consultation during massive community participation sessions held with the community that is approximately 84 300 people according to 2001 census figures.

Throughout the year end 2008/09 we tried our best with minimal resources to develop enormously, though there has been a number of challenges both politically and administratively.

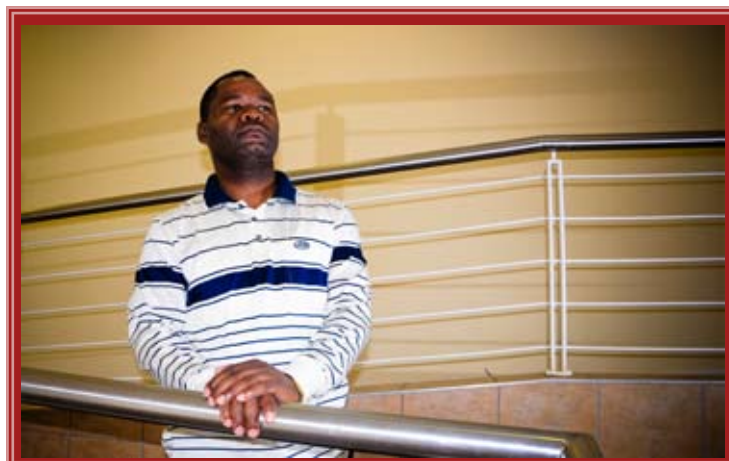
ACHIEVEMENTS

Infrastructure

An Indoor Sports Centre named after iqhawekazi lomzabalazo "Comrade Ncumisa Kondlo", technical office building and 3 community halls were built with support of funding from MIG. The structures are there to provide the people of Ngqushwa with bigger and better communal facilities that are important for sport events and furthermore to create more office space to operate effectively and efficiently.

Local Economic Development

As the municipality is mandated to develop economically, our Local Economic Development has done some good work; expanded our infrastructural projects, purchased product inputs, benchmarked on skills development for the success of our farmers, cooperatives and tourism. Our municipality is pleased to report that it has come to its final stage of completing the LED strategy that will guide us through the next coming months and years.



THE HONOURABLE MAYOR OF
NGQUSHWA MUNICIPALITY

Tourism

An annual event, Hamburg Beach Festival took place in the year end 2008/09. It is used as a tool to revive tourism in the region by promoting and showcasing Hamburg and surrounding areas as a noteworthy tourism destination. I thank Amathole District Municipality for the financial assistance in support for the success of the event.

Administration and Personnel

1. For the past years we did not have policies that are in place, the Council adopted 22 policies that will work as a guiding principle for the municipality to operate.
2. Our institution, for the past years has not been able to obtain a Clean Audit Report. But we are confident and positive that we will strive and respond expectedly to areas the Auditor General is raising.
3. Furthermore the reviewal of our organizational structure will assist us to fill the gaps. Through this new organizational structure, the municipality has an opportunity to increase its personnel.

CHALLENGES

The municipality has for so many years been challenged with roads infrastructure, we need an extensive support as our geographical spread is rural and roads are still graveled. We understand the outcry but we are gradually maintaining the roads to the villages.



There is still a backlog of RDP Houses, which we envisage that in this current financial year the project will be completed.

On behalf of the members of the Executive Committee, I congratulate all the Councilors of Ngqushwa Local Municipality, the Municipal Manager, Executive Managers and staff for all the hard work and support they gave to uplift the image of this municipality. May we all go out and continue to serve in order to achieve the goals we set for the betterment of the citizen of the country. ***“Xa sibambisene singenza lukhulu, sikhula simanyene”***

Enkosi

Cllr Bongani Ntontela
Acting Mayor





The Exco Committee

Standing from the right: Mr. S. Ndwanyana, Mr. B. Ntontela (Acting Mayor), Mr. F. Matiwane,
Seated from the right: Ms. T. Camagu, Mrs. N. Magingxa



MEMBERS OF COUNCIL COMMITTEES

COMMUNITY SERVICES			
Member of Committee	Number of meetings attended	Number of meetings absent	Number of scheduled committee Meetings
Cllr. N. E. Magingxa (Chairperson)	3	0	3
Cllr. P. Skade	2	1	3
Cllr. Sawula	3	0	3
Cllr. M. Faltein	3	0	3
Cllr. N.E. Dyani	3	0	3

TECHNICAL SERVICES			
Member of Committee	Number of meetings attended	Number of meetings absent	Number of scheduled committee Meetings
Cllr. S. Ndwiyana (Chairperson)	3	1	3
Cllr. M.F Joyi	1	2	3
Cllr. M.B. Sethunsa	3	0	3
Cllr. T.M Dyani	3	0	3
Cllr. N.N.C Maphekula	3	0	3



BUDGET AND TREASURY

Member of Committee	Number of meetings attended	Number of meetings absent	Number of scheduled committee Meetings
Cllr. T.J. Camagu (Chairperson)	3	0	3
Cllr. L.T. Camagu	2	1	3
Cllr. S.A. Jali	3	0	3
Cllr. F.M. Mphunga	3	0	3
Cllr. B.H. Ncapai	1	2	3

CORPORATE SERVICES

Member of Committee	Number of meetings attended	Number of meetings absent	Number of scheduled committee Meetings
Cllr. N.E. Matiwane (Chairperson)	3	0	3
Cllr. N. Ndabazonke	2	1	3
Cllr. N.V. Mhlakane	3	0	3
Cllr. Myozolo	3	0	3
Cllr. V.D. Kaulela	3	0	3

EXCO

Member of Committee	Number of meetings attended	Number of meetings absent	Number of scheduled committee Meetings
Cllr. B. Ntontela	7	0	7
Cllr. N.P Nxawe (out on 15 Jan. 09) replaced by B. Ntontela	3	0	3
Cllr. F.M. Matiwane	2	0	2
Cllr. T.J. Camagu	1	1	2
Cllr. S.E. Ndayana	3	0	3



COUNCIL			
Member of Committee	Number of meetings attended	Number of meetings absent	Number of scheduled committee Meetings
Cllr. N. Ntontela	9	2	11
Cllr. L.T. Camagu	7	4	11
Cllr. T.J. Camagu	10	1	11
Cllr. N. Coto	9	2	11
Cllr. N.E. Dyani	10	1	11
Cllr. T.M. Dyani	8	3	11
Cllr. M. Falteni	9	2	11
Cllr. S.A. Jali	7	4	11
Cllr. M.F. Joyi	11	0	11
Cllr. V.D. Kaulela	4	7	11
Cllr. N.E. Magingxa	10	1	11
Cllr. N.N.C. Maphekula	9	2	11
Cllr. F.M. Matiwane	10	1	11
Cllr. N.V. Mhlakane	9	2	11
Cllr. M. Mphunga	9	2	11
Cllr. V. Myozolo	8	3	11
Cllr. B.H. Ncapai	7	4	11
Cllr. N. Ndabazonke	10	1	11
Cllr. S.E. Ndwanyana	9	2	11
Cllr. M.B. Sethuntsa	9	2	11
Cllr. P. Skade	9	2	11
Cllr. M.M. Xhotyeni	10	1	11



ACKNOWLEDGEMENT FROM THE MUNICIPAL MANAGER

It is my pleasure to submit the Annual Report of the Ngqushwa Municipality for the financial year 1 July 2008 to 30 June 2009. To the best of my knowledge, the contents of the report are consistent with the disclosure principles contained in the Guide for the preparation of Annual Reports issued by National Treasury. This report seeks to portray the Ngqushwa Municipality's activities during the financial year under review and is based on sound underlying municipal information and management systems. This report will inform our people, government and other stakeholders alike, of our collective achievements, challenges and a way forward.

During the reporting period, the country went through its fourth democratic general election that ushered in a new government administration, affirming the gradual maturing of our young and fledgling democracy based on sound constitutional fundamentals. The IDP processes were duly followed, hence it was adopted on time, the scorecards and the service delivery and budget implementation plan as part of the performance management system processes were all completed. Our communities were consulted as part of public participation processes and the IDP was sent to all the relevant stakeholders as per legislation for comment and the final document also circulated.

Substantial progress was made during the 2008/09 in achieving our priority objectives as set in our IDP despite limited resources we have. Key among these priorities were the following:

- Completion of Local Economic Development Strategy
- All agricultural schemes are up and running
- Local communities used in constructing project structures and ploughing of fields
- Sent crafters to festival events e.g. Keiskamma Trust, Portugal festivals etc
- Hosting a successful beach festival in Hamburg
- Tour guides trained
- R8.9m Multi Purpose Centre (Ncumisa Kondlo Indoor Sports Centre) built and completed
- Developers appointed for the construction of Shopping Mall, Office Blocks as well as Housing
- Three community Halls were also built
- Hamburg internal roads
- Improved integrated planning and budgetary control
- Meeting of statutory reporting frameworks
- Policies and procedures reviewed, developed and approved by council



MRS N.Y ZONGO

- Reviewing the organizational structure
- Strengthening of Ward Committees and establishment of ward centres

There have been some challenges that have beset our municipality to such an extent that it hampered our organizational functioning and the caring out of the electorate mandate; indeed that have been a difficult task to perform. Most of the challenges are a recurring factor from previous financial year. The following were some of the challenges that the municipality was facing:

- Political instability
- Low revenue base
- Capacity constraints continue to plague our administration as this continues to be highlighted by the report of the Auditor-General in the form of a Disclaimer of Opinion.

The Oversight Committee as established by the Council will once again review this report on behalf of the Council in order to determine whether the activities recorded in this report are a true reflection of work carried out in the financial year. All communities are invited to make their comments and representations on this Annual Report during the prescribed period.

Let us look back at our past performances and gain some lessons so as to ensure improved service delivery for the year ahead of us. It is only through intensifying our collective effort that we can continue to make a difference for the sake of positive developments in Ngqushwa, Eastern Cape, South Africa, the entire Africa and the wider world.

Indeed this annual report presents all the activities that the municipality has engaged itself in for the period 2008/09 and seeks to account to the communities that we serve. In closing I would like to thank and express my gratitude to the Honourable Mayor, The Speaker, the Councillors, Management and Officials for their support in making 2008/09 a successful year.

Sincerely,
Nomhle Yvonne Zongo
Municipal Manager

1 OVERVIEW OF THE MUNICIPALITY

The Ngqushwa Local Municipality is one of the eight municipalities under the Amathole District Municipality. Ngqushwa is located to the west of Amathole district and comprises the districts of Peddie, Hamburg and a portion of the King Williams Town District. There are two main urban centres namely Peddie and Hamburg and 118 rural villages

1.1 Socio-Economic Profile of the Municipality

The population of Ngqushwa Local Municipality is estimated to made up of \pm 84 230 people and \pm 21 888 households. It is to be noted however, that the statistics have not been updated since Census 2001. 33 % of the population is children between the ages of 0 and 19 years, 57 % is ages between 20 and 64, 10 % are people over the age of 65.

The rate of unemployment in Ngqushwa is estimated at 78 % on average. High unemployment rate impact negatively on municipality as low affordability levels result in a poor payment rate for services. Household income levels in the area are generally low. The poverty rate for Ngqushwa is approximately 79.9% which makes it to be the highest in the ADM jurisdiction. Education levels are very low with a significant lack of skills in the area. The high levels of HIV and AIDS are impacting negatively on the social and economic conditions of the Municipal area.

1.2 Infrastructure Overview of the Municipality

Approximately 153.9 km of road network in Ngqushwa is tarred, whilst 1117.48 km is gravel. There is generally poor maintenance of the road and infrastructure throughout the municipality and this a result of not having a dedicated budget for maintenance due to the fact that in terms of powers and functions the Ngqushwa Municipality is not suppose to be doing road maintenance. The funding from MIG is only for capital projects and not for maintenance. The critical challenge in addressing this is lack of skilled personnel and funding for the purchase of new machinery.

1.3 Water and Sanitation Services

This function is performed by Amathole District Municipality and Ngqushwa Local Municipality has transferred all the employees who performed this function to them. The Council only facilitates provision of water in liaison with the Amathole District Municipality. There are still challenges with regard to the provision of the service to our communities.

1.4 Electricity

The electricity supply to the area is provided and maintained by ESKOM. Approximately 70% of the population has access to electricity. The Ngqushwa Municipality is responsible for the maintenance of street lights as well as high mast lighting. Due to lack of funding the municipality has not been able to cover the entire Ngqushwa area in terms of installation and maintenance of the infrastructure during this financial year.



2 EXECUTIVE SUMMARY

2.1 Vision Statement

Ngqushwa Local Municipality, united and human centred, is committed to elimination of social and economic imbalances and poverty through integrated and socio-economic upliftment of its residents within a sustainable environment.

2.2 Mission

In pursuit of the vision, we will strive to become a benchmark institution in the country in respect of good quality and affordable services, through effective resource mobilisation and management, stimulation of economic growth and good governance practises.

2.3 Values

- 1) Accountability
- 2) Transparency
- 3) Cooperation
- 4) Responsiveness
- 5) Humanness
- 6) Respect
- 7) Citizen Participation
- 8) Professional Conduct and
- 9) Pro-poor Biasness

2.4 Partnerships

Strategic partnerships have been entered into with GTZ and other public entities to ensure that the municipality is able to deliver on its mandate on the most efficient and effective manner. The public entities referred to above include amongst others the Amathole Economic Development Agency and Development Bank of Southern Africa which are at different stages of formation. Partnerships also exist with the institutions of higher learning locally, Walter Sisulu University and Wits business school. The municipality has signed a Memorandum of Agreement with Walter Sisulu University regarding areas of cooperation.

2.5 The Audit Function

There are still challenges with regard to the audit function of the municipality in terms of capacity. we do not have an internal audit unit and as such have been relying on the shared internal audit services provided by the Amathole District Municipality. In the financial year under review the audit committee started functioning and meetings with the leadership and management of the municipality took place to set the tone for the functioning of the committee.



2.6 Population Size and Distribution

The estimated population of Ngqushwa Municipality currently stands at 84 230 (Statistics South Africa, 2004) comprising 21 888 households (20 757 households in 2001). The population of the municipality in 2001 was given as 93 997, and this was made up of 20 757 households (Ngqushwa Municipality IDP, 2002). According to 2002 figures, the population is fairly evenly spread amongst the wards. The average number of people per ward is 6714 and the average household size is 4.5 persons.

2.7 Population Density

Ngqushwa Municipality, with an estimated population of 84 230 (Statistics South Africa, 2004), covers 2 245 square kilometres, giving an average density of 37.5 persons per square kilometre. These figures represent 4.6% of the total population of Amatole District Municipality (estimated at 1 835 893) and 10% of the surface area of Amatole District Municipality, which is approximately 23 573 square kilometres.

Table 2 1: Population density

POPULATION	AREA/KM2	AVERAGE DENSITY/KM2	% OF ADM POPULATION	% OF ADM LAND COVERAGE
84 230	2 245	37.5	4.6	10

Source: Statistics South Africa, 2004

Table 2.2: Population Composition by Race

RACE	NO.	%
Blacks	84 003	99.730
Coloured	117	0.139
Indian or Asian	3	0.004
White	107	0.127
TOTAL	84 230	100

Source: Statistics South Africa, 2004







MR V. GWINTSA



CHAPTER 2:
**ORGANISATIONAL
TRANSFORMATION AND
INSTITUTIONAL DEVELOPMENT**

I MANAGEMENT ORGANISATIONAL STRUCTURE

MUNICIPAL MANAGER



Budget and Treasury
Department

Mr. P. Mahlasela



Technical Services
Department

Mr B. Badi



Community Services
Department

Mr. M. Mjo



Corporate Services
Department

Mr. V. Gwintsa



2 EMPLOYMENT EQUITY

2.1 Total workforce: Posts 0 – 22

TARGET GROUP: GENDER AND RACE	LEVEL OF REPRESENTATION: REQUIRED FIGURE/TOTAL WORKFORCE	% OF TOTAL WORKFORCE
African female	36 / 90	40 %
African male	52 / 90	51.8 %
Coloured female	0 / 90	0 %
Coloured male	0 / 90	0 %
Indian female	0 / 90	0 %
Indian male	0 / 90	0 %
White female	0 / 90	0 %
White male	2 / 90	2.2 %

2.2 Employees with disabilities

TARGET GROUP: GENDER AND RACE	LEVEL OF REPRESENTATION: REQUIRED FIGURE/TOTAL WORKFORCE	% OF TOTAL WORKFORCE
African female	0 / 90	0 %
African male	0 / 90	0 %
Coloured female	0 / 90	0 %
Coloured male	0 / 90	0 %
Indian female	0 / 90	0 %
Indian male	0 / 90	0 %
White female	0 / 90	0 %
White male	0 / 90	0 %

2.3 Employment equity for top management levels (section 57managers)

TARGET GROUP: GENDER AND RACE	LEVEL OF REPRESENTATION: REQUIRED FIGURE/TOTAL WORKFORCE	% OF TOTAL WORKFORCE
African female	1 / 5	20 %
African male	4 / 5	80 %
Coloured female	0 / 5	0
Coloured male	0 / 5	0
Indian female	0 / 5	0
Indian male	0 / 5	0
White female	0 / 5	0
White male	0 / 5	0

2.4 Pension and Medical Aid

PENSION FUNDS	MEDICAL AID FUNDS
1 SAMWU	1.BONITAS 2.SAMWU MED 3.MUNI MED

2.5 Staffing levels as at 30 June 2009

DEPARTMENT			
	COMPLEMENT	VACANCIES	ACTUAL
Office of the Municipal Manager	4	3	1
Community Services Department	13	2	11
Technical Services Department	53	11	42
Budget and Treasury Department	11	1	10
Corporate Services Department	21	2	19
Total	102	19	83

2.6 Level of education and skills as at 30 June 2009

TOTAL NUMBER OF STAFF			
	NUMBER OF STAFF WITHOUT GRADE 12	NUMBER OF STAFF WITH SENIOR CERTIFICATE	ACTUAL
90	38	22	30



2.7 Type of training attended by Officials and Councillors as at 30 June 2009

TYPE OF TRAINING	ATTENDED BY COUNCILLORS	ATTENDED BY OFFICIALS
Executive Leadership	x	
Diploma in Labour law		x
Effective Minute Taking		x
Occupational Health and Safety Act		x
Disciplinary Procedures		x
Advance Municipal Law and Administration		x
Records Management		x
Pay Day		x
IDP Training		x
Local Government Management Programme		x

2.8 Trends on total expenditure

FINANCIAL YEARS	TOTAL NUMBER OF STAFF	TOTAL APPROVED OPERATING BUDGET
2006 – 2007	95	R 15 577 316.00
2007 – 2008	89	R 16 638 475.00
2008 – 2009	90	R 19 305 704.00

2.9 Senior officials' wages and benefits

POSITION	BASIC SALARY	UIF	MEDICAL AID	TRAVELLING ALLOWANCE	PERFORMANCE BONUS	CELLPHONE ALLOWANCE	TOTAL
Municipal Manager	R 373 444.00	R 3 734.00	R 18 000.00	R 221 148.00	R 84 126.00	R 6 000.00	R 709 452.00
Section 57 Managers	R 315 629.00	R 3 156.00	R 18 000.00	R 183 263.00	R 73 647.00	R 6 000.00	R 599 969.00



3 IMPLEMENTATION OF THE PERFORMANCE MANAGEMENT SYSTEM (PMS)

Ngqushwa Local Municipality has developed and adopted a Performance Management Framework which is in line with the requirements of the Municipal Planning and Performance Management Regulations of 2001. Currently the municipality is only evaluating the municipal performance and the Section 57 Managers. The performance is reviewed annually

- Annual performance as per key performance indicators in municipal transformation and organizational development



"Vibrant Human Resource Labour Force being addressed by Manager discussing issues affecting service delivery"



	INDICATOR NAME	TOTAL NUMBER OF PEOPLE (PLANNED FOR) DURING THE YEAR UNDER REVIEW	ACHIEVEMENT LEVEL DURING THE YEAR UNDER REVIEW	ACHIEVEMENT PERCENTAGE DURING THE YEAR	COMMENTS ON THE GAP
1	Vacancy rate for all approved and budgeted posts;	102	Only one vacancy not filled	99 %	Could not get a suitable person
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	5	100 %	100 %	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	5	100 %	100 %	
4	Percentage of Managers in Technical Services with a professional qualification	None	None	None	
5	Percentage of municipalities that have adopted the Performance Management System within the district area (DM only)				
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term				
9	Percentage of councillors who attended a skill development training within the current 5 year term				
10	Percentage of staff complement with disability	None	None	None	
11	Percentage of female employees	32			

4 CHALLENGES AND REMEDIAL ACTIONS IN REGARDS TO HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

The organization is faced with a challenge of high staff turnover. The organogram of the Municipality is not aligned to the powers and functions of the Municipality causing the Municipality to perform below standard. The Municipality, due to its rural nature and the fact that it has a very weak financial capacity has not been able to retain staff. Although staff training is budgeted for the amount is still not enough.

