

DRAFT ANNUAL REPORT



FOR THE YEAR ENDED 30 JUNE 2009

NO. 1 SELLER STREET.
MACLEAR
5480

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GLOSSARY OF TERMS

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MANDATE: *(as contained in the Constitution of the Republic of South Africa, Act of 1996)*

- Provide Democratic and Accountable Government for all Communities
- Ensure the provision of services to communities in a sustainable manner
- Promote Social and economic Development
- Promote a Safe and Healthy Environment; and
- Encourage the involvement of communities and community organizations in the matters of Local Government

VISION:

The municipality visualizes **“A Better Quality of Life for all “**

MISSION:

Through **“An efficiently managed institution that is committed to the eradication of poverty and ensure sustainable service delivery to the community”**

Mayor's Foreword



I am proud and privileged as Mayor of Elundini Municipality to present the Annual Report for the 2008/2009 financial year. The presentation of the annual report of the Elundini Municipality for the year ended 30 June 2009 marks another Landmark in the history of the Municipality and is evidence of progress made towards attainment of our vision for “a better quality of life for all”.

It was a very productive year and a great deal of progress was made, however, serious challenges that continue to plague the municipality are not completely overcome. And thus we, as the municipality, remain concerned with service delivery backlogs and this remains a critical focus area for us.

Another highlight was the significant milestone in the country's history that this year brought about when the general

elections were held nationwide. At a municipal level this presented a challenge and perhaps an opportunity to intensify a

visible Service Delivery Programme. This all takes place at a time in which the municipal council and senior administration have emerged from a strategic Planning session which was intense, productive and focused. From this session we had come out with a clear and concise strategy and objectives for the financial year ahead 2009/2010.

I must take this opportunity to express my sincere gratitude to the Honourable Madam Speaker, the executive Committee and the municipal council as well as the administration for all their efforts during the past financial year. It is with such unity and combined effort that we shall realize our vision of “a better quality of life for all”.

.....
His Worship, the Mayor
Cllr Bongani Salman

Municipal Manager's statement



When we mooted the idea of holding a strategic planning session in December 2008, we agreed that the most appropriate theme for the strategic planning session must be “Rural Development for Human Development”. This theme, as we reminisced, would help refocus the Elundini Municipality into paying particular attention to the socio economic circumstances of the rural poor, while also consolidating the existing initiatives in our small rural towns.

We were confronted by realities of under development and poverty that currently characterize rural life in the Elundini Municipality, where: -

- 54% of rural people do not have access to clean drinking water
- 76% of homesteads, mainly concentrated in the Mt Fletcher area, do not have access to electricity
- The majority of our access roads are not trafficable

- Most households do not have decent sanitation facilities
- Unemployment is rife and poverty is the order of the day

We were unanimous that the urban core of Elundini can best be described as rural towns, particularly because the level of infrastructure development and the living conditions of the majority residing in the urban core of the Elundini Municipality are critically lower than that of more developed cities in the province and the entire country.

Rural municipalities of the ilk of Elundini Municipality are heavily reliant on government transfers to be able to discharge their constitutional obligations. The small revenue base of the Elundini Municipality and the indigent status of a significant number of households put a damper to our desire to fundamentally address the socio economic circumstances of our people.

We have attempted to borrow money so we could acquire our own property and machinery, but our credit profile has let us down. We are still determined, however, to do whatever it takes, to have our own plant and machinery and be in a position to respond to the incessant calls to improve the condition of our roads.

Since 2007, we have attempted to engage the Department of Minerals and Energy to resolve the long outstanding issue of the non electrification of the vast majority of our rural area. In April 2009, we managed to meet with the then Minister of Minerals and Energy, who showed willingness to attend to our plight. Unfortunately, she was allocated other responsibilities after the general elections and our efforts to get an audience with the new minister have been in vain. We have also addressed a letter to the Presidency to seek the intervention of the highest office.

Due to the dithering rural electrification programme, the Elundini Municipality has facilitated the introduction of the solar home systems in the affected wards. As at 30 June 2009, at least 359 households had received their installations, and the households are located in wards 14 and 15.

We are addressing the water and sanitation issues with the Ukhahlamba District Municipality and we are grateful that Ukhahlamba District Municipality has received funding to implement a sanitation programme, starting with 1400 VIP toilets in ward 8.

Whereas the municipality did not entirely meet its set milestones for 2008/2009 in terms of its employment equity plan, I am pleased with the gender profile of the top and middle management of the municipality. There is a 50:50 gender split in the level of the managers that are directly accountable to the municipal manager, whereas out of eight (8) assistant manager positions filled, seven (7) positions are occupied by females.