Another compounding factor is that the Municipality has been operating without policies or policies that were not addressing the needs of Ngqushwa adequately.

The Ngqushwa Municipality has addressed its problem of the organizational structure by reviewing it's organogram. During the process it was discovered that some posts were wrongly placed and there was a need for the creation of new post. This of course has been hamstrung by the old story of financial capacity.

The Municipality has also addressed the inadequate policies or lack thereof. The Corporate Services Department in particular has developed a lot of policies that seeks to address staff retention e.g. recruitment policy that encourages giving priority to internal staff, retention policy, promotion policy, etc.

The Municipality has also had weak labour relations which had impacted negatively on service delivery. This is evident in the low moral that existed among staff members which manifested itself in the high turnover experienced by the Municipality. The Municipality has since tried to remedy the situation by ensuring that relevant structures to assist the situation are up and running. The Local Labour Forum has been given a boost resulting in bolstering of its sub-committees like Health, and Safety Committee, Skills Development and Employment Equity Forum. The Municipality also seeks to ensure that relevant strategies to assist in Human Resource are in place.



MR B. BADI

CHAPTER 3: BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS



1 WATER SERVICES

The main role players in terms of water provision is ADM together with Ngqushwa Municipality, local municipality assist in identifying areas that requires water and through the water review process the villages can be accommodated to water services plan of ADM.

1.1 Levels and standards in water services

The municipality is high level access to water services by the population and high quality standard of water provision.

- Annual performance as per key performance indicators in water services

	INDICATOR NAME	TOTAL HOUSEHOLD EXPECTED TO BENEFIT	ESTIMATED BACKLOGS	TARGET SET	NUMBER OF HH/ CUSTOMER REACHED	PERCENTAGE OF ACHIEVEMENT
1	Percentage of households with access to potable water	25 564	1558	1000	558	85%
2	Percentage of indigent households with access to free basic potable water	12 000	70%	30%	Updating database	Not achieved
4	Percentage of clinics with access to potable water	25	5	4	Not achieved	Under planning
5	Percentage of schools with access to potable water	75%	25	10	Not reached	Not achieved, under planning
6	Percentage of households using buckets	0,8	6	6	nil	Not achieved



HAMBURG BEACH : AN ATTRACTIVE SAFE AND FUN BEACH ALONG EASTERN CAPES BEAUTIFUL COASTLINE



1.2 Challenges in water services and remedial actions

There are no water challenges rather than to see all villages with access to portable water

2 ELECTRICITY SERVICES

The municipality has no challenges in this regard, municipality's role is to conduct electricity review with ESKOM and submit new villages to be electrified and included in the working plan of ESKOM

2.1 Level and standards in electricity services

The municipality has high level access to electricity services by the population as well as high quality standard of electricity provision.

- Annual performance as per key performance indicators in Electricity services

INDICATOR NAME	TOTAL HOUSEHOLD EXPECTED TO BENEFIT	ESTIMATED BACKLOGS	TARGET SET	NUMBER OF HH/ CUSTOMER REACHED	% ACHIEVED
1 Percentage of households with access to electricity services	25 564	423	10 000	24 000	50%
2 Percentage of indigent households with access to basic electricity services	40%	60%	Updating data base		
4 Percentage of indigent households with access to free alternative energy sources	No alternate energy is being supplied by Ngqushwa Municipality				



2.2 Challenges in electricity services and remedial actions

A challenge faced by the municipality in respect to electricity is cut off during windy days (unforeseen circumstances).

3 SANITATION

The main role players is ADM together with Ngqushwa Municipality in providing sanitation, local municipality assist in identifying areas that requires water for sanitation and through the sanitation review process the villages can be accommodated to water services plan of ADM.

3.1 Level and standards in sanitation services

The municipality has high level access to sanitation services by the population as well as high quality standard of sanitation provision.

- Annual performance as per key performance indicators in sanitation services

	INDICATOR NAME	TOTAL HOUSEHOLD EXPECTED TO BENEFIT		TARGET SET	NUMBER OF HH/CUSTOMER REACHED	PERCENTAGE OF
1	Percentage of households with access to sanitation services	25 564	13 596	3000	260	12%
2	Percentage of indigent households with access to free basic sanitation services	25 564	17 017	14 359	Not reached	Under planning
4	Percentage of clinics with access to sanitation services	All clinics have VIP				
5	Percentage of schools with access to sanitation services	80%	15	15	Not reached	Under planning



3.2 Challenges in sanitation services and remedial actions

There is a big challenge with provision of sanitation, workmanship in sanitation projects because of limited/under funding end up these projects abandoned by the contractors, the solution is to increase the funding for these sanitation projects.

4 ROADS AND COMMUNITY HALLS

4.1 Roads Service delivery highlights

PROJECT	PROJECT STATUS
New Multi Purpose Centre	Completed
Pikoli Durban Community Hall	Completed
Cisirha Community Hall	Completed
Durban Community Hall	Towards its final stages of construction
Qaga Community	Towards its final stages of construction
Tuku Community Hall	Completed
New Technical Depot	Completed
Upper Gwalana Community Hall	Contract still to be awarded

The main role players in road service delivery is local municipality with the funding source of municipal infrastructure grant

4.2 Level and standards in road maintenance services

The main role players is Department of Roads and Transport together with Ngqushwa Municipality in providing roads, local municipality is identifying areas that require new roads and roads to be maintained through the roads review process in villages so that these roads can be accommodated to roads services plan of DoRT.



- Annual performance as per key performance indicators in road maintenance services

	INDICATOR NAME	TOTAL HOUSEHOLD EXPECTED TO BENEFIT	ESTIMATED BACKLOGS	TARGET SET	NUMBER OF HH/ CUSTOMER REACHED	
1	Percentage of households without access to gravel or graded roads	25 564	409 km	6000	400	6.7%
2	Percentage of road infrastructure requiring upgrade	25	409km	5000	3500	70%
4	Percentage of planned new road infrastructure actually constructed	100%	409km	150	150	100%
5	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	45%	409km	200	300	35%

4.3 Major challenges in road maintenance services and remedial actions

There is a challenge with road maintenance and the backlog on roads maintenance; the reasons are shortage of road equipment

5 WASTE MANAGEMENT

Present the main players involved in waste management is local municipality: refuse collection managing waste site. The municipality is clearly providing information on the adoption and implementation of the waste management plan.

5.1 Level and standards in waste management services

The municipality is providing low and high level access to waste management services by the population as well as the low and high quality standard of waste management service. This understanding of the level and standard is justified by setting yearly targets and reporting achievements.

- Annual performance as per key performance indicators in waste management services



	INDICATOR NAME	TOTAL HOUSEHOLD EXPECTED TO BENEFIT	ESTIMATED BACKLOGS	TARGET SET	NUMBER OF HH/ CUSTOMER REACHED	
1	Percentage of households with access to refuse removal services	Refuse is collected in urban areas only	118 villages are not planned yet			

5.2 Major challenges in waste management services and remedial actions

The main challenge in this regard is solid waste rehabilitation, because we don't have plant to do that, otherwise the sites are permitted

6 HOUSING

The municipality's role is to facilitate the construction of houses in regard to housing and town planning services delivery. The main role players are Local Municipalities, Communities and Department of Housing.

6.1 Level and standards in Housing and town planning services

There is a high backlog on housing and to eliminate this backlog is, if this function can be transferred to LMs, also the quality of houses is very poor.

- Annual performance as per key performance indicators in housing and town planning services

	INDICATOR NAME	TOTAL HOUSEHOLD EXPECTED TO BENEFIT	ESTIMATED BACKLOGS	TARGET SET	NUMBER OF HH/ CUSTOMER REACHED	
1	Percentage of households living in informal settlements	9 711	59%	285	Not reached	Not reached
2	Percentage of informal settlements that have been provided with basic services	66%	662	300	Not reached	Not reached
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	13 010	9 711	285	Not reached	Not reached



7 SPATIAL PLANNING

7.1 Preparation and approval process of SDF

The municipality is providing information on the process that is ongoing for the development of the SDF.

7.2 Land use management

The municipality is providing information that indicates effective use of land through the number of applications received and processed in the following categories:

- Rezoning;
- Sub-division;
- Consent use;
- Removal of restrictive conditions and
- Township establishments.

7.3 Indigent policy implementation

7.3.1 Preparation and approval process of the indigent policy

The municipality is also in the process of updating its indigent policy in conjunction with department of Co-operative Governance and Traditional Affairs and they also have benchmarked all the indigent people by using grant that is being paid by both pensioners in a house hold, and it is updated every six months.

7.3.2 Implementation of the policy

Indigent policy has been approved and adopted by the council, challenges is to update our database. Infrastructure and finance department are the main departments that are dealing with collection and updating database



BASIC SERVICE DELIVERY AREA	30 JUNE 2008			30 JUNE 2009		
	Required	Budgeted	Actual	required	budgeted	Actual
WATER BACKLOGS (6KL/MONTH)						
The water service function is under ADM						
ELECTRICITY BACKLOGS (30KWH/MONTH)						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	1 800					
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	15%	R4m	75%			
Spending on new infrastructure to eliminate backlogs (R000)	Under ESKOM					
Spending on renewal of existing infrastructure to eliminate backlog (R000)	Under ESKOM					
Total spending to eliminate backlogs (R000)	Under ESKOM					
Spending on maintenance to ensure no new backlogs (R000)						
	ESKOM					
SANITATION BACKLOGS						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	13 596	R141m	260			
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	Under ADM					
Spending on new infrastructure to eliminate backlogs (R000)	Under ADM					
Spending on renewal of existing infrastructure to eliminate backlog (R000)	Under ADM					
Total spending to eliminate backlogs (R000)	Under ADM					
Spending on maintenance to ensure no new backlogs (R000)	Under ADM					
ROAD MAINTENANCE BACKLOGS						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	409 km	R10m	100%			
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	25 564	R120m	R10m			
Spending on new infrastructure to eliminate backlogs (R000)	Alloc. From MIG					
Spending on renewal of existing infrastructure to eliminate backlog (R000)	Regular road repairs					
Total spending to eliminate backlogs (R000)	Regular road repairs					

Spending on maintenance to ensure no new backlogs (R000)				
	Regular road repairs			
REFUSE REMOVAL				
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	Only in Urban areas	Budgeted yearly	100%	
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)				
Spending on new infrastructure to eliminate backlogs (R000)				
Spending on renewal of existing infrastructure to eliminate backlog (R000)				
Total spending to eliminate backlogs (R000)				
Spending on maintenance to ensure no new backlogs (R000)				
HOUSING AND TOWN PLANNING				
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	9 711	R143m	Not	
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	66%			
Spending on new infrastructure to eliminate backlogs (R000)	Depart. Of Housing			
Spending on renewal of existing infrastructure to eliminate backlog (R000)	Depart. Of Housing			
Total spending to eliminate backlogs (R000)	Depart. Of Housing			
Spending on maintenance to ensure no new backlogs (R000)	Depart. Of Housing			



MR N. Mjo

CHAPTER 4: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK



1 BRIEF PRESENTATION OF THE LED STRATEGY/PLAN

Ngqushwa Local Municipality has an LED section which consists of the following units: Agriculture, Tourism and SMME's. The LED function falls within the Community Services Department. This department's vision reads as follows: "Poverty eradication through community development programmes shaped for job creation and advancement of entrepreneurial skills of those within Ngqushwa Municipality". This vision ties-up well with the LED vision of the municipality, which reads: "Established partnership, maximum development of human resources and optimal utilisation of local resources to maximize the benefit to the community"

Currently the section is composed of an LED Officer, an intern responsible for Tourism and a volunteer at the Visitors Information Centre (VIC) situated just outside Peddie town. It is the opinion of the municipality that LED is a mainstream issue and that all departments and organizations have a role to play in the creation of an enabling environment. LED Strategy/Plan

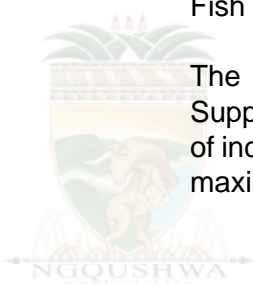
The Ngqushwa Municipality is at the final stages of development of its LED Strategy - the document is awaiting its adoption by the municipal Council. The development of the municipality is based on the National Economic Development Framework; Growth and Development priorities as agreed upon by the social pact and compact; the Provincial Growth and Development pillars as well as the National Spatial Development Perspective principles. This is further entrenched in the activities of the clusters and all the IGR structures operating within the jurisdiction of Ngqushwa Municipality.

The Ngqushwa Local Municipality is part of various interventions such as the R72 Corridor Route, the Small Town Regeneration Programme and the Amathole Heritage Route Projects. ASPIRE (the Amathole Economic Development Agency) has plans in place for a major redevelopment of Hamburg centred on the construction of the Hamburg Artists Residency. This will be a multi-million rand development with a number of subsidiary developments that will drive economic development in this area.

Other opportunities for LED in the Ngqushwa Local Municipality include the revitalisation of the existing irrigation schemes (Tyefu, Dube, Gcinisa North, Ngxakaxha, Khalana and Zalarha); expansion of the EC Dept of Agriculture's programmes (Massive Food Production; Chicory production, Livestock Improvement Scheme, etc); revitalisation of the citrus and pineapple farms; broiler production as well as vegetable production. LED would be strengthened through the establishment of downstream agro-processing facilities that would add value and jobs to the existing agricultural produce of the area.

There is a possibility of entering into a Public Private Partnership with a mining company to exploit the lime deposits near the coast. The unspoilt coastline offers opportunities for increased tourism and residential resort developments. Natural resources such as fish, shellfish and seaweed could be farmed and harvested along the coast and in the major estuaries of the Keiskamma and Great Fish Rivers.

The Ngqushwa Local Municipality can support LED in a number of ways, namely: Business Support - Entrepreneurship/Enterprise and SMME Development and formation and strengthening of inclusive Economic Development Forum such as the District Economic Development Forum to maximise participation.





2 HUMAN RESOURCES DEVELOPMENT

Forging partnerships with the relevant Sector Education and Training Authorities (SETAs), for purposes of skills development and transfer. The Department of Labour and Trade and Industry (DTI) including the Wholesale and Retail SETA must be approached in this regard; Forming linkages with the Further Education and Training (FET) colleges and universities for the SMME operators to attend short business and entrepreneur courses.

3 ESTABLISHING AN ENABLING ENVIRONMENT FOR LED

Creating a conducive environment for enterprise development initiatives including the business incubation and support services;

- Channelling finance for LED: Actively pursue sponsorship and donor-funds to support the development of the SMME sector. This may also include seeking and nurturing exchange programmes locally and abroad; and
- Marketing Support: Mapping out avenues for participation in the industrial summits, exhibitions, workshops and trade shows for the SMME sector for showcasing their products and selling their services; Establishing local agricultural produce market and information hubs in Ngqushwa;

4 ENSURING SUSTAINABILITY OF LED

Putting in place measures to ensure that all applications for planning and development address sustainability issues; and place procurement policies that include a preferential point system for local businesses in the evaluation criteria of the municipality

Table: 4.1 NLM LED stakeholders

ROLE-PLAYERS	ROLES
Traditional Leadership	<ul style="list-style-type: none"> • Facilitate Community Participation • Information dissemination • Act as Role Models • Educate Communities and Other Role-players on Customary Law and Practices
Local Businesses	<ul style="list-style-type: none"> • Investing in LED and the urban Business Centres
NGO/CBO/FBO'S	<ul style="list-style-type: none"> • Promote public participation • Empower Communities with needed Information and Skills • Represent their particular membership/constituency's concerns and issues
Ward Committees	<ul style="list-style-type: none"> • Assist Ward Councillors • Facilitate communication between local communities and the municipality on matters of local governance and development



4.1 Progress towards achieving the LED key objectives

4.1.1 Improve public and market confidence

In terms of its Spatial Development Framework, the Ngqushwa Local Municipality has identified its key LED Principles as follows:

- Directing public and private investment in areas that would ensure the most sustainable return on investment (ROI);
- Directing Development Agencies in decision – making which directly or indirectly impacts on the municipal area;
- Guiding developments in a spatially efficient and effective way, whilst ensuring linkage and alignment to regional and national development policies and programmes;
- Directing investment to areas of greatest potential and target areas of greatest need to alleviate poverty and promote economic growth;
- Improving linkages within Ngqushwa Municipality and beyond its boundaries to stimulate effective and sustainable integrated development;
- Creating a strategic framework for the formulation of an appropriate land use management system, and
- Protecting the eco-systems (environmental stewardship) in the Ngqushwa municipal area

4.1.2 Exploit comparative and competitive advantage for industrial activities

Agriculture's competitive advantage in the district is enhanced by:

- Proximity to markets;
- Product diversity (across agro-ecological zones);
- Business services/ICT/logistics network.
- Irrigated horticulture and field crops

4.1.3 Competitive advantages of the NLM regarding tourism are as follows:

- The coastline inclusive of the existing development nodes, is still unspoilt (pristine) with many opportunities for further development;
- The existing R72 route provides easy access to the coast for visitors and investors. It is currently being upgraded;
- The NLM is situated on the primary route between the Garden Route and the Wild Coast, both of which are popular tourist attractions centres. The area is a good stopover point for these visitors;
- There are many opportunities for secondary tourism enterprises that could cater for specialist niche markets, for example, bird-watching, extreme sports, mountain biking, hiking, to mention but a few of these possible activities;
- The Hamburg Artists Residency development will bring many special interest visitors interested in buying locally produced art and crafts;
- The history (Xhosa, English and German Settlers, Frontier Wars) and culture of the area are interesting and there are a number of historical sites that have been identified. These have been incorporated into the tourism routes. Furthermore, information boards are available at the sites and brochures as well as posters are distributed at tourism information hubs;



- There is the potential to tap into the German tourism market given the involvement of the German settlers in the development of the area, and
- The coast is renowned for the high quality of recreational fishing that it affords anglers. This resource offers real opportunities for sea and river angling enterprises to be developed in the NLM.

a. Intensify Enterprise Support and Business Development

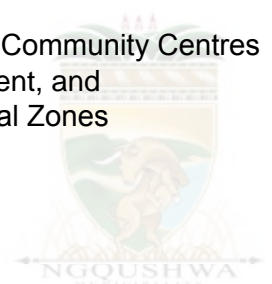
The municipality's LED strategic thrust focuses on the vigorous investment and development of the SMME sector. The SMME sector plays an important role in creating employment opportunities and further contributing to economic development both in the province and nationally. The NLM needs to provide the business advisory centres which will serve the purpose of information dissemination and advisory services to the SMME sector. Furthermore, the LED strategy of the NLM proposes a pilot project of advisory centres in the settlements of Peddie, Hamburg, Lower Mgwalana, Pikoli and Breakfastvlei.

The strategy also incorporates the following:

- Formation and strengthening of inclusive Economic Development Forum such as the District Economic Development Forum to maximise participation;
- Creating a conducive environment for enterprise development initiatives including the business incubation and support services;
- Forging partnerships with the relevant Sector Education and Training Authorities (SETAs) for purposes of skills development and transfer. The Department of Labour and Trade and
- Industry (DTI) including the Wholesale and Retail SETA must be approached in this regard;
- Mapping out avenues for participation in the industrial summits, exhibitions, workshops and trade shows for the SMME sector for showcasing their products and selling their services;
- Forming linkages with the Further Education and Training (FET) colleges and universities for the SMME operators to attend short business and entrepreneur courses,
- Actively pursuing sponsorship and donor-funds to support the development of the SMME sector. This may also include seeking and nurturing exchange programmes locally and abroad.

The municipality's IDP focuses on the development and sustenance of the SMME sector. The SMME sector operates in the so-called Second Economy and provides the largest source of employment for the local communities. Furthermore, the Ngqushwa Local Municipality Council puts emphasis on providing support for the SMME sector thus bolstering a robust local economy and creating employment opportunities in the process. The councillors will undertake the following stimulus programmes:

- Create a robust public business incubator for the local business start-ups;
- Review the municipality's tendering process to allow the local SMME entrepreneurs to be competitive;
- Create centres of learning particularly through the Multi-Purpose Community Centres (MPCCs) so that local organizations can provide skills development, and
- Review the zoning laws to allow the establishment in the Industrial Zones



The Ngqushwa Local Municipality is cognisant of the realities or its geographic and demographic challenges. To this end, this LED strategy addresses the needs of both the urban and rural communities in earnest. The rural communities of this municipality, like that of any other rural area in the country, are faced by the challenges of infrastructure backlog, economic underdevelopment and an uneven distribution of resources. The municipality is aware that it cannot address the bulk services infrastructure network needs of the rural communities at once but only on an incremental basis.

The tourism sector of the municipality will benefit from a revitalized pristine coastal resorts tourism sector. The tourism industry of Ngqushwa Local Municipality will benefit from harnessing the opportunities that arise from this sector. For instance, cultural tourism, the arts and handicraft, the hospitality sector and heritage sites will be showcased by the municipality. The tourism sector will stimulate sustainable economic growth particularly for the rural communities. Although the Ngqushwa communities may not benefit directly from the Federation of International Football Association (FIFA), the municipality may want to explore the positive spin-offs from the fans that prefer a quiet and laid back environment.

The NLM area comprises rural subsistence communities that rely heavily on agricultural production in addition to the government's social security services safety net. In order to reverse the high levels of dependency on social security and to stimulate agricultural development in the NLM, a number of strategic approaches must be vigorously pursued. These include the following:

- Establishing agricultural cooperatives (assisting rural communities with the registration and other legal procedures) with the view to encouraging entrepreneurship;
- Supporting stock farmers with auxiliary service including acquiring hardy livestock, breeding programmes and veterinary services;
- Supporting crop-farmers to acquire agricultural inputs including seed, fertilizers and extension support services;
- Encouraging intensive crop-farming (beyond subsistence levels) on crops such as pineapples, chicory, sugar beet and cotton. An exchange programme with established farmers must be pursued as a strategy, and
- Forging strong partnerships with the FET Colleges, universities and other industry role-players in the NLM and district municipality.



b. Support social investment program

The NLM LED strategy is intended to provide a framework for building, supporting and sustaining the development of rural communities and celebrating their diversity and uniqueness. It will further build on the aims and objectives of existing policies, programmes, services and integrated approaches of the other spheres of government. Furthermore, this strategy will complement other regional initiatives such as Aspire's small town regeneration programme. It will also help develop new ways of doing business and thus capacitating residents to make better use of existing infrastructure and expertise in Ngqushwa.

The implementation of this LED strategy will address the following cross-cutting themes: environmental sustainability (stewardship), building, sustaining and nurturing partnerships, regional adaptation, social inclusion and the celebration of diversity, creativity, innovation and technology, employment opportunities and skills development.

4.2 Challenges regarding LED Strategy Implementation

CHALLENGE	PROPOSED SOLUTION
Severe staff shortage in the LED unit	Employment of relevant personnel as a matter of urgency Build human capacity through existing partnerships with the EC Dept of Agriculture and the University of Fort Hare Use
Limited funds	NLM should expand its funding base – explore other funding institutions even beyond SA borders
The NLM does not have a defined strategy to support agricultural development in the municipality	Develop an Agricultural Strategy for the municipality Establish partnerships with other key agricultural agencies such as RULIV, ARC, etc
Agricultural initiatives in communities not reaching their full potential	Provide the necessary resources (infrastructure; inputs; skills and marketing information)
NLM tourism potential not fully exploited	Expanded spatial development plan Proper mapping of heritage sites Getting personnel to run the Visitors' Information Centre and have tour guides; have an interesting and informative brochure Revival of Hamburg as a tourist town- Hamburg Artist Residency; twinning with other cities such as the Hamburg in Germany; strengthen the Hamburg Beach Festival (attract investors) Promoting the hospitality industry in rural communities – creating more awareness on the Home Stays initiative

4.3 Progress towards achieving the LED key objectives

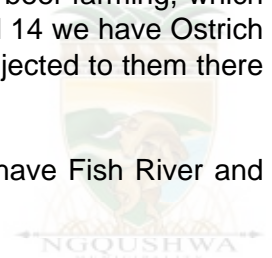
a. Exploit comparative and competitive advantage for industrial activities

The municipality has already developed a Local Economic Development Strategy which amongst other things states that we have strength in Tourism and Agriculture.

Ngqushwa Municipality has got Indian Ocean, Fish River and Keiskamma River and Double Drift Game Reserve as its boundaries. Hamburg has been identified as a Tourist destination, this is part of R72 corridor development, and we also have a concept of Arts Colony. We hold an event annually which is called Hamburg Beach Festival, as means of realising our goal.

We have six (6) Agricultural Schemes, which are concentrating in crop production. However, we still challenged because they are not producing maximally. We have Wesley beef farming, which we intend expanding it to other wards in our municipality. In Ward 9 and Ward 14 we have Ostrich Farms. Both these animal projects are doing fairly well, but if funding could be injected to them there could be great improvement in them being fully productive.

We have not adequately explored our coastal advantage to the fullest. We have Fish River and Mpekwini Resort that are within our borders.



b. Intensify Enterprise support and business development

The type of business development services (BDS) provided to SMME is through creating an enabling environment for businesses trading in different sectors such as:

- catering companies;
- construction companies in LED projects;
- Bed and Breakfast's for accommodation; and
- crafters in the form of them displaying in events and festivals.

c. Expanded Public Works Programs and Public and Private Partnerships

Expanded Public Works Programs and Public and Private Partnerships have been able to create number of new employment opportunities through one of the EPWP is R345 road construction, which cuts across three (3) wards namely; Ward 7, Ward 10, and Ward 6 which 90 people had been employed. Those employees are also trained in fencing, drainage stormwater. and also have a coastal cleaning project funded by DEAT with an amount of R9 000 000.00 that has employed 32 people.

d. Support Social investment program

The municipality recognizes a need to build a sustainable developmental community /social development program (SDCIP) is about moving beyond project-based community economic development. Through partnership with Department of Social Development and SASSA, have developed programme of poverty eradication that funded by social development and the municipality also assist on those programmes.

Through LED projects that we fund, municipality empower our communities through business skills workshops, in order to run their projects as business.

The municipality has a working relationship with NGOs and Keiskamma Trust Project which we have funded. The municipality also have also assisted Mpekweni Bakery which is an NPO. Ngqushwa Municipality has got 19 cooperatives that are existing, The municipality will be embarking in a roadshows in all wards, with the Dept of Public Works, DTI and DEDEA, doing cooperative awareness and registration of cooperatives.

Currently our unemployment rate stands at 76,5%, with 66.8% earning between >1500 per month. Municipality is in process of collecting more data through CDW's and established in unemployment data base.



- Annual performance as per key performance indicators in LED

	INDICATOR NAME	TARGET SET FOR THE YEAR	ACHIEVEMENT LEVEL DURING THE YEAR (ABSOLUTE FIGURE)	ACHIEVEMENT PERCENTAGE DURING THE YEAR
1	Percentage of LED Budget spent on LED related activities.	R1 000 000	R1 000 000	100%
2	Number of LED stakeholder forum held	NONE		
3	Percentage of SMME that have benefited from a SMME support program	72 %		
4	Number of job opportunities created through EPWP	122		
5	Number of job opportunities created through PPP	122		

4.4 Challenges regarding LED strategy implementation

The municipality have a Local Economic Development Strategy which has just been completed which is awaiting adoption by our Council. The municipality do not have a fully dedicated department for LED. However, our new organogram addresses the creation of a fully fledged Economic Development Department. The municipality are challenged in terms of our revenue base in inadequate for us to pursue our LED goals. We have a land problem, the bulk of our land still belongs to Department of Land Affairs, properties by enlarged are owned by Department of Public Works.

The municipality believe if land could be made available to the Municipality and properties be transferred to LM partly our problem would be resolved.





HAWKERS SELLING VEGATABLES IN PEDDIE



COMMUNITY BUYING FRESH CABBAGES NEAR THE CITY CENTRE



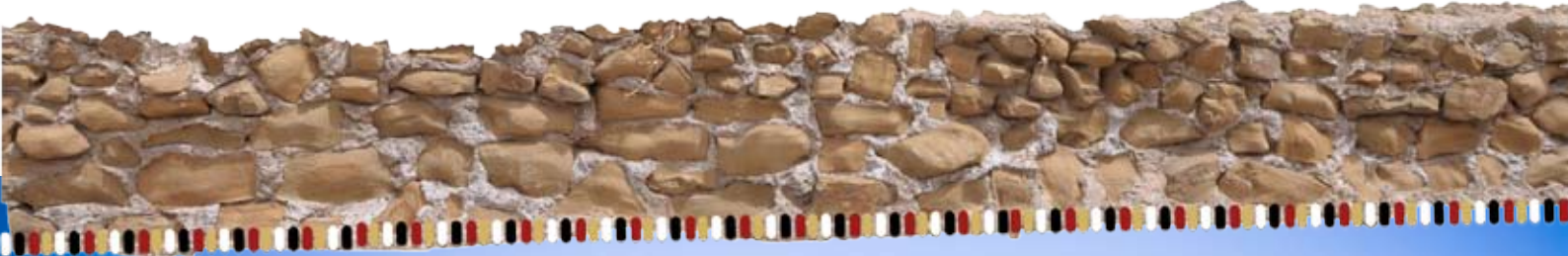
DOREGO'S RESTAURANT: A POPULAR RESTAURANT ON THE WATERFRONT
IN THE SEASIDE RESORT OF HAMBURG.
CAPTURED IN THIS IMAGE ARE TOURISTS FROM GERMANY





MR. P. MAHLOSELA

CHAPTER 5



CHAPTER 5:
**AUDITED STATEMENTS &
FINANCIAL INFORMATION**



NGQUSHWA MUNICIPALITY			
STATEMENT OF FINANCIAL POSITION			
as at 30 June 2009			
	Note	2009 R	2008 R
ASSETS			
Current assets			
Cash and cash equivalents	1	2 230 678	1 907 524
Trade and other receivables from exchange transactions	2	6 281 000	401 326
Other receivables from non-exchange transactions	3	2 505 234	2 109 545
Current portion of receivables	5	42 457	42 911
VAT receivable	8	2 382 266	1 209 577
Non-current assets			
Non-current receivables	5	68 093	110 550
Property, plant and equipment		-	-
Total assets		13 509 727	5 781 433
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	6	3 764 982	1 999 407
Bank overdraft	1	-	1 099 643
Provisions	7	718 290	-
Non-current liabilities			
Non-current unspent conditional grants and receipts	9	3 524 212	2 479 321
Total liabilities		8 007 484	5 578 371
Net assets		5 502 243	203 062
NET ASSETS			
Capital Replacement Reserve	10	92 117	86 265
Housing Development Fund	11	1 798 693	1 634 211
Accumulated surplus / (deficit)		3 611 432	(1 517 414)
Total net assets		5 502 243	203 062



NGQUSHWA MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE			
for the year ending 30 June 2009			
	Note	2009 R	2008 R
Revenue			
Property rates	12	4 173 044	1 945 652
Service charges	13	329 622	430 388
Rental of facilities and equipment	14	150 260	80 344
Interest earned - external investments	15	490 241	279 181
Interest earned - outstanding receivables	16	15 912	-
Fines		320 153	113 323
Licences and permits		102 906	652 135
Government grants and subsidies	17	28 549 101	22 214 535
Other income	18	1 565 858	277 335
Other grants receipts	19	6 098 541	9 426 038
Total revenue		41 795 639	35 418 931
Expenses			
Employee related costs	20	12 779 619	15 231 044
Remuneration of councillors	21	5 128 277	7 952 295
Repairs and maintenance		409 082	528 577
General expenses	22	11 152 422	12 248 987
Total expenses		29 469 400	35 960 903
Surplus / (deficit) for the period		12 326 239	(541 972)



NGQUSHWA MUNICIPALITY					
STATEMENT OF CHANGES IN NET ASSETS					
as at 30 June 2009					
	Note	R	R	R	R
		Capital Replacement Reserve	Housing Development Fund	Accumulated Surplus/(Deficit)	Total: Net Assets
Balance at 30 June 2007		-	-	(3 470 620)	(3 470 620)
Changes in accounting policy	26	86 265	1 634 211	7 034 291	8 754 767
Restated balance		86 265	1 634 211	3 563 671	5 284 147
Transfers to / from accumulated surplus/(deficit)		-	-	(4 258 835)	(4 258 835)
Surplus / (deficit) for the period		-	-	(822 250)	(822 250)
Balance at 30 June 2008		86 265	1 634 211	(1 517 414)	203 062
Transfers to / from accumulated surplus/(deficit)		5 852	164 482	(7 197 393)	-7 027 058
Surplus / (deficit) for the period		-	-	12 326 239	12 326 239
Balance at 30 June 2009		92 117	1 798 693	3 611 432	5 502 243



NGQUSHWA MUNICIPALITY
CASH FLOW STATEMENT

as at 30 June 2009

	Note	2009	2008
		R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		35 685 641	34 281 640
Sales of goods and services		6 630 387	3 499 178
Grants		28 549 101	30 503 281
Interest received		506 153	279 181
Payments		(29 469 399)	(27 497 072)
Employee costs		(17 907 896)	(17 089 301)
Suppliers		(11 561 503)	(10 407 771)
Interest paid		-	-
Net cash flows from operating activities	24	6 216 242	6 784 568
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(4 793 445)	(6 980 288)
Proceeds from sale of fixed assets		-	-
Net cash flows from investing activities		(4 793 445)	(6 980 288)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash flows from financing activities		-	-
Net increase / (decrease) in net cash and cash equivalents		1 422 797	(195 720)
Net cash and cash equivalents at beginning of period		807 881	1 003 521
Net cash and cash equivalents at end of period	25	2 230 678	807 801



NGQUSHWA MUNICIPALITY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
for the year ending 30 June 2009

1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

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

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003), including any interpretations and directives issued by the Accounting Standards Board.

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 GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods and services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date. The Municipality has taken advantage of the transitional provisions set out in Directive 4. The Municipality is in the process of identifying, measuring and valuing all infrastructure and community assets and other property, plant and equipment. As a result, the assets will be measured at an assumed value of zero until this exercise has been completed by 30 June 2011, only additions for 2008/09 were measured at cost.

3 FINANCIAL INSTRUMENTS

3.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value.

3.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to-maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.



Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

3.2.2 TRADE PAYABLES AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

3.2.3 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, 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 purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

4 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 (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.

5 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (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.

6 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.

7 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 date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.



Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

8 LEASES

8.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

8.2 MUNICIPALITY AS LESSOR



Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

9 REVENUE

9.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

9.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

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 (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

9.3 GRANTS, TRANSFERS AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.



NGQUSHWA MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Primary Bank Account	2009 R	2008 R
Short-term Investment Deposits	143 770	(1 099 643)
	2 086 908	1 907 524
	2 230 678	807 881

Investments Deposits are held to fund the Unspent Conditional Grants.

The Municipality has the following bank accounts: -

Cheque Account (Primary Bank Account)

First National Bank - Peddie Branch: Account No. 62022000898

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

	2009 R	2008 R
	(1 099 643)	1 003 521
	143 770	(1 099 643)
	359 193	
	2 037 259	359 193



2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS	Gross Balances	Provision for Doubtful Debts	Net Balance
<u>Trade receivables</u>	R	R	R
as at 30 June 2009			
Service debtors			
Rates	3 545 186	488 425	3 056 761
Sundry service charges	3 533 145	244 585	3 288 560
Refuse	78 160	142 481	(64 321)
Total	7 156 491	875 491	6 281 000
as at 30 June 2008			
Service debtors			
Rates	2 163 012	2 243 893	(80 881)
Sundry service charges	636 531	245 239	391 292
Refuse	952 903	861 988	90 916
Total	3 752 446	3 351 120	401 326
3 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS			
Traffic Summonses	387 516		633 600
Amathole DM - Control	518 020		518 020
Debit Orders	208 225		208 225
Transfer Monies Between Bank Accounts	39 744		39 744
Unallocated Expenditure	28 487		28 487
Sundry Debtors	1 323 241		681 469
Other receivables	2 505 234		2 109 545
4 SHORT-TERM INVESTMENTS			
Business call account - 62035920596		62 691	53 642
Planning account - 61684000098		92 117	86 265
PHP - 62048047494		1 932 099	1 767 617
NON-CURRENT RECEIVABLES		2 086 908	1 907 524

Car loans
Less : Current portion transferred to current receivables
Total

110 550
(42 457)
68 093

153 461
(42 911)
110 550

6 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade creditors
Staff leave accrual
Bonus accrual
Other creditors
Total creditors

1 245 443
568 259
368 336
1 582 944
3 764 982

712 719
471 966
814 722
1 999 407

7 PROVISIONS

Provision for legal fees
Total Provisions

718 290
718 290

-
-

8 VAT RECEIVABLE

VAT receivable

2 381 806

1 209 117

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

9 UNSPENT CONDITIONAL GRANTS AND RECEIPTS



Unspent Conditional Grants from other spheres of Government

MIG Project Account	1 886 680	1 012 457
MSP Grant	0	52 185
MSIG	161 000	-
Town Planning Grant	0	-550 464
Drivers Licence Testing Station	1 460 721	1 765 143
Land Mapping and Survey Grant	0	200 000
Financial Management Grant	15 811	-
Total Unspent Conditional Grants and Receipts	3 524 212	2 479 321

10 RESERVES

Capital Replacement Reserve	92 117	86 265
-----------------------------	--------	--------

11 HOUSING DEVELOPMENT FUND

Balance at the beginning of the year	1 634 211	1 489 282
Interest on Investment	164 482	144 929
Balance at the end of the year	1 798 693	1 634 211

12 PROPERTY RATES

Actual		
Actual Rateable Income	4 173 044	1 945 652
Total	4 173 044	1 945 652

13 SERVICE CHARGES

Refuse removal	305 453	403 210
Service charges (Flat rate)	17 193	18 994
Site & service charges	6 976	8 184
Total Service Charges	329 622	430 388

14 RENTAL OF FACILITIES AND EQUIPMENT

Rental of halls	138 841	71 615
-----------------	---------	--------

Public toilets 8 729
Total rentals 80 344

11 420
150 260

15 INTEREST EARNED - EXTERNAL INVESTMENTS

Interest on bank account 275 822
 Interest on investments 3 358
Total interest 279 181

305 578
 184 663
490 241

16 INTEREST EARNED - OUTSTANDING RECEIVABLES

Assessment Rates -
 Service Charges -
 Basic Refuse -
Total interest 15 912

9 264
 2 151
 4 497
15 912

17 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share 22 214 535
Total Government Grants and Subsidies 22 214 535

28 549 101
28 549 101

18 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS

Other income
 Building plan fees 41 973
 Photocopies and faxes 516
 Sundry revenue 174 881
 Trespass 47 291
 Grazing -
 Penalties -
 Cemetery fees 675
 Pound fees 12 000
Total Other Income 277 335

41 714
 113
 1 367 397
 23 453
 1 542
 120 352
 1 416
 9 870
1 565 858

19 GRANTS RECEIPT



MIG	4 482 109	-
MSIG	239 000	-
FMG	838 153	-
Dept Of Transport	539 279	-
	6 098 541	-

20 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	8 840 067	9 361 857
Employee related costs - Contributions for UIF, pensions and medical aids	1 322 852	1 201 446
Travel, motor car, accommodation, subsistence and other allowances	1 337 957	892 953
Housing benefits and allowances	39 304	38 307
Overtime payments	318 840	128 078
Performance and other bonuses	503 249	476 106
Skills development levy	84 396	78 120
Other employee related costs	332 956	7 159
Total Employee Related Costs	12 779 619	12 184 025

Remuneration of the Municipal Manager

Annual Remuneration	455 903	414 804
Performance- and other bonuses	-	-
Travel, motor car, accommodation, subsistence and other allowances	150 000	145 200
Contributions to UIF, Medical and Pension Funds	-	-
Total	605 903	560 004

Remuneration of the Chief Finance Officer

Annual Remuneration	393 598	352 926
Performance- and other bonuses	-	-
Travel, motor car, accommodation, subsistence and other allowances	132 000	132 000
Contributions to UIF, Medical and Pension Funds	-	-
Total	525 598	484 926



	Technical Services R	Corporate Services R	Community Services R
2009			
Annual Remuneration	393 598	393 598	393 598
Performance- and other bonuses	-	-	-
Travel, motor car, accommodation, subsistence and other allowances	132 000	132 000	132 000
Contributions to UIF, Medical and Pension Funds	-	-	-
Total	525 598	525 598	525 598
2008			
Annual Remuneration	352 956	352 956	352 956
Performance- and other bonuses	-	-	-
Travel, motor car, accommodation, subsistence and other allowances	132 000	132 000	132 000
Contributions to UIF, Medical and Pension Funds	-	-	-
Total	484 956	484 956	484 956

Remuneration of Individual Executive Directors

	Technical Services R	Corporate Services R	Community Services R
2009			
Annual Remuneration	393 598	393 598	393 598
Performance- and other bonuses	-	-	-
Travel, motor car, accommodation, subsistence and other allowances	132 000	132 000	132 000
Contributions to UIF, Medical and Pension Funds	-	-	-
Total	525 598	525 598	525 598
2008			
Annual Remuneration	352 956	352 956	352 956
Performance- and other bonuses	-	-	-
Travel, motor car, accommodation, subsistence and other allowances	132 000	132 000	132 000
Contributions to UIF, Medical and Pension Funds	-	-	-
Total	484 956	484 956	484 956

21 REMUNERATION OF COUNCILLORS

Mayor	501 867	437 556
Speaker	344 244	201 516
Executive Committee Members	841 260	721 968
Councillors	3 440 906	3 544 236
Total Councillors' Remuneration	5 128 277	4 905 276