During October 2007, the Elundini and Ukhahlamba municipalities jointly submitted funding applications to implement infrastructure projects that would support the investment by Steinhoff International in Ugie. Although funding was originally approved during the 2007/2008 financial year, some of the projects to be funded were affected by the economic downturn and were consequently iced. The following projects will now be implemented in Ugie, utilizing a provincial grant allocation of R74 million, as follows: -

Nature of Project	Funds Allocated R
Implementation of the Ugie electricity master plan including the installation of highmast lights in the Ugie townships (project co funded by the Department of Energy)	20 million
Bulk water supply	30 million
Completion of infrastructure in Prentjiesberg	6 million
Breaking new ground housing development in Ugie	8 million
Ugie truck stop	10 million

In conclusion, significant strides have been made during the 2008/2009 financial year to further consolidate on the achievements made in the previous financial years. The attainment of a better quality of life for our people is our ultimate destination.

Khaya Gashi
Municipal Manager

Executive Summary

This report assesses the Elundini Municipality's performance against planned targets in terms of the institutional scorecard for the 2008/2009 financial year. As per the requirements of the Municipal Finance Management Act (56 of 2003), the Annual report consists of five components.

The **first chapter** is the introduction and overview which contains the Mayor's foreword, which draws amongst other things a summary of the municipality's performance during this financial year, its priorities for service delivery with established performance targets and measures taken and or to be taken to improve performance. The demographic overview indicates that the Elundini Municipality is a typical rural municipality characterized by huge infrastructure backlogs, inadequate revenue base and limited economic opportunities, high levels of poverty and unemployment and a high incidence of illiteracy, exacerbated by lack of social amenities.

The **second chapter** deals with service delivery highlights and Service Delivery backlogs. It categorises service delivery highlights per local government Key Performance Area (KPA). This section gives a narrative of all services provided by the municipality, including highlighting progress achieved in dealing with service delivery and backlogs. This section also includes information on approval of zoning and building plan applications during the financial year.

The **third chapter** reports on the substantial progress made by the Elundini Municipality regarding Human Resources and Organisational Management. It provides a detailed analysis of human resources capacity of the municipality as well as an overview of the systems and processes being implemented to ensure that human and organizational resources are managed in an effective and efficient manner.

The **fourth Chapter** provides the Annual Financial Statements and related financial information for the year ended 30 June 2009.

The **Fifth Chapter** provides information that shows overview, description and analysis of each function provided by the municipality. This includes the performance of the municipality against set targets as reflecting in the municipality's Scorecard and SDBIP. This section also outlines planned and actual expenditure on the Municipal Infrastructure Grant (MIG), including a three year Capital Budget for financial year 2008/2009, 2009/2010, 2010/2011

GLOSSARY OF TERMS

AFS	Annual Financial Statements
AG	Auditor General
CDW	Community Development Workers
CFO	Chief Financial Officer
BNG	Breaking New Ground
DEDEA	Department of Economic Developmet and Environmental Affairs
DM	District Municipality
DME	Department of Minerals and Energy
DPLG	Department of Local Government
DSRAC	Department of Sports, Recreation, Arts & Culture
ECDC	Eastern Cape Development Corporation
EIA	Environmental Impact Assessment
ELM	Elundini Municipality
EXCO	Executive Committee
EPWP	Expanded Public Works Programme
FET	Further Education and Training
HOD	Head of Department
IDP	Integrated Development Plan
IGR	Inter-Governmental Relations
IMFO	Institute of Municipal Finance Officers
LED	Local Economic Development
LLF	Local Labour Forum
MFMA	Municipal Finance Management Act, 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MSA	Municipal Systems Act, 2000
NER	National Energy Regulator
NT	National Treasury

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OHS	Occupational Health and Safety
O & M	Operations & Maintenance
PJEC	Provincial Job Evaluation Committee
PMU	Project Management Unit
PMS	Performance Management System
PPP	Public Private Partnership
SCM	Supply Chain Management
SDF	Spatial Development Framework
SDBIP	Service and Budget Implementation Plan
SLA	Service Level Agreements
SMME's	Small and Medium Enterprises
SPU	Special Programmes Unit
TOR	Terms of Reference
UKDM	Ukhahlamba District Municipality
WSA	Water Services Authority
WSP	Water Services Provider

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CHAPTER 1

MUNICIPALITY OVERVIEW : ORGANISATIONAL AND GEOGRAPHIC INFORMATION

1. ORGANISATIONAL PROFILE

1.1 Municipal Council

The Elundini Municipal Council consists of 32 members in total, half of which were elected in terms of the system of proportional representation and the remaining councilors represent sixteen (16) wards. The political parties represented in the municipal council are as follows:-

- African National Congress 29 Councilors (90,625%)
- United Democratic Movement 02 Councilors (6,250%)
- African People's Convention 01 Councilors (3,125%)

The chairperson of the municipal council is the honourable speaker, councilor L S Baduza.