22 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

22 Unauthorised expenditure	
Reconciliation of unauthorised expenditure	

Opening balance	3 224 106	-
Unauthorised expenditure current year	-	3 224 106
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	3 224 106	3 224 106

Disciplinary steps/criminal proceedings

None

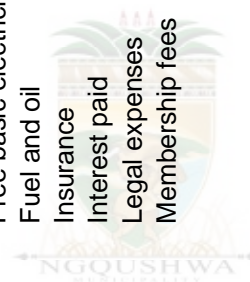
Incident

Prior year unauthorised expenditure

23 GENERAL EXPENSES

Included in general expenses are the following:-

Advertising	95 596	70 214
Admin fees	1 806 167	-
Animal Feed	5 690	9 619
Auction Fees	1 060	
Audit committee expenses	387 009	373 736
Audit fees	430 861	787 178
Bank charges	153 685	134 644
Accommodation expenses	645 642	1 023 463
Communication and public relations	446 708	-
Computer costs	77 503	78 865
Conferences and delegations	9 533	15 278
Consulting fees	271 003	13 086
Consumables	128 014	160 126
Disaster management	189 396	67 783
Electricity	426 492	206 385
Entertainment	810 859	247 496
Free basic electricity	657 039	805 362
Fuel and oil	554 335	529 596
Insurance	272 973	135 532
Interest paid	-	85 267
Legal expenses	117 326	440 669
Membership fees	109 314	57 213



Audited Statements &
Financial Information

Pest control	1 754	5 910
Postage	6 504	37 929
Printing and stationery	161 177	209 362
Refreshments	-	442
Refuse bags	30 605	58 870
Rental of office equipment	286 908	484 602
Other rentals	-	5 005
Security costs	548 991	667 080
Stocks and material	645 642	26 487
Telephone cost	174 839	832 799
Training	250 000	294 396
Uniforms & overalls	140 678	72 417
Travel and subsistence	85 400	74 192
Update website	95 505	-
Valuation costs	100 000	756 592
Other	1 028 213	1 111 598
24 CASH GENERATED BY OPERATIONS		
Surplus/(deficit) for the year	12 326 239	(541 972)
Adjustment for:-		
Contributions to provisions	246 324	181 966
Contributions to fixed assets	(3 688 213)	5 897 604
Interest earned	(506 153)	(510 419)
Operating surplus before working capital changes:	8 378 197	5 027 179
(Increase)/decrease in trade receivables	(3 392 588)	595 597
(Increase)/decrease in other receivables	(905 999)	(113 046)
(Increase)/decrease in VAT receivable	(1 172 689)	56 254
Increase/(decrease) in conditional grants and receipts	1 524 212	701 523
Increase/(decrease) in trade payables	1 245 443	310 150
Increase/(decrease) in other creditors	6 649 663	1 169 118
Cash generated by/(utilised in) operations	12 326 239	7 746 775

25 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Bank balances and cash	143 770	-
Bank overdrafts	-	(1 099 643)
	2 086 908	1 907 524
Net cash and cash equivalents (net of bank overdrafts)	2 230 678	807 881

26 CHANGE IN ACCOUNTING POLICY

The following adjustments were made to amounts previously reported in the annual financial statements of the municipality arising from the implementation of GRAP:

27 Statutory Funds

Balance previously reported: -
 PHP Housing Fund
Total

-
 -
1 634 211
1 634 211

Implementation of GRAP

Transferred to Housing Development Fund

-
 1 634 211

27 Reserves

Balance previously reported: -

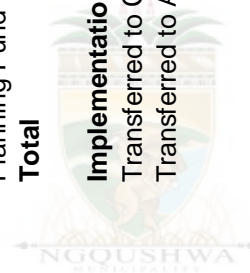
Advance Planning Fund
 Advance PHP
 Revolving Fund
 Planning Fund
Total

-
 -
 -
 -
 -
5 100 000
149 506
1 784 785
86 265
7 120 556

Implementation of GRAP

Transferred to Capital Replacement Reserve
 Transferred to Accumulated Surplus/(Deficit) (see 25.4 below)

-
 -
 (86 265)
 (7 034 291)





27 Other items			
	Balance previously reported -	-	-
	Implementation of GRAP		
	Capital Charges	200 948	
	Contributions to fixed assets	2 121 677	
	Contributions to funds	131 091	
	Total (debited to Accumulated Surplus/(Deficit)) (see 25.4 below)	2 453 716	
27	Accumulated Surplus/(Deficit)		
	Implementation of GRAP		
	Transferred from reserves (see 25.2 above)	7 034 291	
	Other items (see 25.3 above)	(2 453 716)	
	Total	4 580 575	
28	RELATED PARTIES		
	The municipality did not have any related parties during the year.		
29	CONTINGENT LIABILITY		
	Claim for damages	174 000	-
30	CONTINGENT ASSET		

Milisa Security and Cleaning Services is instituting a damages claim against the municipality following cancellation of its contract during January 2009. Council is contesting the claim based on legal advice. A court date has not yet been set. The legal costs will be determined once an action has started.

Action was instituted against the former Municipal Manager to recover funds spent as fruitless and wasteful or unauthorised expenditure amounting to R397,125.75 during his time in office. He has defended the action. According to Council's legal advisors, it is probable that the proceedings will result in the recovery of the full amount but this recovery is virtually certain.

31 EVENTS AFTER THE REPORTING DATE

- 31** The ANC expelled 5 Councillors during January 2009. They challenged the decision in Court and a final order was granted on 20 August 2009. Their salaries from January 2009 to June 2009 amounting to R 336,351.17 were paid during August 2009. The municipality is also liable for their legal costs amounting to R 81,939.00.
- 31** Malusi T, the former municipal lawyer filed a defamation claim against former Mayor and municipality to the amount of R 150 000. The amount, excluding legal costs of R 14 757 was settled by the municipality during July and August 2009.
- 31** Somana M, the former Municipal Manager filed a defamation claim against former Mayor and municipality to the amount of R 150 000. The amount, excluding legal costs of R 20 438 was settled by the municipality during July and August 2009.

32 RESTATEMENT OF COMPARATIVE INFORMATION

- 32** Provision for leave and bonuses have been reclassified as accruals.
- 32** VAT receivable has been disclosed as a separate line item on the face of the statement of financial position. Previously, this item was disclosed as part of debtors.
- 32** Unspent conditional grants and receipts have been disclosed as a separate line item on the statement of financial position. This item had been included as part of creditors in the prior year.
- 32** Service charges, fines, licenses and permits and other income have been disclosed as separate line items on the statement of financial performance. Previously, these items were presented as a consolidated figure on the statement of financial performance.
- 33** Investments have been reclassified as cash and cash equivalents.

33 COMPARISON WITH THE BUDGET

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

34 Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.

GRAP 17 - Property, Plant and Equipment

The Municipality has taken advantage of the transitional provisions set out in Directive 4. The Municipality is in the process of identifying, measuring and valuing all infrastructure and community assets and other property, plant and equipment. As a result, the assets will be measured at an assumed value of zero until this exercise has been completed by 30 June 2011.

35 Process to comply fully with the implementation of General Recognised Accounting Practices (GRAP)

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a medium capacity municipality and must comply with GRAP by 30 June 2009. The municipality, however, took advantage of the transitional provisions in Directive 4 from the Accounting Standards Board and aims to comply fully with GRAP by 30 June 2011.

36 CAPITAL COMMITMENTS

36 Commitments in respect of capital expenditure

- Approved and contracted for	3 201 340	1 012 457
Infrastructure	-	-
Community	3 201 340	1 012 457
- Approved but not yet contracted for	999 068	-
Community	999 068	-
Other	-	-
Total	4 200 407	1 012 457

This expenditure will be financed from:

- Government Grants	4 200 407	1 012 457
	4 200 407	1 012 457

37 RETIREMENT BENEFIT INFORMATION

Defined benefit plan

801 652 -

These are not treated as defined benefit plans as defined by IAS19, but are accounted for as defined contribution plans. This is in line with the exemption in IAS 19 par. 30 which states that where information required for proper defined benefit plan accounting is not available in respect of multi-employer and state plans, these should be accounted for as defined contribution plans. The municipality has been unsuccessful in obtaining the necessary information to support proper defined benefit plan accounting due to restrictions imposed by the multi-employer plan. It is therefore deemed impracticable to obtain this information at a suitable level of detail.



NGQUSHWA MUNICIPALITY
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2009

	2008		2009		2009 Actual Expenditure	2009 Surplus / (Deficit)
	Actual Income	Actual Expenditure	Actual Income	Actual Expenditure		
	R	R	R	R	R	R
	1 945 652	5 225 960	(3 280 308)	4 173 044	6 372 281	(2 199 237)
	18 994	1 236 245	(1 217 251)	17 193	1 083 571	(1 066 378)
	-	2 985 920	(2 985 920)	-	4 441 586	(4 441 586)
	275 822	7 507 499	(7 231 677)	-	6 531 134	(6 531 134)
	22 550 969	3 138 636	19 412 333	30 674 378	4 671 991	26 002 387
	-	2 269 001	(2 269 001)	-	1 046 848	(1 046 848)
	376 032	1 803 551	(1 427 519)	-	2 130 910	(2 130 910)
	59 291	345 002	(285 711)	1 542	296 989	(295 447)
	675	80 274	(79 599)	1 416	235 607	(234 191)
	-	1 169 373	(1 169 373)	-	235 264	(235 264)
	-	450 172	(450 172)	-	302 132	(302 132)
	-	-	-	-	102 241	(102 241)
	-	-	-	-	109 826	(109 826)
	-	-	-	-	932 777	(932 777)
	765 458	1 285 439	(519 981)	829 524	976 241	(146 716)
Total	25 992 893	27 497 072	(1 504 179)	35 697 098	29 469 400	6 227 698



NGQUSHWA MUNICIPALITY
APPENDIX E
ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)
for the year ended 30 June 2009

	2009		2009		2009		Reasons for variances
	Actual	Budget	Variance	Variance	Variance (%)	%	
	R	R	R	R			
Revenue							
Property rates	4 173 044	3 000 000	1 173 044		39		
Service charges	329 622	450 000	-120 378		(27)		
Rental of facilities and equipment	150 260	10 500	139 760		1331		
Interest earned - external investments	490 241	90 000	400 241		445		
Interest earned - outstanding receivables	15 912	-	15 912		100		
Fines	320 153	109 000	211 153		194		
Licences and permits	102 906	1 340 000	-1 237 094		(92)		
Government grants and subsidies	28 549 101	37 052 902	-8 503 801		(23)		
Other income	1 565 858	4 614 311	-3 048 453		(66)		
Total Revenue	35 697 098	46 666 713	-10 969 615				
Expenditure							
Council General	5 366 450	5 719 799	353 349		6		
Municipal Manager	1 067 915	2 535 477	1 467 562		58		
Community Services	3 249 840	6 269 689	3 019 850		48		
Administration	6 380 023	7 162 305	782 282		11		
Financial Management	4 408 223	5 596 561	1 188 338		21		
Streets & Stormwater	4 448 087	11 216 086	6 767 999		60		
Refuse removal	2 042 844	2 530 709	487 865		19		
Pound	197 564	209 122	11 558		6		



Cemetery	240 094	570 689	330 595	58
Municipal Buildings	235 264	1 946 807	1 711 543	88
Parks & Public Places	302 132	523 179	221 047	42
Building control	102 241	305 733	203 492	67
Land and Buildings	109 826	110 000	174	0
Electricity	342 657	795 269	452 612	57
Traffic Control	976 241	1 388 974	412 733	30
Total Expenditure	29 469 400	46 880 402	17 411 002	
Net Surplus/(Deficit) for the year	6 227 698	213 689	6 441 387	



REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE NGQUSHWA MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the accompanying financial statements of the Ngqushwa Municipality which comprise the statement of financial position as at 30 June 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages [xx] to [xx].

The Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) ("MFMA") and the Division of Revenue Act, 2007 (Act No. 1 of 2007) ("DoRA") and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on the financial statements based on conducting the 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*. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Trade and other receivables from exchange transactions

4. The provision for doubtful debts of R875 491 (2007-08: R3,4 million) disclosed in note 2 to the financial statements is understated by R2,1 million (2007-08: R1,3 million). As a result the net receivables of R6,3 million disclosed in the statement of financial position is overstated by R2,1 million while the general expenses of R11,2 million disclosed in the statement of financial performance are understated by the same amount. The understatement of this provision was due to the lack of a council approved policy for its calculation and the lack of a reliable age analysis.



5. Furthermore, I was unable to satisfy myself that journals to the value of R1,9 million processed to the trade and other receivables from exchange transaction account should have been processed or were recorded in the correct accounts and at the correct amounts as they were not supported by appropriate supporting documentation. The lack of appropriate accounting records prevented the application of alternative procedures.

Value-Added Tax (VAT)

6. The VAT receivable of R2,4 million (2007-08: R1,2 million) disclosed in note 8 to the financial statements did not reconcile to the VAT returns submitted to the South African Revenue Service by R544 508 due to the incorrect formula being used for calculating VAT. As a result, I was unable to satisfy myself, even after performing alternative procedures, that the VAT receivable was due to the municipality and included in the financial statements at the correct amount. The VAT elements of individual revenue and expenditure transactions were also not recorded correctly in the VAT control account.

Trade and other payables from exchange transactions

7. I was unable to satisfy myself, even after performing alternative procedures, that the trade creditors of R1,2 million (2007-08: R0,8 million) included in the trade and other payables from exchange transactions disclosed in the statement of financial position included all amounts due to suppliers at year end and that trade creditors were recorded at the correct amounts. This was as a result of trade creditors not being supported by adequate documentation. In addition, the municipality did not prepare supplier reconciliations and did not have an adequate alternative system of ensuring that all goods and services received prior to year-end, but not yet paid, were accrued.
8. Furthermore, included in trade and other payables is an amount for staff leave accrual, but due to inadequate leave records and discrepancies in such records, I was unable to determine whether the leave accrual amount of R568 259 (2007-08: R471 966) disclosed in note 6 included all leave due to employees or was recorded at the correct amount. The municipality's records also did not permit the application of adequate alternative audit procedures.

Unspent conditional grants and receipts

9. Documentation supporting the conditional grants balance of R3,5 million (2007-08: R2,5 million) disclosed in the statement of financial position and note 9 was not provided. I was therefore unable to satisfy myself, after performing alternative procedures, that all unspent conditional grants were recorded at the correct amount. Furthermore, I was unable to satisfy myself that the conditions attached to the grants of R6 million (2007-08: R9,4 million) disclosed in the statement of financial performance and note 19 were met.

Provision for the rehabilitation of landfill sites

10. The Municipality, which operates landfill sites, has an obligation in terms of section 28 of the National Environment Management Act, No. 107 of 1998 to restore such sites. The municipality does not assess the remaining useful life of landfill sites and detailed records of the capacity of landfill sites are not maintained by the municipality's community services department.



11. Consequently, a provision for the rehabilitation of landfill sites has not been raised in the financial statements in accordance with its accounting policy and *GRAP 19: Provisions, contingent liabilities and contingent assets*. Due to the specialist nature of such a provision and lack of appropriate records, I was unable to determine the extent of the misstatement.

Property rates revenue

12. Properties in the municipal district and under the control of the municipality were not valued for property rates purposes and therefore not included on the valuation roll on which the property rates assessments were based. I was therefore unable to determine, even after performing alternative procedures, that all rates revenue that should have been billed and included in the property rates revenue of R4,2 million as disclosed in the statement of financial performance and trade and other receivables from exchange transactions as disclosed in the statement of financial position, was included.

General expenses

13. General expenses as disclosed in the statement of financial performance and note 23 to the financial statements is overstated by R1 million while VAT is understated by R317 113. The remaining error of R645 642 is a duplication which arose as a result of a one sided journal entry. Furthermore, the individual expenses disclosed in note 23 contain classification errors and are misstated by R4,8 million.

Irregular expenditure

14. The municipality has omitted disclosure of material irregular expenditure of R1 million, which was incurred during the financial year. This is contrary to section 125(2)(d) of the MFMA, which requires disclosure of irregular expenditure in the financial statements.

Leases

15. The municipality has not disclosed its future commitments under operating leases and has also not straightlined lease payments as required by *GRAP 13: Leases*. The operating lease register maintained by the municipality is not adequate as there are suppliers recorded in the general ledger that were not in the lease register and there were also suppliers recorded on the lease register which did not appear in the general ledger. Furthermore contracts supporting the recording of lease transactions in the general ledger and lease register could not be provided for audit purposes. As a result, I could not determine the extent of the non-disclosure of lease commitments or the effect of the straightlining on the rental expense disclosed in note 23.

Contingent Liabilities

16. I could not satisfy myself, even after the application of alternative procedures, that all contingent liabilities are disclosed as recorded in note 29 to the value of R174 000, as it was not possible to determine the nature of the legal expenses of R117 326.

Cash flow statement

17. The cash flow statement prepared by the municipality is misstated by R8,4 million due to incorrect figures disclosed under cash flow from operating activities and cash flow from investing activities. The extent of the misstatement of cash flow from



operating activities could however not be confirmed with certainty as information relating to grants amounting to R661 993 was not provided by the municipality.

Financial instruments

18. The municipality failed to comply with the provisions of the *International Accounting Standard (IAS) 32: Financial instruments: Presentation* and *IAS 39: Financial instruments: Recognition and measurement* relating to the disclosure, recognition and measurement of financial instruments. Due to the limitations in audit work already noted, it was not possible to assess the impact of such non-disclosure. Furthermore, the municipality did not disclose any items required by the *International Financial Reporting Standard (IFRS) 7: Financial instruments: Disclosures*, either in the statement of financial position or in the notes to the financial statements.

Assets

19. The municipality did not comply with its accounting policy and the requirements of directive 4 as additions to assets to the value of R3,6 million were not disclosed either in the statement of financial position or in the notes to the financial statements.

Opinion

Disclaimer of opinion

20. Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Emphasis of matters

I draw attention to the following matters on which I do not express a disclaimer of opinion:

Highlighting critically important matters presented or disclosed in the financial statements

Going concern

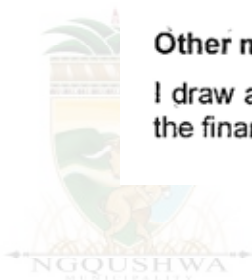
21. The municipality's ability to continue as a going concern is dependent on the intervention and support of the government. In the absence of such support it is unlikely that the municipality will be able to continue to provide uninterrupted services to its stakeholders.

Unauthorised Expenditure

22. Unauthorised expenditure of R3,2 million is disclosed in note 22.1 to the financial statements. This is the result of a lack of budgetary control and oversight exercised by management.

Other matters

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



Unaudited supplementary schedules

23. 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 schedule(s) and accordingly I do not express an opinion thereon

Non-compliance with applicable legislation

Non compliance with MFMA

24. Payments to suppliers were delayed beyond the 30 day receipt of invoice period as required by section 65(2)(b) and (c) of the MFMA.
25. No interest was raised on outstanding consumer accounts during the year under audit as required by section 64(2)(g) of the MFMA and the council approved credit policy.
26. Fixed assets disclosed in the statement of financial position and note 34 to the financial statements are stated at a zero value due to the implementation of the transitional provisions contained in directive 4 relating to *GRAP 17: Property, Plant and Equipment*. Although the municipality was exempted from measuring its assets the recognition of assets was supposed to have been completed by year end. A proper fixed assets register in terms of section 63(2)(c) of the MFMA was however not maintained as movable and immovable assets that were identified could not be traced to the assets register.

Non compliance with Municipal Property Rates Act No. 6 of 2004

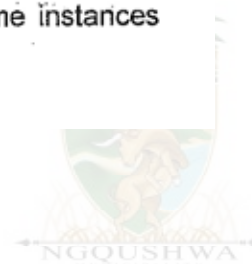
27. The municipality's rates policy grants a rebate of R40 000 on the market value of residential properties in the calculation of assessment rates. This is not aligned to section 17(1)(h) of the Municipal Property Rates Act which grants a rebate of R15 000 for residential properties.

Governance framework

28. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below:

Internal control deficiencies

29. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the Municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to the disclaimer of opinion. The root causes are categorised according to the five components of an effective system of internal control. (The number listed per component can be followed with the legend below the table.) In some instances deficiencies exist in more than one internal control component.



Par. no.	Basis for disclaimer of opinion	CE	RA	CA	IC	M
4-5	Trade and other receivables from exchange transactions			4,6		1
6	Value added tax (VAT)	5		4		1
7-8	Trade and other payables from exchange transactions			6		1
9	Unspent conditional grants and receipts			3		1
10-11	Provision for the rehabilitation of landfill sites			4		1
12	Revenue	5		3		
13	General expenses	5		3		
14	Irregular expenditure	5		3		
15	Leases	5		3		1
16	Contingent liabilities	5		3		
17	Cash flow statement	7		3		
18	Financial instruments	7		3,6		
19	Assets	7		3,6		

30. There is a general lack of management oversight over financial information and the municipality is highly dependant on consultants to process its financial information resulting in management not being able to understand how information is processed and how to make adjustments to misallocations.
31. Management and the officials within the finance section have very limited knowledge on how to operate the financial system (Venus) resulting in misallocations and incorrect processing transactions which resulted in the under billing of debtors during the year.
32. Management and officials within the corporate services section have limited knowledge on how to operate the payroll system (Payday) resulting in discrepancies relating to leave records and overtime payments.

Legend	
CE = Control environment	
The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting.	1
Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting.	2
Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel.	3
Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting.	4
The accounting officer/accounting authority does not exercise oversight responsibility over financial reporting and internal control.	5
Management's philosophy and operating style do not promote effective control over financial reporting.	6
The entity does not have individuals competent in financial reporting and related matters.	7
CA = Control activities	

There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation.	1
General information technology controls have not been designed to maintain the integrity of the information system and the security of the data.	2
Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed.	3
Actions are not taken to address risks to the achievement of financial reporting objectives.	4
Control activities are not selected and developed to mitigate risks over financial reporting.	5
Policies and procedures related to financial reporting are not established and communicated.	6
Realistic targets are not set for financial performance measures, which are in turn not linked to an effective reward system.	7
M = Monitoring	
Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial reporting.	1
Neither reviews by internal audit or the audit committee nor self -assessments are evident.	2
Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken.	3

Key governance responsibilities

33. 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 key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.		✓
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		✓
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.		✓
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 126 of the MFMA.	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.		✓
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	<ul style="list-style-type: none"> The Municipality had an audit committee in operation throughout the financial year. 		✓

No.	Matter	Y	N
	• The audit committee operates in accordance with approved, written terms of reference.		✓
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.		✓
7.	Internal audit		
	• The Municipality had an internal audit function in operation throughout the financial year.		✓
	• The internal audit function operates in terms of an approved internal audit plan.		✓
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.		✓
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		✓
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		✓
10.	The information systems were appropriate to facilitate the preparation of the financial statements.		✓
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(c)(i) of the MFMA.		✓
12.	Delegations of responsibility are in place, as set out in section 79 of the MFMA.	✓	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.		✓
14.	Oversight resolutions have been substantially implemented.		✓
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		✓
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		✓
17.	An Integrated Development Plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Ngqushwa Municipality against its mandate, predetermined objectives, outputs, indicators and targets section 68 of the MFM.		✓
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

34. The finance department does not have sufficient capacity to support and promote a proper system of recording, monitoring and supervision of controls to ensure that the information disclosed in the financial statements is accurate and complete as material adjustments relating to various components had to be affected after submission of the financial statements for auditing.

35. The fact that there was no functioning audit committee and internal audit committee in place throughout the year had a negative impact on the performance of the municipality as there was no independent oversight committee monitoring the overall functioning of the municipality.

36. Key governance responsibilities, including the development and compliance with risk management, effective internal control and governance practices, have substantially not been implemented as reflected in the table above as the management of the municipality is highly reliant on consultants to assist in performing those duties.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

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

The accounting officer's responsibility for the performance information

38. 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).

The Auditor-General's responsibility

39. 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.
40. 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.
41. 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

Content of integrated development plan

42. The integrated development plan of the Ngqushwa Municipality did not include the key performance indicators and performance targets determined in terms of its performance management system, as required by sections 26(i) and 41(1)(b) of the MSA and regulation 12 of the Municipal Planning and Performance Management Regulations, 2001.

Existence and functioning of a performance audit committee

43. The performance audit committee did not:
- o meet at least twice during the financial year

- review the quarterly reports of the internal auditors on their audits of the performance measurements of the municipality
- review the performance management system and make recommendations in this regard to the council of the Ngqushwa Municipality
- submit an internal audit report to the municipal council on the performance management system at least twice during the financial year.

Internal auditing of performance measurements

44. The Ngqushwa Municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, as required in terms of section 45 of the MSA.
45. The shared internal auditors did not audit the performance measurements on a continuous basis and did not submit quarterly reports on their audits to the municipal manager and the performance audit committee.

Usefulness and reliability of reported performance information

46. The following criteria were used to assess the usefulness and reliability of the information on the municipality's performance with respect to the objectives in its integrated development plan:
- **Consistency:** Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan?
 - **Relevance:** Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate. Is this specific and measurable, and is the time period or deadline for delivery specified?
 - **Reliability:** Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following audit findings relate to the above criteria:

Inconsistently reported performance information

47. The Ngqushwa Municipality has not reported throughout on its performance with regard to its objectives, targets and indicators as per the approved IDP.
- The IDP highlighted the objectives and key focus areas for the 2008-09 year but the performance report did not report on any objectives and targets
 - The IDP did not indicate the targets and key performance indicators but these were assessed on in the Service Delivery and Budget Implementation Plan

Reported performance information not relevant

48. The municipality's annual performance report did not indicate the actual performance of the municipality against its predetermined objectives, targets and key performance indicators.



Reported performance information not reliable

49. Lack of appropriate information systems generating performance information
- The municipality does not have any system in place to facilitate the preparation of accurate and complete actual performance information
50. Incomplete reporting on all predetermined objectives, indicators and targets
- The actual achievements with regard to all indicators and targets specified in the 2008-09 Service Delivery and Budget Implementation Plan (SDBIP) for all objectives were not reported on throughout.

APPRECIATION

51. The assistance rendered by the staff of the Ngqushwa Municipality during the audit is sincerely appreciated.

Auditor-General

East London

17 March 2010



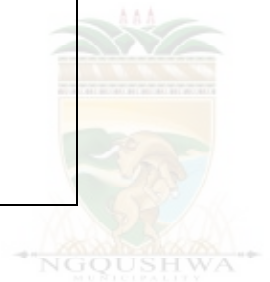
AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



Issues raised by Auditor General	Plan of Action	Activity	Time Frame		Responsible Official	Comments
			Start	End		
Debtors	Provision for doubtful debts/ Bad Debts	Develop the policy for provision of doubtful debts.	04/01/10	24/03/10	CFO/Revenue manager.	Policy is on draft stage awaiting for Council approval on 24 March 2010
	Lack of reliable debtors age analysis	Correctly calculate the value of debtors of the municipality To maintain and ensure that our IT System is up and running.	01/02/10	31 /03/10	CFO/Revenue manager.	
	Lack of proper supporting document for journals processed	All Venus users should be trained extensively <ul style="list-style-type: none"> Investigate R1.9 Mil accuracy, by looking at the management account To compile journal file with supporting documents 	01/12/09	05/02/10	Corporate Service manager.	Appointed IT Technician and have already obtained quotations On 8 th February 2010 BCX to conduct training on Venus
Value Added Tax (VAT)	VAT Reconciliation	To train all staff responsible to correctly calculate VAT Prepare monthly VAT reconciliation	08/02/10	12/02/10		
		To train all staff responsible to correctly calculate VAT	01/02/10	26/02/10	CFO/Revenue Manager	
		Agree General Ledger to VAT returns.	01/03/10	02/03/10	CFO/Revenue manager	
Creditors	Creditors reconciliations	Prepare monthly VAT reconciliation	Monthly	Monthly		
	Lack of supporting documentation	Appoint the service provider to re-perform VAT from 2006 to date	01/02/10	30/04/10		Process already taking place
	Accruals	Prepare monthly creditors reconciliation To ensure that all adequate documents are kept To ensure that all services supplied up to year end are accrued	03/02/10	31/03/10		
		Prepare monthly creditors reconciliation	Monthly	Monthly	CFO/Expenditure officer	<ul style="list-style-type: none"> Start from July 2009. The above will be done, with the assistance of ADM and the service provider.
		To ensure that all adequate documents are kept	Monthly	Monthly		
		To ensure that all services supplied up to year end are accrued	30/06/10	31/08/10		

Issues raised by Auditor General	Plan of Action	Activity	Time Frame		Responsible Official	Comments
			Start	End		
Provisions	Leaves	<ul style="list-style-type: none"> Reconciliation of leave with attendance register and leave forms; Calculation of leave provisions; Ensure that the minimum leave as required by the SALGBC is taken; Ensure that before leave is taken prior approval by the HOD or his/her designate has been received; To ensure that sick leaves are properly controlled. Intense training to be conducted on payday 	Jan 2010	30/04/10	Corporate Services Executive Manager, Personnel Clerk, and Payroll Clerk	<ul style="list-style-type: none"> With the appointment of both the payroll and personnel clerks the process has started. The Corporate Services Executive Manager has started with the development of the policy.
Unspent Conditional Grants		There is nothing that will be done regarding this amount of R6mil as this is incorrect				
Provision for Landfill Sites	Landfill	<ul style="list-style-type: none"> To appoint Service Provider to assist the Municipality with regard to information on the current status quo To check on staff establishment To have the necessary equipment and funding to maintain the establishment of our municipality's landfill sites. To have our municipality landfill sites By 30 June 2010 assessed 	04/01/10	30/08/10	Manager Community Development/MM	Request for funding has been requested from Treasury



Issues raised by Auditor General	Plan of Action	Activity	Time Frame		Responsible Official	Comments
			Start	End		
PROPERTY RATES REVENUE	Unvalued Properties	<ul style="list-style-type: none"> Investigate all properties not included in the Valuation Roll. To give list of unvalued properties to the Valuer to incorporate list in the valuation roll 	02/02/10	30/06/10	CFO/Revenue manager	<ul style="list-style-type: none"> Start from July 2009. Reconciliation of billing back to valuation roll and tariffs as per budget must be done from July 2009.
General expenses	Investigate over-statement of expenditure and journals made.	Trace the existence of supporting documents	Monthly	Monthly	CFO/Expenditure officer/SCM officer	Start from July 2009.
	& Supporting documentation	Develop internal controls for ordering, payment and filing of documents Agree expenditure vouchers to the cash book for all months. Proper filling of expenditure vouchers, and perform necessary adjustments.	18/01/10	31/03/10	CFO/Expenditure officer	
Irregular expenditure	Omitted Disclosure	The R1 Mil will be disclosed in the AFS	01/02/10	30/08/10	CFO	The amount stated in the audit report of R1 mil, we did not agree with the auditors during our steering meetings. This was as a result of supply and delivery of two bakkies with canopies and one minibus.
Operating Leases	Register	Disclosure of operating leases.		31/08/10	CFO/SCM officer/Admin manager	Start from July 2009.
		Establish contracts for leases	18/01/10	08/02/10	CFO, SCM manager and Expenditure manager.	A memo was delivered from the CFO to Corporate Manager, requesting all lease agreements.
		Reconcile all leases paid directly from the Bank a/c Develop adequate lease register for lease commitments and contracts.	08/02/10	28/02/10		



Issues raised by Auditor General	Plan of Action	Activity	Time Frame		Responsible Official	Comments
			Start	End		
Contingent Liabilities	Budget and Treasury Officer	Full implementation of GRAP as far as straight lining lease payments Disclosure of contingent liabilities and supporting information.	28/02/10	31/03/10	CFO	
Cash flow Statement & Financial Instruments	AFS	<ul style="list-style-type: none"> To train all personnel dealing with preparation of Cash flow statement on how to prepare Cash flow statement correctly Verify and re-perform cash flow statement. Disclose the financial instruments as per International Accounting Standard 		30/04/10	CFO	
Fixed Assets	Compliance with Directive 4	<ul style="list-style-type: none"> To seek funding as to have a fully complaint Asset Register To have a fully complaint Asset register by end of June 2010 	01/03/10	30/06/10	CFO/Budget Manager	
Non-compliance with Applicable legislation	Compliance with MFMA.	Payment to suppliers should be done within 30 days on receipt of invoice	Monthly			
	No interest charged	To review policy to include interest free accounts				
	Property rates act	To comply with the property rates acts				None as the council has adopted R40 000
Internal control deficiencies	To have effective and efficient internal control	To implement procedure manual correctly and effectively				Had a work shop on procedure manual on the 22 of January 2010.
Integrated Development Plan	IDP and PMS	To speed up appointment for a person to serve in this post, before 1 st March 2010				



Issues raised by Auditor General	Plan of Action	Activity	Time Frame		Responsible Official	Comments
			Start	End		
ACTION PLAN FOR NGQUSHWA MUNICIPALITY 09/10 FINANCIAL YEAR – CORPORATE SERVICES						
Lack of Segregation of Duties	Ensure that duties are segregated accordingly.	<ul style="list-style-type: none"> • Job Descriptions to be in place; • Budget for posts that were not budgeted for but required. 	Jan. 2010	March 2010	Human Resource Manager	The department has already separated the post of the personnel clerk and payroll clerk and the posts have been filled. The dept. will further look at those that require the same
Senior Managers' Contract	Ensure that contracts are signed timeously.	<ul style="list-style-type: none"> • Prepare contracts in time; • Have the Mayor sign the Municipal Manager's Contract in time; • Also have the Municipal Manager sign contracts of other managers in time • Submit to the relevant department before the end of July. 	June 2010	July 2010	Corporate Services Executive Manager	For now the contracts have been signed and submitted in time as per requirement.
Job Descriptions	To have job descriptions for every post.	<ul style="list-style-type: none"> • File with all job descriptions for posts appearing in the organogram; • All personnel files to have job descriptions; • Department to keep a soft copy of the job descriptions. 	Jan 2010	March 2010	Human Resources Manager/Personnel Clerk	Job Descriptions have already been collected from the Job Evaluation Unit
Adherence to Policies	Review and Develop Policies	<ul style="list-style-type: none"> • Contact other Departments for policies required; • Review existing policies; • Workshop everybody on reviewed and developed policies; 	Jan 2010	Continuos	Corporate Services Executive Manager	New policies have been developed and old ones reviewed and the process is continuous.

Issues raised by Auditor General	Plan of Action	Activity	Time Frame		Responsible Official	Comments
			Start	End		
Authorization of Salaries	Formalize salary increments.	<ul style="list-style-type: none"> Implementation of policies. All employees are to be informed in writing whenever there is going to be salary increase or adjustment; 	11/5/09	Continuos	Human Resources Manager	
Recruitment Policy not Adhered	Adhere to recruitment policy.	<ul style="list-style-type: none"> Ensure that the policy suits the Ngqushwa Municipal environment; Review the policy. 	Jan 2010	Continuos	Corporate Services Executive Manager	The policy has been reviewed and the Dept. continues to review it.
General IT Controls	Improve computerized information systems control environment.	<ul style="list-style-type: none"> Database management system to be put in place. Upgrading of desktop PC's to more reliable brands e.g. HP, DELL, MECER Network cabling for the whole main building & tech services building. 	Jan 2010	March 2010	IT Technician	IT Technician has been appointed. A separate server room that is locked is also in operation.
Liquor By-Law	Development of liquor by-law.	<ul style="list-style-type: none"> Develop a liquor by-law for Ngqushwa; Take the draft for public comments. 	Jan 2010	Feb 2010	Corporate Services Executive Manager	
Overtime Worked	Proper control of overtime	<ul style="list-style-type: none"> Develop an overtime policy; Keep daily records of overtime worked; Submit monthly reports of overtime worked including the amount spent; All overtimes to be pre-approved except in emergency cases. 	Jan 2010	Continuos	All Executive Managers.	
Unauthorized Expenditure	Lack of Budgetary	<ul style="list-style-type: none"> Develop a management monitoring tool 	01/02/10		CFO	Already Developed Procedure Manual



Issues raised by Auditor General	Plan of Action	Activity	Time Frame		Responsible Official	Comments
			Start	End		
	Control	<ul style="list-style-type: none"> Whoever incurs expenditure without having funds he or she will bear the costs To block sundry payments from Venus All orders to be processed through Venus Orders to be done by Intern 	01/02/10	Ongoing		



MR M. GWINTSA



CHAPTER 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION



1 PUBLIC PARTICIPATION AND CONSULTATION

Ngqushwa Municipality uses an inclusivity approach where communities own the community development process to ensure full community participation. Municipality during their process of IDP review uses the qualitative data supplemented by qualitative inputs at ward level.

Public Participation unit resides within the office of the speaker, the unit operates under a committee which is comprised of the Speaker, who chairs the committee, a councillor, corporate service services manager, secretary of the speaker and an administration manager.

In the revision IDP process a team of volunteers from wards were set up and interviews were conducted in villages and a process of consolidation took place with ward Councillors, ward managers and volunteers.

The data obtained in the survey constituted the starting point for the for the defining development priorities and the crafting of strategic objectives. IDP stakeholders consultation processes as required by the section 34 of Municipal Structures Act, 2000 states that, municipalities must review and implement their IDP.

List of Events undertaken by Ngqushwa Municipality in the formulation of IDP for the year 08/09 is as follows:

DATE	EVENT	STAKEHOLDERS INVOLVED
8 – 9 August 2007	Desktop top rapid assessment of the Ngqushwa IDP	GTZ
20 August 2007	Meeting with Management and Mayoral Committee	HOD, Mayor and Portfolio Councillors
30 – 31 August 2007	Workshop with All internal departments to interrogate IDP document of 07/08	All Departments
3 September 2007	Approval of the IDP review 08/09 process plan	Council
19 September 2007	Workshop to train field workers on data collection	Identified field workers, Volunteers, Section Heads and Ward Councillors
26 September 2007	Revision of the community questionnaire/survey	HOD and Section Heads
8 – 12 October 2007	Preparation to roll out the survey	HOD and Section Heads
15 October 2007	Completion of the questionnaire	HOD, GTZ and Ward Councillors
09 November 2007	Execution of the community survey	HOD, GTZ and Ward Councillors
12 – 19 November 2007	Aggregation and Collation of all data collected via the field survey	Sections Heads
5 December 2007	Meeting with Management and Council	HOD and EXCO
10 – 23 December 2007	All Ngqushwa officials interpret the data	HOD, and Section Heads
9 – 10 January 2008	Workshop Phase 1 Analysis	GTZ, Speaker, Chief Whip, Provincial Representatives ADM and appointed facilitator

16 – 17 January 2008	Workshop Phase 2 Strategies	GTZ, Speaker, Chief Whip, Provincial Representatives ADM and appointed facilitator
22 – 23 January 2008	Workshop Phase 3 Project Phase	GTZ, Speaker, Chief Whip, Provincial Representatives ADM and appointed facilitator
28 – 29 January 2008	Project Team Meeting	GTZ, Speaker, Chief Whip, Provincial Representatives ADM and appointed facilitator
01 February 2008	Project Team Meeting	GTZ, Speaker, Chief Whip, Provincial Representatives ADM and appointed facilitator
14 February 2008	Project Team Meeting	GTZ, Speaker, Chief Whip, Provincial Representatives ADM and appointed facilitator
05 March 2008	Completion of Draft	Ngqushwa Officials
14 March 2008	Council Approval of Draft IDP	Council

2 WARD COMMITTEES ESTABLISHMENT AND FUNCTIONALITY

Municipality has 14 ward committees of which each committee is represented by 10 members which operate under the office of the speaker. The functioning of ward is regulated by the adopted ward committee's policy.

The ward committees attend an annual general meeting where issues such as standardization of process of identify priorities is discussed agreed upon, and any other issues which relates to the functioning but more importantly finding ways of improving the functioning and creating vital link between communities and the municipality. Municipality provides ward committees members with the stipend for subsistence and travelling allowance.

3 COMMUNITY DEVELOPMENT WORKERS PERFORMANCE MONITORING

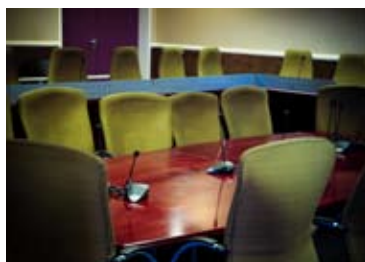
The municipality does have mechanisms to in place to ensure CDW's are functional, and their performance closely through performance reports. The operate in manner which is supplementary to the ward committees.