The council has defined the following role for the honourable speaker (over and above the role assigned by the Municipal Structures Act): -

- Leader of council in respect of the oversight function
- Custodian of the interests of the members of the municipal council
- Politically in charge of the community development workers' programme
- Responsible for the training and development of ward committees

- Receives quarterly reports from the ward councilors, consolidates these reports and submit them to the Mayor and the Municipal Manager to attend to as their responsibilities require.

During the year under review, the municipal council met its quota of 4 council meetings and also had 4 special sittings of the municipal council.

1.2 Ward Committees

In terms of section 72 – 78 of the Municipal Structures Act, Council has established 16 ward committees which are chaired by their respective ward councilors. Each committee has 10 elected representatives although it is acknowledged that not all the elected members are still active.

The ward committees are consultative community structures without any formal powers accorded to them. Where a ward committee is fully functional and effective, it is able to influence the decision taken in Council.

The Elundini municipal ward committees have varying levels of effectiveness. It is worth noting that some of these rudimentary organs of good governance are ailing, with ward committees in wards 1,3,13, 14 and 15 having not met during the

current financial year. Such situations could be indicative of poor community participation, a matter which requires the attention of the Office of the Speaker.

Table 1: number of ward committee meetings held in year 2008/2009

Ward Number	Number of Meetings
1	0
2	4
3	0
4	8
5	2
6	9
7	5
8	3
9	4
10	3
11	4
12	3
13	0
14	0
15	0
16	4

1.3 The Executive Committee

In terms of section 9(b) of the Municipal Structures Act (117 of 1998), the Elundini Municipality has a collective executive system with a ward participatory system.

The Executive committee is chaired by the Mayor and also consists of five (5) other members appointed by the Council on a proportional basis.

The Executive Committee is the principal committee of the Council. It is the Committee which receives reports from the

standing or portfolio committees of Council and it must forward these reports together with its recommendations to the Council when it cannot dispose of matters in terms of its delegated authority.

The Executive Committee had 5 ordinary meetings and 5 special meetings during the year under review.

The following councilors served in the Executive Committee of the Elundini Municipality during the year under review: -

1.4. Committees of Council

The municipal council has established various committees in terms of sections 33 and 79 of the Municipal Structures Act. These committees have been established to address certain specific objectives

1.4.1. Committees to assist the Executive Committee

Section 80 of the Municipal Structures Act, provides that where a municipal council has an executive committee, it may appoint, in terms of section 79, committees of councilors to assist the Executive Committee. The Elundini Municipality has established five section 80 committees which are aligned to the administrative departments and are chaired by members of the Executive Committee.

ELUNDINI MUNICIPALITY : EXECUTIVE COMMITTEE



The Honourable Speaker: Mrs L Baduza
Chairperson of the Municipal Council



His Worship the Mayor: Cllr B Salman
Chairperson of the Executive Committee(EXCO)



Council Chief Whip: Cllr. Mvumvu
Member of EXCO and Chairperson of the Community Services Standing Committee Meeting.



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Cllr. N.F Mpithi

Member of EXCO and Chairperson of
Corporate Services Standing Committee

Cllr. N.R Lengs

Member of EXCO and Chairperson of
Technical Services Standing Committee

Cllr M.P Leteba

Member of EXCO and Chairperson of
Financial Services Standing Committee

Cllr. Mqamelo

Member of the Executive Committee

ELUNDINI MUNICIPALITY: EXECUTIVE MANAGEMENT



MR K. GASHI
MUNICIPAL MANAGER

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MS C QOTOYI
TECHNICAL SERVICES MANAGER



MRS. L MQOKOYI
COMMUNITY SERVICES MANAGER



MR. S R MATUBATUBA
CORPORATE SERVICES MANAGER



MR. KASUMBA
CHIEF FINANCIAL OFFICER
(resigned in 30 August 2009)

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The following standing Committees were in place during the year:-

Standing Committee	Chairperson	Area of Responsibility	Number of meetings held
Financial Services	Cllr. M P Leteba	Income, Expenditure, accounting, budgeting, Supply Chain Management, Asset Management	6
Corporate Services	Cllr. N.F Mpithi	HR Management and Development, administration, council support, security services, traffic services, legal services, ICT	5
Community Services	Cllr. DD Mvumvu	LED, poverty alleviation, housing, Spatial planning, land administration,	4
Technical Services	Cllr. N.R Cllr Lengs	Roads and storm water, water, sanitation, electricity, solid waste management, public transport systems	5
Strategic Governance	Cllr. B Salman	Youth development and empowerment, Women development and empowerment, Empowerment of people with disabilities, Strategic communications and customer care, Public participation, Integrated development planning, Performance management, HIV and AIDS	0

The strategic governance committee was established on the 27 March 2009, and in a subsequent meeting of council on 30 April 2009 a decision was taken to hold its operation in abeyance.