CHAPTER 7: FUNCTIONAL AREA AND SERVICE DELIVERY REPORTING AND DEPARTMENTAL PMS SCORECARD



GENERAL INFORMATION (POPULATION STATISTICS)

REPORTING LEVEL	DETAIL	TOTAL
OVERVIEW	The Ngqushwa Local Municipality is one of the eight municipalities under the Amathole District Municipality. Ngqushwa is located to the west of Amathole district and comprises the districts of Peddie, Hamburg and a portion of the King Williams Town District.	
INFORMATION	Geography	
	1. GEOGRAPHICAL AREA IN SQUARE KILOMETRES	2245 km ²
	2. Source of information	IDP Document
	TOTAL POPULATION	Ngqushwa Local Municipality has an estimated total population of 84233 people.
	3. Source of information	2001 Census Figures
	INDIGENT POPULATION	16491
	4. Note: Indicate source of information and define basis of indigent policy including definition of indigent	Revenue Officer
	5. TOTAL NUMBER OF VOTERS	+ - 62 000
	AGED BREAKDOWN	
	- 65 years and over	10% of the population are 65 years and older
	- between 40 and 64 years	52% of the population are between the ages of 20 and 64 years.
	- between 15 and 39 years	
	- 14 years and under	38% of the population of Ngqushwa are 19 years or younger
	6. HOUSEHOLD INCOME	
	- over R3,499 per month	3.9% of the population earn more than R3200 per month.
	- between R2,500 and R3,499 per month	
	- between R1,100 and R2,499 per month	19% of the population earn between R800 and R3200 per month
- under R1,100 per month	16419	
Note: Indicate source of information	Revenue Officer	



I FINANCE FUNCTION'S PERFORMANCE

REPORTING LEVEL		DETAIL	TOTAL
OVERVIEW			
DESCRIPTION OF THE ACTIVITY	The function of finance within the municipality is administered as follows and includes:		
	Accounting, Revenue, Expenditure, Banking & Banking Reconciliation, Insurance & Investments, Financial Reporting, Annual Budget, Annual Financial Statements and Supply Chain Management		
	The development priorities of this function were identified:		
	Finances, Internal Capacity, Alignment & coordination and Public Participation		
	The departmental objectives for 2008/09 are:		
	Increased revenue received, Ensure effectiveness and efficient utilization of financial resources, Ensure compliance with legal requirements, Improve good governance, Align plans to sector departments, Ensure Ngqushwa community own the development process		

REPORTING LEVEL		DETAIL	TOTAL
ANALYSIS OF THE FUNCTION			
1.	DEBTOR BILLINGS: NUMBER AND VALUE OF MONTHLY BILLINGS	1102	R 2 287 615
	Function - <list function here : refuse collection and rates >		
	- Number and amount billed each month across debtors by function (eg: water, electricity etc) and by category: Government, Business, Residents and Indigents		
2.	DEBTOR COLLECTIONS: VALUE OF AMOUNT RECEIVED AND INTEREST	R (000s)	
	Function - <list function here eg: refuse collection and rates etc>	<total>	
	Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function and by category		
3.	DEBTOR ANALYSIS: AMOUNT OUTSTANDING OVER 30, 60, 90 AND 120 PLUS DAYS:		R 3 000 000
4.	WRITE OFF OF DEBTS: NUMBER AND VALUE OF DEBTS WRITTEN OFF	N/A	N/A
5.	PROPERTY RATES (RESIDENTIAL)	3300	R (000s)
	- Number and value of properties rated	<343>	<value>
	- Number and value of properties not rated	<number>	<value>
	- Number and value of rate exemptions	9	<value>
6.	PROPERTY RATES (COMMERCIAL)	35	R 32 021 000
7.	PROPERTY VALUATION		
	- Year of last valuation	<2008>	
	- Regularity of valuation	<5 year>	

REPORTING LEVEL		DETAIL	TOTAL
8.	INDIGENT POLICY		
	- Quantity (number of households affected)	<12 000>	
9.	CREDITOR PAYMENTS	R (000s)	
	LIST <Postmaster, Siyaya encotsheni, Singolanga construction and Plant Hire, Siviwe Jayiya Construction, Flux Development Scientist, T.G. Menjane Builders & electrical, Zezethu engineers, Ingwenya engineers, Anix Trading 129, Ikamva architect, Umso Investment, SM Cossie & Associates, SABC Group sales& marketing, NRG Office Solution, Bathini Abantu General Construction, Sondelani, Buffalo Timber, Tinumzi trading, Dispatch media, Gate Business Services, Motor Vehicle, Mbasa enterprise and Arivia. Kom >	R 968 378.11	
11.	EXTERNAL LOANS	R (000s)	R (000s)
	- Total loans received and paid during the year	R 48 182.16	
12.	DELAYED AND DEFAULT PAYMENTS		

2. COMMUNITY SERVICES FUNCTION'S PERFORMANCE

REPORTING LEVEL	DETAIL	TOTAL
OVERVIEW		
DESCRIPTION OF THE ACTIVITY	The function of finance within the municipality is administered as follows and includes:	
	<IDP, LED, Communication, Disaster management, Traffic Services and Special programmes>	

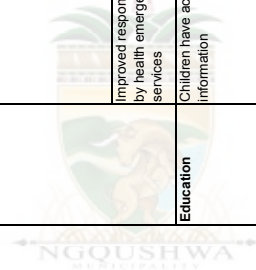
ANALYSIS OF THE FUNCTION

	Library Services;	2	
	Museum and Art Galleries;	N/A	
	Community Halls;	27	
	Cemetery and Crematoriums;	2	
	Child Care;	86 and 99	
	Parks; and	N/A	
	Sporting facilities	4	
1.	LIST OF PROJECTS WITH TOTAL COST TO THE MUNICIPALITY	5	R 351 000.00
	CORE PROJECT: Qaqamba Irrigation Scheme, Tyefu Irrigation Scheme, Khalana Irrigation Scheme, Gcinisa Irrigation Scheme, Wesley Beef Farming,		
2.	LIST OF STRATEGIES BY PROJECT		R 300 000.00
	Communication strategy, HIV strategy and LED strategy		



1. Budget and Treasury SDBIP Scorecard 2008/9
1.1 Local economic Development

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Indicator custodian	Total Score		Rescaled Score	
					25%				Actual for period	Reasons for performance		Score 1 to 5
					31-Dec	31-Mar	30-Jun					
Baseline					125%		50%		86%			
Economic growth rate	To achieve an annual growth rate of 6% by 2010/11	To develop and implement an LED strategy that will seek to diversify the economy away from being largely driven by the public sector	Development of an LED strategy	Milestones towards completed strategy	Process Plan in place	Service Provider appointed	Situational Analysis Complete	Strategy approved	Service Provider Appointed and situational analysis done	Assistance from AEDA, DBSA, GTZ and University of Fort Hara	complete the strategy	3
LED Plans	Ngqushwa gets maximum benefit from economic resources within its jurisdiction	Facilitate with Dept. of Agriculture for revitalization of agricultural activities Establishment of steering committee Develop and implement LED strategy	None	None	Adhoc	20%	25%	30%	SCM	72-10%		3
Business	Favourable business environment	Facilitate Stakeholder meeting/communication	None	None	None							5
Tourism	To increase the number of tourists visiting the Ngqushwa municipality	Marketing Ngqushwa as tourist destination Facilitate/engage ADM and DEAT on tourism development plan	Ensuring that all deserving people have access to grants Facilitate with DEAT for issuing of fishing licenses Facilitate processing of pineapples and citrus with DOA, Growers and Business	% procurement expenditure on local suppliers of services							Continue doing the good work	5
Health	Reliable, safe and affordable transport to clinics Better planning of healthcare interventions HIV/AIDS Healthy communities in NLM	Facilitate provision of public transport, between villages and clinics, through transport forum Gather statistics on HIV/AIDS status in Ngqushwa Encourage voluntary counselling and testing Facilitate with Dept. of Health on awareness campaigns on STIs and communicable diseases	None	None	None							3
Education	Improved response time by health emergency services Children have access to information	Facilitate with Dept. of Health on nutritional programmes for communities IGR strengthening towards improving emergency services Facilitate with Dept. of Education and NGOs in making sure that learners are provided learning materials in schools	None	None	None							3



FUNCTIONAL AREA AND SERVICE DELIVERY REPORTING

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Total Score		Rescaled Score	
					Baseline	25% Targets		Actual for period	Reasons for performance		Score 1 to 5
						31-Dec	31-Mar				
Safety and Security	Better education for our children	Facilitate with Dept. of Education and NGOs in making sure that learners are provided learning materials in schools	None								
	Schools have water and sanitation	Facilitate with ADM and Dept. of Education for the provision of water and sanitation	None								
	Proper profiling of the state of skills, literacy and education	Gather data on skill levels on Ngqushwa (from Dept. of Labour)	None								
	Reliable, safe and affordable transport to schools	Facilitate with Dept. of Education to provide more busses	None								
	To promote sports activities	Packaging a municipal wide school sporting promotion plan	None								
	Improved response time by police services	To facilitate development of a safety and security plan in partnership SAPS	None								
	Decrease gender based violence crime	Develop campaign strategy on anti gender based violence	None								
	Improved communication between communities and police stations	Functional Policing Forums	None								
	Self sufficient people in our communities	Involvement of DOL and business people in skills development in our communities	None								
	Reduced number of old aged people living in debt and relying on loan sharks	Regulate operation of loan sharks	None								
Land and Housing	Obtain ownership of land currently owned by other spheres of gov't and state owned enterprises	Use political influence to unlock the process	None								
	Improved sustainable human settlements (BNC)	Develop housing sector plan	None								
	User friendly community halls	Upgrading of community halls	None								
Community Facilities	Encourage sports development in the community	Upgrading sports facilities in our communities	None								
	Cemeteries and sacred sites are not properly demarcated and maintained	Regulation of burial sites	None								
	Art and Craft Centre used to its full potential	Manage the use of the Arts Craft Centre in terms of SLA	None								
Vulnerability to disaster	Create awareness on disaster risk vulnerabilities	To conduct ongoing awareness campaigns and ensure that development activities and investments take into account disaster vulnerability issue									
	Infrastructure Development and Service Delivery										



Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	125%		25%		Total Score		Rescaled Score	
					KPA Weight		Targets		Weighted KPA Score			Score 1 to 5
					Baseline	31-Dec	31-Mar	30-Jun	Actual for period	Reasons for performance		
1.2 Infrastructure Development and Service Delivery												
Transport Infrastructure (Roads, Public Transport & public Transport vehicles)	Safe well maintained transport infrastructure	To facilitate the development of an integrated transport plan	None									
		Oversee the implementation of the Integrated Transport Plan	None									
		Provision of adequate transport in villages	None									
		Have safe and well maintained transport for river crossing in Hamburg	None									
		Provision of adequate public transport shelters	None									
		Plan and identify affected areas	None									
		Regular access to mail delivered	None									
Utilities and service	Easy access to telecommunication	Plan and identify affected areas	None									
	All people have access to water	Identify the affected areas	None									
	All people have access to sanitation	Identify the affected areas	None									
	All people have access to electricity	Identify the affected areas	None									
	All indigent households have access to basic services	Database update every six months	None									
Tourism LED Infrastructure	Control stray animals	Impounding stray animals	None									
	Improve public infrastructure in Hamburg in order to stimulate LED	Facilitate the development and implementation of an infrastructure investment plan for Hamburg	None									



Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Total Score		Rescaled Score		
					125%	25%	50%	Weighted KPA Score	Score 1 to 5			
											Baseline	Actual for period
		31-Dec		30-Jun		31-Mar						
1.3 Municipal Transformation and Institutional Development												
Internal capacity	To be compliant with all legal requirements	Implement all relevant legislations and policies approved by council by June 2008	Develop a monitoring tool systems checklist focusing on all policies	Developed Tool & systems checklist	Adhoc	Developed tool & systems checklist	Policy implementation monitoring	CFO	Done	Not all policies are fully implemented e.g. write-off policy	3	100%
	NLM is fully functional and administratively exceptional (Stable municipality)	An organizational structure that fits the SDBIP	None	None								
		Recruitment/appointment of suitable staff	None	None								
		Skilled employees										
Alignment and coordination	All plans aligned to relevant sector departments and public entities	To strengthen relations between NLM and sector departments	None	None								
Asset Management	Ensure effective asset management	To develop and implement asset management policy	Implement asset management policy and update the asset register	Council approved policy	Draft policy, and outdated asset register	Council approved asset management policy	Updated asset register and policy implementation	CFO	We have updated the asset register for movable assets, its still in progress.		3	100%
Risk Management	Ensure effective risk management	To develop and implement risk management policy	Develop a risk management policy	Milestone achievement towards council approved risk management policy	No risk management policy	Undertake facilitation of policy development process	Council approved risk management policy	CFO	Draft policy in place		2	67%
Communication	To improve public profile of the municipality and increase level of awareness across Ngqushwa Municipality	Develop a municipal newsletter	None	None								
	To improve the existing website	To commission an upgrade of the existing website in terms of both user friendliness and content	None	None								

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Total Score			Rescaled Score																																																																												
					Baseline			Weighted KPA Score				Score 1 to 5																																																																											
					31-Dec	31-Mar	30-Jun	Actual for period	Reasons for performance	Corrective Action																																																																													
1.4 Financial viability																																																																																							
Local Income	Increased revenue received	Implement new valuation roll	Data base cleansing	Updated data base	Outdated data base	5%	10%	20%	28%	36%	Revenue Officer	Done	4	133%																																																																									
															Implement new tariffs into the system	%Revenue Increase	25%	31-Mar	30-Jun <td rowspan="10">Indicator custodian</td> <td rowspan="10">Revenue Officer</td> <td rowspan="10">Done</td> <td rowspan="10">4</td> <td rowspan="10">133%</td>	Indicator custodian	Revenue Officer	Done	4	133%																																																															
																									To identify opportunities to diversify the revenue base	%Revenue Increase	31-Dec	31-Mar	30-Jun	Revenue Officer	Done	4	133%																																																						
																																		To identify and implement other revenue enhancement measures	%Revenue Increase	31-Dec	31-Mar	30-Jun	Revenue Officer	Done	4	133%																																													
																																											Review meter reading and billing systems and control trends to ensure that transactions are accurately recorded and capture	% error reduction	31-Dec	31-Mar	30-Jun	Revenue Officer	Done	3	100%																																				
																																																				Outdated system	% error reduction	31-Dec	31-Mar	30-Jun	Revenue Officer	Done	3	100%																											
																																																													Debt collection from various national, provincial and large commercial customers. To explore best possible debt recovery mechanisms (calls, services and traffic fines)	amounts paid the Municipality	31-Dec	31-Mar	30-Jun	Revenue Officer	Done	4	133%																		
																																																																						Review the entire revenue management cycle	%Revenue Increase	31-Dec	31-Mar	30-Jun	Revenue Officer	Done	2	67%									
																																																																															Train existing staff on debt collection processes	Number of trained people on debt collection	31-Dec	31-Mar	30-Jun	Revenue Officer	Done	2	67%
Collect outstanding debt	None	31-Dec	31-Mar	30-Jun	Revenue Officer	Done	2	67%																																																																															
									Effective and efficient utilisation of financial resources	Budget Variance monitoring	31-Dec	31-Mar	30-Jun	Revenue Officer	Done	5	167%																																																																						
																		Implement Supply Chain Management Policy	Reviewed Policy	31-Dec	31-Mar	30-Jun	Revenue Officer	Done	3	100%																																																													
																											To facilitate development of empowerment goals captured in the SCM with all departments	Empowerment goals captured in the SCM procurement processes	31-Dec	31-Mar	30-Jun	Revenue Officer	Done	5	167%																																																				



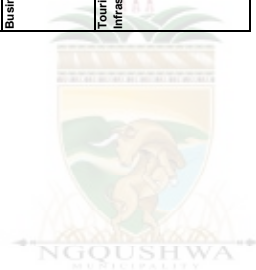
Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	Total			50%			Revised Score	
					KPA Weight		Indicator custodian	Weighted KPA Score		Reasons for performance		Score 1 to 5
					31-Dec	31-Mar		30-Jun	Actual for period			
			Quarterly reports	Level of Compliance	Quarterly Report	Quarterly Report	Quarterly Report	Annual Report	SCM Officer	Done	4	133%
Personnel Expenditure	To have personnel expenditure within 45% of operational expenditure	To monitor trends in personnel expenditure	Manage employment processes and salary adjustment in order to contain personnel expenditure within municipal principle	Personnel expenditure relative to municipal principle	3730625	7461250	11191675	14922500	CFO	13579244	4	133%
General expenditure	To have general expenditure within 20% of operational expenditure	To monitor trends in general expenditure	Monitor spending and encourage departments to belt tightening	General expenditure relative to municipal principle	2462955	4925910	7388665	9851620	Expenditure Officer	9358630	4	133%
Repairs and maintenance	To have repairs and maintenance expenditure within 15% of the operational expenditure	To monitor trends in repairs and maintenance expenditure	Monitor spending in repairs and maintenance expenditure	Repairs and maintenance expenditure relative to municipal principle	205876	411750	617625	823500	Expenditure Officer	1001428	3	100%
Debt coverage	To ensure an acceptable debt coverage ratio	To manage debt uptake	To do ratios on monthly basis	Ratios	None	3	6	9	CFO	Formulas documented and ratios done on some other months	2	67%
Service debtors to revenue ratio	To ensure an acceptable outstanding service debtors to revenue ratio	To ensure that 80% of debtors is below 90 days debtor age	To do ratios on monthly bases	Ratios	None	3	6	9	CFO	Formulas documented and ratios done on some other months	2	67%
Cost coverage	To ensure an acceptable cost coverage ratio	To plan expenditure to be in line with cash flow projections	To do ratios on monthly bases	Ratios	None	3	6	9	CFO	Formulas documented and ratios done on some other months	2	67%
Revenue by source	To cause collection of the following amounts of revenue	To develop a compliance system to access all revenues due to Ngqushwa										
Equitable share	26,128,108		To have grants schedule or register	Grants received	21,250,000	6,532,027	13,084,054	19,586,081	26,128,108	28,548,226	4	133%
Financial Management	500,000		To have grants schedule or register	Grants received	500,000	125,000	250,000	375,000	500,000	500,000	5	167%
Assessment Rates	3,000,000		Issue bills timely, collect and implement credit control policy	Amount of revenue collected	2,202,499	750,000	1,500,000	2,250,000	3,000,000	1,319,816	3	100%
Interest on bank balance	90,000		To invest surplus monies on interest bearing account	Interest received	450,000	22,500	45,000	67,500	90,000	251,168	5	167%
MIS	8,915,000		To have grants schedule or register	Grants received	57,737,000	2,228,750	4,457,500	6,686,250	8,915,000	8,915,000	5	167%
Var Recovery	985,000		To submit var 201E returns timely and make follow up	Var recovered	1,000,000	246,250	492,500	738,750	985,000	1,068,000	5	167%
DBSA	1,000,000		To have grants schedule or register	Grants received	nil	250,000	500,000	750,000	1,000,000	1,000,000	5	167%
MSIG	400,000		To have grants schedule or register	Grants received	150,000	100,000	200,000	300,000	400,000	400,000	5	167%
Other grants	To increase revenue through accessing grants applicable to Ngqushwa Municipality	To develop appropriate proposals to access all grants	To prepare proposal	2009/10 Grants allocation	Current grants	Proposals developed and submitted	Allocation received from donor	Grants captured in 2009/10 budget	Grants captured in 2009/10 budget	Done	5	167%



FUNCTIONAL AREA AND SERVICE DELIVERY REPORTING

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight		Targets		Indicator custodian	Actual for period	Weighted KPA Score	Total Score	50% 86% Corrective Action	Rescaled Score
					Baseline		30-Jun							
					125%	25%	31-Dec	31-Mar						
1.5 Good Governance														
Public participation	Improving good governance (external)	Have a list of appropriate by-laws	Facilitate development of relevant by-laws	No of by laws developed	16 draft baseline	1	2	3	4	CFO				0%
	Public awareness and ownership of municipal policies and plans (increased public awareness)	To develop a public participation strategy	Facilitate development of the public participation strategy	Strategy developed	Adhoc	Proposals drafted and submitted	Strategy developed and approved by council	Implementation of the strategy	Implementation of the strategy	MM	MM			
Councillor-administration interface			resource community halls to enhance functioning of Ward Councillors and Committees	No of established centres	Nil	126 000	84000	process completed	process completed	MM	MM			
			Training of Ward Committees											
		To improve the understanding of practicalities of implementing the collective executive system of local government	To establish and implement protocols in line with the collective executive system of local government	Facilitate development of terms of reference for Political office bearers	draft document	none	Facilitate council decision and draft document in place	Facilitate council and internal discussion processes	final draft in place	final Terms of Reference approved by council	MM	MM	SCM policy reviewed and submitted to standing committee, awaiting for council approval	
Auditor General's Report			Facilitate development and council adoption of municipal delegations	draft document	none	Facilitate council decision and draft document in place	Facilitate council and internal discussion processes	final draft in place	final delegations approved by council	MM	MM			
			Facilitate development and council adoption of municipal protocols	draft document	none	Facilitate council decision and draft document in place	Facilitate council and internal discussion processes	final draft in place	final municipal protocols approved by council	MM	MM			
	To obtain and sustain a good audit standing	To comply with auditor general checklist	To ensure the municipality responds to the AG's queries and develop an action plan going forward	Written responses to management letter	Disclaimer	To have attended to queries relating to 07/08	To have attended to queries relating to 07/08	Implement Action plan for 07/08	Implement Action plan for 07/08	CFO	Done except for projects that requires additional funding			100%

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Indicator custodian	Actual for period	Reasons for performance	Corrective Action	Score 1 to 5	Revised Score
					31-Dec	31-Mar	30-Jun						
Total					125%	25%	50%	Total Score		86%			
2. COMMUNITY SERVICES SDBIP SCORE BOARD 2008/9													
2.1 Local economic Development													
LED Plans	Ngqushwa gets maximum benefit from economic resources within its jurisdiction	Facilitate with Dept. of Agriculture for revitalization of agricultural activities	To unlock the productive potential of the Agric. schemes	No. of schemes progressing towards proper functioning	Schemes not productive	In-4 schemes proper management arrangements in place	Management arrangements done in all schemes and 4 schemes productive	All schemes are optimally functional	LED	All schemes are functioning		5	167%
			Invest in infrastructure supporting Agric. Schemes	No. of projects funded	Unknown	Baseline established	Procurement of required items	Continuous monitoring	LED	All Projects Funded		3	100%
			Working with Scom unit will develop employment goals and/or scorecard for local suppliers of services	% procurement expenditure on local suppliers of services	Adhoc	20%	25%	30%	72.1%	Done		5	167%
			Manage the process of developing the strategy	Milestones towards the adoption of the strategy	Draft situational analysis	Draft strategy adopted	Final adoption of strategy	Implementation of strategy	LED	Strategy developed awaiting adoption		3	100%
			Ensuring that all deserving people have access to grants	Number of new applications submitted through the campaign	Unknown	Establish baseline and set target	30% of people deserving have all application processes done	50% of people deserving have all application processes done	LED	70% of people deserving have all application processes done	Engaged CDW's	3	5%
			Facilitate with DEAT for issuing of fishing licenses & access to fishing spots	Progress towards lobbying DEAT	Unknown	Establish baseline	Consensus reached with DEAT	formal process towards licensing	LED	formal process towards licensing	Fishing Licenses are issued at Hamburg General Dealer and Pledde Post Office.	4	133%
			Facilitate the potential of pineapples and citrus Business with DOA, Growers and Business	Progress towards feasibility study	Unknown	Procurement Processes	Feasibility Study underway	Feasibility Study underway	LED	business planning processes	In collaboration with LECD and DEDEA feasibility study done and there's progress towards citrus fruit and pineapple production	3	100%
Business	Favourable business environment	Facilitate Stakeholder meeting/communication	Facilitate establishment of a formal structure for business and municipal leadership	first formal meeting between business and municipal leadership	Adhoc	facilitation processes and the first formal meeting	functional forum	functional forum	LED	Business forum is in Existence	A need to merge all business people under one umbrella	4	133%
Tourism LED Infrastructure	Improve public infrastructure in Hamburg in order to stimulate LED	Development of infrastructure investment plan for Hamburg	Working with Technical requirements of the LED are clear and realistic	Milestones towards development of infrastructure investment plan	No plan in place	Draft plan	Plan in place	business plan process to secure funding	LED	business plan process to secure funding	In collaboration with ASPIRE there is a multifaceted infrastructural development in Hamburg which includes ward 6 & 12	4	133%



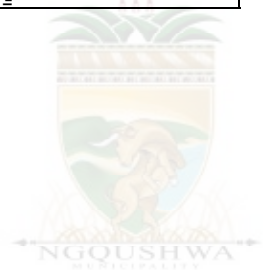
Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	Baseline	KPA Weight			Indicator custodian	Total Score		Rescaled Score
						125%	25% Targets	50% Corrective Action		Actual for period	Reasons for performance	
Tourism	Increase the number of tourists visiting the Ngqushwa municipal area	Marketing Ngqushwa as tourist destination	To develop a marketing and communication strategy for Ngqushwa municipality	Milestones towards completion of the strategy	Baseline	31-Dec	31-Mar	30-Jun	LED	Actual for period	Reasons for performance	Score 1 to 5
		Facilitate/engage ADM and DEAT on tourism	Facilitate an interaction between the Municipality, DEAT, DEEDA and ADM towards development of a tourism development plan	Number and outcome of successful meetings	Unknown	Tourism IGR processes	Tourism IGR processes	Draft Tourism development plan	LED	Implementation planning	Incorporated in the LED strategy	3
		Reliable, safe and affordable transport to clinics, through transport forum	Facilitate provision of public transport, between villages and clinics	None	None	Unknown						1
		Appropriate planning of HIV and AIDS	Gather statistics on HIV/AIDS status in Ngqushwa	To collect regular statistics on HIV/AIDS from the provincial department of health	Statistics gathered	Unknown	Continuous gathering of stats	Continuous gathering of stats	Continuous gathering of stats		Continuous gathering of stats	State in space
Health			Design and implement programmes for HIV and AIDS	Programmes implemented	28.50%	28.5%	28.5%	25%	SPU	24%	Programme is implemented	4
		Healthy communities in NLM	Facilitate with Dept. of Health on awareness campaigns on STIs and communicable diseases	To work closely with DoH to monitor and reduce the number infections and communicable diseases	Unknown	Established baseline and set targets	Awareness campaigns on STIs and other communicable diseases	update data obtained	SPU	multi-stakeholder IGR	Done	5
		Improved response time by health emergency services	IGR strengthening towards improving emergency services	To engage DoH to monitor and develop interventions to improve the services	% reduction in the number of complaints received	Unknown	Established baseline and set targets	monitor service provision	SPU	monitor service provision	Done	4
		Children have access to information	Facilitate with Dept. of Education and NCOs in making sure that learners are provided learning materials in schools	To engage with DoE to have information open days.	Number of open days held	1 (career guidance)	1	2	3	Communication Officer	4	DONE
Education	Better education for our children	Facilitate with Dept. of Education and NCOs in making sure that learners are provided learning materials in schools	To secure funding to promote establishment of libraries in high schools	Number of school libraries established	No library	Partnership facilitation processes and negotiations for resources	Partnership facilitation processes and negotiations for resources	Identification and prioritization of high schools	OSM	Identification and prioritization of high schools	DONE	3
	Schools have water and sanitation	Facilitate with ADM and Dept. of Education for the provision of water and sanitation	Engage private, public and donor institutions to donate books for high schools in Ngqushwa	Number of school libraries established	No library	Established baseline and set targets	Partnership facilitation processes and negotiations for resources	Identification and prioritization of high schools	OSM	Identification and prioritization of high schools	Skills to be pursued	3
	Well informed skills development plans	Proper profiling of the state of skills, literacy and education in Ngqushwa	To ensure an updated situational analysis of the IDP to cover state of skills, literacy and education	Updated stats in the IDP	Unknown	Established baseline and set targets	Established baseline and set targets	Undertake a situational analysis as part of the IDP process	SPU	Undertake a situational analysis as part of the IDP process		3



Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Indicator custodian	Actual for period	Reasons for performance	50% 86% Corrective Action	Rescaled Score	
					Total Score								
					125%	25%	50%						
Safety and security	Reliable, safe and affordable transport to schools	Facilitate with Dept. of Education to provide more buses	None	None	31-Dec	31-Mar	30-Jun		Calendar of events set and all of them successfully organised.		2	67%	
	To provide sports activities in schools	Releasing a municipal wide school sporting promotion plan	Facilitate a partnership with both schools and departments of Sport and Education (including the private sector)	Agreed upon schools sporting promotion plan	Completed and submitted funding proposal.	Completed and submitted funding proposal.	Implementation planning	SFU	Implementation planning	Feedback implementation plan for schools	2	67%	
	Improved response time by police services	Facilitate development of a safety and security plan in partnership with SAPS	work with SAPS to develop a plan of action to improve policing services	Milestones towards the completion of improvement plan	Collective planning with the SAPS and the police cluster	Functional safety provision	Functional safety provision	Continuous Monitoring	CSM	Done		4	133%
	Decrease gender based violence	Develop a campaign strategy on anti - gender based violence	Facilitate development of the campaign strategy on anti - gender based violence	Approved and funded awareness campaign plan	Draft Plan	Completed and submitted funding proposal.	Implementation planning	Implementation	CSM	Done	More Activities	3	100%
Social welfare	Improved communication between communities and police stations	Functional Policing Forums	establish a Ngqushwa forum comprising all CPEs and other members	Milestones towards the establishment of the forum	Fragmentation	launched municipal safety structure	functional safety structure	CSM	functional safety structure	Safety and pending Forum is in place	4		
	Reduced number of old aged people living in debt plan and relying on loan sharks	Involvement of DoL and business people in skills development in our communities	Facilitate provision of skills development interventions by the Department of Labour	Committed amount of funding	Project - based and uncoordinated interventions	Proposal Development and negotiations with relevant stakeholders	Programme planning	LED	Programme inception	Engaged Department of Labour	3	100%	
Land and Housing	Obtain ownership of land currently owned by other agencies of gov and state owned enterprises	Use political influence to unlock the process	None							It was difficult to get the information required.	3	100%	
	Improved sustainable human settlements (BNG)	Develop housing sector plan	None	% reduction in numbers of indobles beneficiaries	Established baseline and set targets	Established baseline and set targets	draft awareness plan	SFU	Implementation	Statistics collected and included in the IDP	5	167%	
Community Facilities	User friendly community halls	Upgrading of community halls	None							100% awareness workshops have been held in all 14 wards.	5	167%	
	Encourage sports development in the community	Upgrading sports facilities in our communities	None							25 % of projects are contributing towards fight against HIV/AIDS	3	100%	
									Baseline established. DOT has been conducted effectively in all wards. This has been included in the IDP and the targets have been approved.		2	67%	
								LED	Statistics collected and available on IDP.		2	67%	



Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Indicator custodian	Total Score		Rescaled Score	
					Baseline	Targets	Actual for period		Reasons for performance	Corrective Action		
												31-Dec
2.2 Infrastructure Development and Service Delivery												
Transport Infrastructure (Roads, Public Transport Infrastructure & Public Transport vehicles)	Safe well maintained transport infrastructure	To facilitate the development of an integrated transport plan	None								1	0%
		Oversee the implementation of the Integrated Transport Plan	None						IGF still not functional though meetings were held.	Junior officials who can't make decisions are sent to meetings	1	0%
		Provision of adequate transport in villages	None						Committee established	Reports not produced. This was an oversight.	1	0%
		Have safe and well maintained transport for river crossing in Hamburg	None						Committee established	Oversight on behalf of the manager.	1	0%
		Provision of adequate public transport shelters	None								1	0%
	Utilities and service	Regular access to mail delivered	Plan and identify affected areas	None							3	100%
		Easy access to telecommunication	Plan and identify affected areas	None							1	0%
		All people have access to water	Identify the affected areas	None							1	0%
		All people have access to sanitation	Identify the affected areas	None							3	100%
		All people have access to electricity	Identify the affected areas	None						Baseline established. Each ward has 1 fire volunteer. Restocking complete.	3	100%
		All indigent households have access to free basic services	Database update every six months	None						Shift system of 24 hours is in place, which began as of the 1st of July.	1	0%
		Control stray animals	Impounding stray animals	None							5	167%
	Tourism LED Infrastructure	Improve public infrastructure in Hamburg in order to stimulate LED	Facilitate the development and implementation of an infrastructure investment plan for Hamburg	None						Baseline established. Quarterly reports are submitted to the advisory forum.	3	100%
									Assessment is done immediately after incident, except when it is far beyond our capacity.	3	100%	



FUNCTIONAL AREA AND SERVICE DELIVERY REPORTING

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Indicator custodian	Actual for period	Reasons for performance	Corrective Action	Score 1 to 5	Rescaled Score
					Total	125%	25%						
					Baseline	31-Dec	31-Mar						
2.3 Municipal Transformation and Institutional Development													
Internal Capacity	To be compliant with legal requirements	Implement all policies approved by council by June 2008	None							100% meetings are attended by representatives.		1	0%
	NLM is fully functional and administratively exceptional (Stable municipality)	An organizational structure that fits the SDBIP	None							Clinic committees do participate.	Oversight	1	0%
		Recruitment/appointment of suitable staff	None							Survey - insufficient medicine.		1	0%
		Skilled employees	None							Nompumelelo Hospital only		1	0%
Alignment and coordination	All plans aligned to relevant sector departments and public entities	To strengthen relations between NLM and sector departments										1	0%
Asset Management	To have effective asset management	To develop and implement asset management policy	To ensure implementation of the asset management policy	Approved policy								2	67%
Risk Management	To have effective risk management	To develop and implement risk management policy	To ensure implementation of the risk management policy	Approved policy								2	67%
Communication	Improve public profile of the municipality and increase levels of awareness across Ngqushwa	To develop a municipal newsletter	To facilitate consistent publication of the news letter	inconsistent publication								5	167%
	Improve the existing website	To commission an upgrade of the current website in terms of both user-friendliness and content	Facilitate the process of upgrading the municipal website	Formal commissioning of the process								3	100%
				Information is outdated and not a user friendly website								3	100%

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Total Score		Rescaled Score
					Baseline	Targets		Weighted KPA Score	Corrective Action	
						31-Dec	31-Mar			
2.4 Financial viability										
Local income	Increased revenue received	Implement new valuation roll								
	Implement new tariffs									
	Collect 50% of outstanding traffic fines by June 2009	Collect outstanding debt	To develop outstanding debt collection plan	% debt collection relative to the total annual target	Unknown	Establish baseline	20% of fines to be collected	30% of fines to be collected	36% of fines to be collected	36% of fines to be collected
	Effective and efficient utilisation of financial resources	Implement budget monitoring and control								
		Implement Supply Chain Management Policy								
Personnel expenditure	To have personnel expenditure within 45% of the operational expenditure	To monitor trends in personnel expenditure	Manage employment and encourage departments to adjust in order to contain personnel expenditure within municipal principle	Personnel expenditure relative to municipal principle		768,415.75	1,536,831.50	2,305,247.25	3,073,663.00	133%
General expenditure	To have general expenditure within 20% of the operating expenditure	To monitor trends in general expenditure	Monitor spending and encourage departments to belt tightening	General expenditure relative to municipal principle		438,250.00	438,250.00	438,250.00	438,250.00	133%
Repairs and maintenance expenditure	To have repairs expenditure at about 15% of the operating expenditure	To monitor trends in repairs and maintenance expenditure	Monitor spending and encourage departments to belt tightening	Repairs and maintenance expenditure relative to the municipal principle		7,500.00	15,000.00	22,500.00	30,000.00	133%
Debt Coverage	To ensure an acceptable coverage ratio	To manage debt uptake	To do ratios on monthly basis	Ratios						0%
Service debtors to revenue ratio	To ensure an acceptable outstanding service debtors to revenue ratio	To ensure that 80% of debtors is below 90 days debtor age	To do ratios on monthly bases	Ratios						0%
Cost coverage	To ensure an acceptable cost coverage ratio	To plan expenditure to be in line with cash flow projections	To do ratios on monthly bases	Ratios						0%
Revenue by source	To cause collection of the following	Develop a compliance system to								
Traffic	700,000	Issuing and collection of traffic fines	Amount of revenue collected			R 175,000	R 350,000	R 525,000	R 700,000	133%
Agency fees	650,000	Ensure registration and licensing of vehicles	Amount of revenue collected			R 162,500	R 325,000	R 487,500	R 650,000	133%
Learners Licences	690,000	To monitor proper functioning of learners testing centre	Amount of revenue collected			R 172,500	R 345,000	R 517,500	R 690,000	133%
Drivers licences	350,000	Establish drivers licences testing centre	To have a fully functional drivers licences testing centre		Unknown	R 87,500	R 175,000	R 262,500	R 350,000	0%



FUNCTIONAL AREA AND
SERVICE DELIVERY REPORTING

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Total Score		Rescaled Score			
					125%		50%		Weighted KPA Score		Score 1 to 5		
					31-Dec	31-Mar	30-Jun	Corrective Action					
Expenditure	To contain expenditure within the following												
Salaries	R 3,073,663	Manage employment processes and salary adjustments	Amount spent		R 788,416	R 1,536,832	R 2,305,247	R 3,073,663		4	133%		
Internal capacity	To be compliant with legal requirements	Implement all policies approved by council by June 2008	Develop a monitoring tool	Developed checklist	lack of policy implementation check/tool	Developed checklist	implementation monitoring	CSM	All policies adopted by council are implemented	Funding secured. In process with appointing a service provider	Database is not complete/ properly arranged. Lack of funding.	3	100%
General expenditure	R 1,575,000	Control of purchasing and follow SCM processes	Amount spent	amount expended relative to the budget	R 383,750	R 787,500	R 1,181,250		R 1,575,000	Funding secured. Need identified. DoA to implement.		4	133%
Repairs and maintenance	R 30,000	Ensure that assets are well maintained	Amount spent	amount expended relative to the budget	R 7,500	R 15,000	R 22,500	CSM	R 30,000			4	133%

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Indicator custodian	Actual for period	Weighted KPA Score	Total Score	50% 86% Corrective Action	Rescaled Score	
					Targets									Score 1 to 5
					31-Dec	31-Mar	30-Jun							
2.5 Good Governance														
Public participation	Improving good governance (external)	Have a list of appropriate by-laws	Facilitate development of relevant by-laws	No of by-laws developed	16 Draft by-laws	1 by-law	2 by-law	3 by-law	4 by-laws				1	0%
	Ngqushwa community own the community development process	To ensure community participation											1	0%
Councillor administration interface	To improve the understanding of practicalities of implementing the collective executive system of local government	To establish an implement protocols in line with the collective executive system of local government	Terms of reference (political office bearers), delegation and protocol							Possible options identified.	Some options went to Council		1	0%
Auditor General Report.	To obtain a positive unqualified auditor generals report	To comply with auditor general checklist												



FUNCTIONAL AREA AND SERVICE DELIVERY REPORTING

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight		Indicator custodian	Actual for period	Reasons for performance	Score 1 to 5	Rescaled Score
					Baseline	25% Targets					
					31-Dec	31-Mar					
3. CORPORATE SERVICES SDBIP SCOREBOARD 2008/9											
3.1 Local economic Development											
LED Plans	Ngqushwa gets maximum benefit from economic resources within its jurisdiction	Facilitate with Dept. of Agriculture for revitalization of agricultural activities	None								
	Develop and implement LED Strategy	To ensure that the plan is aligned to the SDF of Ngqushwa area	Aligned anchor project proposals in the LED	Participate in the steering committee driving the LED process	Participate in the steering committee driving the LED process	Participate in the steering committee driving the LED process	Participate in the steering committee driving the LED process	Participate in the steering committee driving the LED process	Participate in the steering committee driving the LED process	Participate in the steering committee driving the LED process	1
		None									3
		Facilitate alignment of SDF with LED priorities	Aligned plan								1
		Establishment of steering committee	None								1
		Ensuring that all deserving people have access to grants	None								1
		Facilitate with DEAT for issuing of fishing licenses	None								1
		Facilitate processing of proposals and grants with DOA, Growers and Business	Participate in the steering committee to identify suitable land for pineapples and citrus value addition	Suitable land identified for approval by council	Participate in the steering committee driving the LED process	Participate in the steering committee driving the LED process	Participate in the steering committee driving the LED process	Participate in the steering committee driving the LED process	Participate in the steering committee driving the LED process	Participate in the steering committee driving the LED process	3
		Favourable business environment	Facilitate Stakeholder meeting/communication	None							1
		To increase the number of tourists visiting Ngqushwa area	Facilitate/engage ADM and DEAT in tourism activities	None							1
Business		Market/Hamburg as Tourist Destination	None								1
		Facilitate provision of public transport to airports and clinics, through transport forum	None								1
Health	Better planning of healthcare interventions HIV/AIDS	Gather statistics on HIV/AIDS status in Ngqushwa	None								1
	Healthy communities in NLM	Facilitate with Dept. of Health on awareness campaigns on STIs and communicable diseases	None								1
Education	Improved response time by health emergency services	Facilitate with Dept. of Health on national programmes for communities	None								1
	Children have access to information	Facilitate with Dept. of Education and NGOs in making sure that learners are provided learning materials in schools	None								1

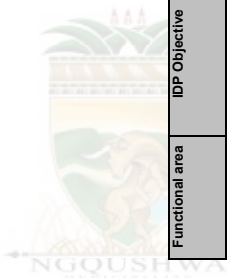


Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Total Score		Recalculated Score	
					25% Targets		Weighted KPA Score	Actual for period	Reasons for performance		Score 1 to 5
					31-Dec	31-Mar					
Total					125%	25%	50%	86%	Corrective Action		
Safety and Security	Better education for our children	Facilitate with Dept. of Education and NSOs in making sure that learners are provided learning materials in schools	None							1	
	Schools have water and sanitation	Facilitate with ADM and Dept. of Education for the provision of water and sanitation	None							1	
	Well informed skills development plans	Gather data on skill levels on Ngqushwa (from Dept of Labour)	None							1	
	Reliable, safe and affordable transport to schools	Facilitate with Dept. of Education to provide more busses	None							1	
	To promote good quality sport in our school	Packaging a Municipal wide school promotion plan	None							1	
	Improved response time by police services	Mobilise more police reservists from villages	None							1	
	High crime levels decrease, especially gender based violence	Develop campaign plan on anti gender based violence	None							1	
	Improved communication between communities and police stations	Functional Policing Forums	None							1	
	Social welfare	Self sufficient people in our communities	Involvement of Dst. and business owners in job development in our communities	None							1
		Reduced number of old aged people living in debt and relying on loan sharks	Regulate operation of loan sharks	None							1
Obtain ownership of land currently owned by other spheres of gov and state owned enterprises		Lobby for the donation of land to the Municipality	Facilitate discussions between the municipality and relevant stakeholders	Outcomes of successful negotiations	0%	30%	70%	100%	In progress. Political ownership of land/buildings are transferred to the Department of Public Works by the Mayor	3	100%
Improved sustainable human settlements (BNG)		Facilitate development of local investment plans targeting primary nodes (above land)	Secure funding for development of the required investment plans	Adopted local investment plans	0%	Drift Business Plan	Submission to potential funders	Submission to potential funders	done	2	67%
Community facilities	Use friendly community halls	Develop housing sector plan	Facilitate the finalisation of the HSP	Adopted housing sector plan	Drift in place	Presentation and adoption by council	Presentation and adoption by council	done	5	167%	
	Encourage sports development in the community	Upgrade sports facilities in our communities	Facilitate projects business planning and application process	Number of application Business plans finalised and approved by council for submission	none	1 business plan	2 business plan	Submission to DHLG &TA	Submission to DHLG &TA	5	167%
		Upgrade sports facilities in our communities	Upgrade sports facilities in our communities							1	

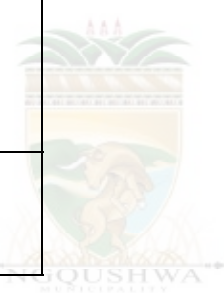


FUNCTIONAL AREA AND SERVICE DELIVERY REPORTING

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Total Score		Rescaled Score			
					125%	25%		Weighted KPA Score	Corrective Action				
						Baseline	31-Dec				31-Mar	30-Jun	
Vulnerability to disaster	Cemeteries and sacred sites are not properly demarcated and maintained	Formalisation of burial sites (Regulation of burial sites)	Identification of suitable land and formalisation of existing suitable sites	No of settlements with identified suitable land	13 settlements	2 settlements identified	5 settlements identified	6 settlements identified	7 settlements identified	Estate Officer	5 wards identified for formalisation of cemeteries	2	67%
	Art and Craft Centre used to its full potential	Encourage the use of the Arts Craft Centre in terms of SLA	None									1	
	To provide effective fire services	Working with ADM to restructure services and redeploy capacity improve response time	None										1
	To reduce the levels of vulnerability to disaster (Create awareness on disaster risk vulnerability)	To conduct ongoing awareness campaign and ensure that development activities and investments take into account disaster vulnerability issues	None									1	



Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Indicator custodian	Actual for period	Reasons for performance	Score 1 to 5	Rescaled Score
					125%	25%	50%					
					31-Dec	31-Mar	30-Jun					
3.2 Infrastructure Development and Service Delivery												
Transport Infrastructure (Roads, Public Transport Infrastructure & public Transport vehicles)	To ensure that the plan is aligned to the SDF of Ngqushwa area	To facilitate the development of an integrated transport plan	Aligned transport plan	no transport plan	Participate in the Steering Committee of the Transport Plan	Participate in the Steering Committee of the Transport Plan	Participate in the Steering Committee of the Transport Plan	Estate Officer	Not done		2	67%
	Oversee the implementation of the Integrated Transport Plan	None	None	None						1		
	Provision of adequate transport in villages	None	None	None						1		
	Have safe and well maintained transport for river crossing in Hamburg	None	None	None						1		
	Provision of adequate public transport shelters	None	None	None						1		
	Plan and identify affected areas	None	None	None						1		
	Plan and identify affected areas	None	None	None						1		
	Identify the affected areas	None	None	None						1		
	Identify the affected areas	None	None	None						1		
	Identify the affected areas	None	None	None						1		
Utilities and service	Regular access to mail delivered	None	None	None						1		
	Easy access to telecommunication	None	None	None						1		
Tourism LED Infrastructure	All people have access to water	None	None	None						1		
	All people have access to sanitation	None	None	None						1		
	All people have access to electricity	None	None	None						1		
	All indigent households have access to free basic services	None	Database update every six months	None						1		
	Control stray animals	None	Impounding stray animals	None						1		
	Improve public infrastructure in Hamburg in order to stimulate LED	Facilitate the development and implementation of an infrastructure investment plan for Hamburg	Aligned Infrastructure Investment Plan	0	Participate in the Steering Committee Meeting	Participate in the Steering Committee Meeting	Participate in the Steering Committee Meeting	Estate Officer	Done		3	100%



Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Indicator custodian	Actual for period	Reasons for performance	Corrective Action	Rescaled Score	
					Targets								
					31-Dec	31-Mar	30-Jun						
3.3 Municipal Transformation and Institutional Development													
Internal capacity	To be compliant with legal requirements	Implement all policies approved by council by June 2008	Develop overall systems checklist and monitor compliance for each legislative requirements	Checklist developed and progress report to council	None	Draft being circulated to depts. for comments	Submission to council for noing	Corporate Services Manager	Not done	Management oversight	We are currently in consultation with the MSU of ADM	67%	
	NLM is fully functional and administratively exceptional (Stable municipality)	Facilitate development of an organizational structure that responds to the powers and functions of Ngqushwa municipality	Undertake the process of organizational structure development and restructuring process	milestone towards achieving the objective	None	Procurement processes and project inception phase	Process unfolds	Corporate Services Manager	Done			100%	
		Recruitment/ appointment of suitable staff		No of staff appointed	None		to be determined		HR Officer	Done			100%
		Skilled employees		Development of Workplace Skills Plan and submit to SETA	No of staff trained	WSP in place	Implementation		HR Officer	Done			100%
Asset Management	All plans aligned to relevant sector departments and public entities	To strengthen relations between NLM and sector departments	None										
	To have effective asset management	To develop and implement asset management policy	Facilitate development of asset management policy and oversee implementation	Approved policy in place	Draft in place	Policy finalisation process and council approval	Asset Register Update	Corporate Services Manager	Not done		Will be submitted to Council in the next set of policies to be approved	67%	
	To have effective Risk management	To develop and implement risk management policy	Implementation of Risk Management Policy	Approved policy in place	Adhoc risk measures	Participate in the development of policy	Participate in the development of policy	Corporate Services Manager	Not done		Will be submitted to Council in the next set of policies to be approved	67%	
Communication	To improve public profile of the Municipality and increase levels of awareness across Ngqushwa	Develop a municipal newsletter	None										
	To improve the existing website	To commission and upgrade of the existing website in terms of both user friendliness and content	None										
Working environment	To improve Municipal working environment	To develop a team building programme	Develop and lead implementation of a team building programme	Secured funding		plan team building	solicit funding	Corporate Services Manager	Not done		To be done in this financial year as it has budgeted for in this financial year	0%	
	To introduce performance monitoring and rewards system for middle managers and below	To review performance management tool and identify incentives for middle managers and below	Facilitate development of the performance reward system	Adopted reward system	Focus is only on Senior managers	Draft, finalise and facilitate signing of performance agreements	Institutionalisation and implementation of the PMS and the reward system	Corporate Services Manager	Not done		To follow up/ progress on the work started by PDG (Interviews held by PDG with Middle Managers to develop scorecards)	67%	



Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Total Score		Rescaled Score	
					25% Targets		Actual for period	Reasons for performance	Score 1 to 5		
					31-Dec	30-Jun					50% Corrective Action
3.4 Financial viability											
0% Data Collection Draft roll											
Local Revenue	Increased revenue received	Implement new valuation roll	Conduct supplementary valuation	Supplementary valuation roll	Estate Officer	Facilitate public comments, certification and finalisation	Done			3	100%
	Implement new tariffs		None							1	
	To identify opportunities to diversify the revenue base		None							1	
	Collect 50% of outstanding traffic fines by June 2009		None							1	
	Effective and efficient utilisation of financial resources	Implement budget monitoring and control	None							1	
		Implement Supply Chain Management Policy	Training interventions on the SCM policy	No of people trained	HR Officer	All relevant staff trained	All councillors trained	SCM has been reviewed but has not been approved by the council		2	67%
Personnel Expenditure	To have personnel expenditure within 45% of the operational expenditure	To monitor trends in personnel expenditure	Manage employment processes and salary adjustment in order to contain personnel expenditure within municipal principle	Personnel expenditure relative to municipal principle	HR Officer					1	0%
General Expenditure	To have general expenditure within 20% of the operational expenditure	To monitor trends in general expenditure	Monitor spending and encourage departments to belt tightening	General expenditure relative to municipal principle						3	100%
Repairs and maintenance	To have repairs and maintenance expenditure within 15% of the operational expenditure	To monitor trends in repairs and maintenance expenditure	Monitor spending	Repairs and maintenance expenditure relative to municipal principle	Corporate Services Manager			Done		2	67%
Debt coverage	To ensure an acceptable debt coverage ratio	To manage debt uptake	To do ratios on monthly basis	Ratios	Corporate Services Manager					1	0%
Service debtors to revenue ratio	To ensure an acceptable outstanding service debtors to revenue ratio	To ensure that 80% of debtors is below 90 days delinquent	To do ratios on monthly bases	Ratios						1	0%
Cost coverage	To ensure an acceptable cost coverage ratio	To plan expenditure to be in line with cash flow projections	To do ratios on monthly bases	Ratios						2	67%
Revenue by Source	To cause collection of the following amounts of revenue	Develop a compliance system to access all revenues due to Ngqushwa	Monitoring of hiring of Halls	Amount of revenue collected						3	100%
Hall Hire	10,500		Development of hall hiring policy	Approved policy						3	100%
Site and Service	30,000		Monitor payment of billboard rentals	Amount of revenue collected						2	67%
Property Leases	30,000		Monitoring of leases	Amount of revenue collected						2	67%
										Score 1 to 5	



Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Indicator custodian	Total Score		Rescaled Score	
					Baseline	25% Targets			Actual for period	Reasons for performance		Score 1 to 5
						31-Dec	31-Mar					
Expenditure	3,233,310											
Salaries	3,233,310		Expenditure within the budget		80,832,750	1,616,655	2,424,983	3,233,310	Corporate Services Manager		5	167%
Repairs and maintenance	180,000		Expenditure within the budget		45,000	90,000	135,000	180,000	Corporate Services Manager		2	67%



FUNCTIONAL AREA AND SERVICE DELIVERY REPORTING

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Indicator custodian	Actual for period	Weighted KPA Score	Total Score	50% Corrective Action	Rescaled Score	
					25% Targets									
					31-Dec	31-Mar	30-Jun							
3.5 Good Governance														
Public participation	Improving good governance (external)	Have a list of appropriate by-laws	Facilitate the gazetiting of the existing by laws	Gazetted by laws ready for implementation	Monitoring of progress towards finalisation of gazette	0	1	2	3	Done	Done	Implementation of by laws	3	100%
						16 draft by laws	Monitoring of progress towards finalisation of gazette	All by laws Gazetted and ready for implementation	Corporate Services Manager					
Councillor administration Interface	To improve the understanding of practicalities of implementing the collective executive system of local government.	To ensure community participation	Adhere to municipal calendar	No of ward committee meetings	Quarterly ward committee meetings	0	1	2	3	Ward committee meetings sit quarterly	Done	Corporate Services Manager	5	167%
						No of ward committee meetings	Quarterly ward committee meetings	Quarterly ward committee meetings	Admin Officer					
Auditor General's Report	To obtain and sustain a good audit standing	To establish and implement protocols in line with the collective system of local government	Key milestones towards implementing a collective executive system	No of Councillors trail	To have attended to queries raised 07/08	0	1	2	3	0 to have attended to queries raised 07/08	Done	Corporate Services Manager	3	100%
						Written responses to management letter	To have attended to queries relating to 07/08	Implement Action plan for 07/08	Done					
		To comply with auditor general checklist	To ensure the municipality responds to the AG's queries and develop an action plan going forward	Disclaimer	To have attended to queries relating to 07/08									



Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Actual for period	Reasons for performance	Score 1 to 5	Rescaled Score										
					12.5%	25%	50%														
					31-Dec	31-Mar	30-Jun														
4. TECHNICAL SERVICES SDBIP SCOREBOARD 2008/9																					
4.1 Local economic Development																					
LED Plans	Ngqushwa gets maximum benefit from economic resources within its jurisdiction	Facilitate with Dept. of Agriculture for revitalization of agricultural activities	Develop in partnership with SCM empowerment scorecards	% of projects which meet set targets	Draft LED plan	20%	30%	72.10%	this is in line with tender documents	5	167%										
												Develop and implement LED Strategy	participate in the LED formulation process	participate in the LED formulation process	participate in the LED formulation process	we took part in LED workshops and have meetings with LED	3	100%			
												Establishment of steering committee	None	None	None	None	None	None	None	None	None
												Ensuring that all deserving people have access to grants	None	None	None	None	None	None	None	None	None
												Facilitate with DEAT for issuing of fishing licenses	None	None	None	None	None	None	None	None	None
												Facilitate processing of pineapples and citrus with DOA, Growers and Business	None	None	None	None	None	None	None	None	None
												Facilitate Stakeholder meeting/communication	None	None	None	None	None	None	None	None	None
												Increase no. of tourists in Ngqushwa area	Marketing Ngqushwa as tourist destination	None	None	None	None	None	None	None	None
												Facilitate/engage ADM and DEAT on tourism activities	None	None	None	None	None	None	None	None	None
												Market Hamburg as Tourist Destination	None	None	None	None	None	None	None	None	None
Health	Reliable, safe and affordable transport to clinics	Facilitate provision of public transport, between villages and clinics, through transport forum	Identify needy areas and set meeting with transport forum	Number of clinics with public transport	lack of transport to clinics	Needy areas identified	provision of transport to take people to clinics	improve transportation	Done	3	100%										
												submit the areas to transport forum meeting and initiate planning	None	None	None	None	None	None	None		
Education	Better planning of healthcare interventions (HIV/AIDS)	Gather statistics on HIV/AIDS status in Ngqushwa	None	None	None	None	None	None	None	None	None										
												Encourage voluntary counselling and testing	None	None	None	None	None	None	None		
												Facilitate with Dept. of Health on nutritional programmes for communities	None	None	None	None	None	None	None		
												Improved response time by health emergency services	IGR strengthening towards improving emergency services	None	None	None	None	None	None		
Education	Children have access to information	Facilitate with Dept. of Education and NGOs in making sure that learners are provided learning materials in schools	Facilitate with Dept. of Education and NGOs in making sure that learners are provided learning materials in schools	None	None	None	None	None	None	None	None										
												Facilitate with Dept. of Education and NGOs in making sure that learners are provided learning materials in schools	None	None	None	None	None	None	None		



Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight		Targets		Indicator custodian	Actual for period	Total Score		Rescaled Score
					125%		25%				Reasons for performance	Score 1 to 5	
					31-Dec	31-Mar	30-Jun	50%					
			Keep electronic register of burial sites (Urban and Heritage Sites)	Active database	No register	Marking and numbering of burial sites	User-friendly records	User-friendly records	User-friendly records	Technical Manager	software required from service providers that the municipality must have	2	67%
	Art and Craft Centre used to its full potential	Encourage the use of the Arts Craft Centre in terms of SLA	None										



Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Total Score		Rescaled Score		
					125%			Weighted KPA Score			Score 1 to 5	
					Baseline	Targets	Indicator custodian	Actual for period	Reasons for performance			
	Control stray animals	Impounding stray animals	Impound all stray animals	% reduction in number of stray animal caused incidents	31-Dec	31-Mar	30-Jun	Technical Manager	Done	5	167%	
					Establish base line and set targets	reduce no. of stray animals by 50%	reduce no. of stray animals by 60%	reduce no. of stray animals by 75%				
Tourism LED Infrastructure	Improve public infrastructure in Hamburg in order to stimulate LED	Input in the development and implementation of an infrastructure investment plan for Hamburg	Ensure that all infrastructure requirements of the LED are clear and realistic	Integrated Hamburg infrastructure investment plan	Undertake planning process towards commitment of budget allocation for next financial year	Undertake planning process towards commitment of budget allocation for next financial year	Undertake planning process towards commitment of budget allocation for next financial year	Technical Manager	Done	3	100%	



FUNCTIONAL AREA AND SERVICE DELIVERY REPORTING

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight			Indicator custodian	Actual for period	Weighted KPA Score	Total Score	50%	86%	Corrective Action	Score 1 to 5	Rescaled Score
					Targets											
					31-Dec	31-Mar	30-Jun									
4.3 Municipal Transformation and Institutional Development																
Internal capacity	To be compliant with legal requirements	Implement all policies approved by council by June 2008	systems check list	check list developed	none	developed check list	monitor	monitor	monitor	Technical Manager	All policies submitted to council and approved and are implemented	Done		3	100%	
	NLM is fully functional and administratively exceptional (Stable municipality)	An organizational structure that fits the SDBIP										Done		3	100%	
		Recruitment/appointment of suitable staff	Skilled employees									Done	DONE	3	100%	
Alignment and coordination	All plans aligned to relevant sector departments and public entities	To strengthen relations between NLM and sector departments										In progress		2	67%	
Asset Management	To have effective asset management	To develop and implement asset management policy	Implementation of Asset Management Policy	Key milestones towards effective implementation of asset management Policy	draft policy	Participate in the development of policy	Participate in the development of policy	Participate in the development of policy	Participate in the development of policy	TSM	Draft	still working on it		2	67%	
Risk Management	To have effective Risk management	To develop and implement risk management policy	Implementation of Risk Management Policy	Key milestones towards effective implementation of risk management Policy	Adhoc risk measures	Participate in the development of policy	Participate in the development of policy	Participate in the development of policy	Participate in the development of policy			Done		2	67%	
Communication	Improve public profile of the municipality and increase levels of awareness across Ngqushwa Municipality	Develop a Municipal News Letter	None													
	Improve the existing website	To commission an upgrade in terms of both user friendliness and content	None													

Functional area	IDP Objective	IDP Strategy	Departmental Activity	Indicator	KPA Weight		Total Score		Rescaled Score
					Targets		Actual for period	Reasons for performance	
					31-Dec	31-Mar			
4.4 Financial viability									
Local Revenue	Increased revenue received	Implement new valuation roll	None						
		Implement new tariffs	None						
		To identify opportunities to diversify the revenue base	None						
	Collect 50% of outstanding traffic fines by June 2009	Collect outstanding debt	None						
	Effective and efficient utilization of financial resources	Implement budget monitoring and control	None						
		Implement Supply Chain Management Policy	None						
Personnel Expenditure	To have personnel expenditure within 45% of the operating expenditure	To monitor trends in personnel expenditure	Manage Personnel expenditure relative to municipal principle	% of expenditure relative municipal principle	monitor expenditure	monitor expenditure	TSM	1,900,463	2
General Expenditure	To have general expenditure within 20% of the operating expenditure	To monitor trends in general expenditure	General expenditure vs. municipal principle	% of expenditure vs. municipal principle	monitor expenditure	monitor expenditure	TSM	2,168,010	2
Repairs and maintenance expenditure	To have repairs and maintenance expenditure at about 15% of the operating expenditure	To monitor trends in repairs and maintenance expenditure	Repairs and maintenance vs. municipal principle	% of expenditure vs. municipal principle	monitor expenditure	monitor expenditure	TSM	396,334	3
Debt Coverage	To ensure acceptable debt coverage ratio	To manage debt uptake	None						
Service debtors to revenue ratio	To ensure acceptable outstanding service debtors to revenue ratio	To ensure that 80% of debtors is below 90 days debtor age	None						
Cost Coverage	To ensure an acceptable cost coverage ratio	To plan expenditure to be in line with cash flow projections	None						
Revenue by source	To cause collection of the following amounts of revenue	Develop a compliance system to access all revenues due to Ngqushwa	none						
Refuse removal			Daily refuse removals in urban areas and weekly along the coast	Amount of Revenue collected	R 489,426	R 112,500	R 337,900	R 450,000	
Pound Fees	R 450,000 R 109,000		Reduce number of stray animals	Amount of Revenue collected	R 0	R 27,250	R 81,750	R 109,000	170,740 Cannot meet the budgeted amount because of the indigent
Public Toilets	R 5,000		Cleaning and maintenance of public toilets regularly	Amount of Revenue collected	R 15,000	R 1,250	R 3,750	R 5,000	34,165
Building Plan fees	R 145,000		To develop and implement awareness campaign	Amount of Revenue collected	R 50,000	R 36,250	R 108,750	R 145,000	107,576
Cemetery fees	R 8,000		Cleaning and maintenance of cemeteries regularly	Amount of Revenue collected	R 0	R 2,000	R 6,000	R 8,000	944
EXPENDITURE	To contain expenditure within the following amounts	To implement the municipal financial management plan							