1.4.2. Section 79 Committees (Committees to advise the Municipal Council)

In order to enhance its ability to perform its constitutional mandate, the municipal council also established the following committees, viz: -

- Members Interests and ethics committee
- Oversight committee
- Audit Committee

The members' interests and ethics committee has not yet met, as its terms of reference are still being refined. The decision to establish a permanent oversight committee was taken in the council meeting held on 27 March 2009. Prior to this meeting, the oversight committee had been appointed on an ad hoc basis only to develop an oversight report on the annual report, after which it would be disbanded. The terms of reference for the oversight committee are also being revised. There is a dedicated chapter on the audit committee and its activities during the year under review.

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1.4.3. The Management Committee

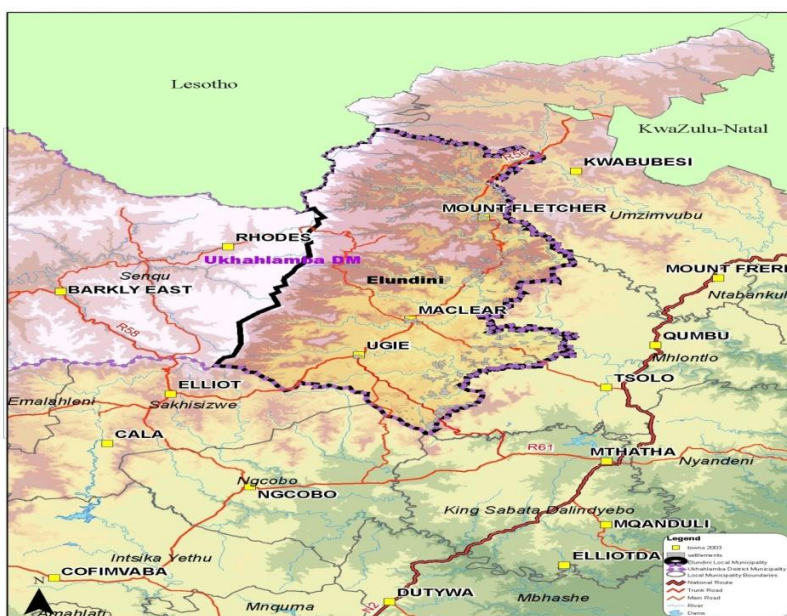
The management Committee consist of the senior management of the municipality's administration. These are the members of the top management of the municipality's administration and consist of:-

- The Municipal Manager appointed in terms of section 82 of the Municipal Structures Act
- Managers directly accountable to the Municipal Manager and appointed in terms of section 56 of the Municipal Systems Act.

During the year under review, the Municipal Manager appointed various assistant managers, in terms of section 55 of the Municipal Systems Act and the applicable recruitment policies of the Elundini Municipality, as follows: -

- Assistant manager responsible for integrated development planning and performance management
- Assistant manager responsible for strategic communications, public participation, special programmes and HIV and AIDS
- Assistant Manager responsible for Supply Chain Management
- Assistant Manager responsible for planning and development
- Assistant Manager responsible for administration

2. GEOGRAPHIC AND DEMOGRAPHIC PROFILE



Source: Elundini Municipality IDP: 2008/2009

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Locality

Elundini Municipal area is located in the east of the Ukhahlamba District Municipality and shares boundaries with the following local municipalities:

- Umzimvubu to the northeast,
- Mhlontlo to the southeast,
- Sakhisizwe to the southwest, and
- Senqu to the west.
- Lesotho is situated on its northern border.

Population Figures

The Elundini Municipality has a population of approximately 137 580 people residing in 33 248 households (census 2001). This population accounts for 40.31 % of the total population residing in the Ukhahlamba District, making it the most populated local municipality in the district.

Population Projections

Based on the modeling done by the Department of Health (District Health Information System) and using the statistical models provided by StatSSA, the projected population of Elundini is listed in the table below:

Elundini Local Municipality covers an area of 5064km² and divided into 16 wards.

It has three towns namely; Mount Fletcher, Maclear and Ugie, and is characterized by rural villages situated in the foothills of Maluti Mountains and Southern Drakensburg range.

The R56 runs from Elliot through Elundini Municipal area linking the three towns with Kwazulu – Natal.

Area	Projected Population	
	2006	2009
Elundini	135,390	133,813
Ukhahlamba	336,828	334,673

Source: Elundini IDP

While these figures are disputed (even by the Dept. of Health who have the best interaction with community based statistics and who have identified a severe undercounting especially of children) these are taken as to represent the Ukhahlamba District Area. It is critical to note that based on current modeling it is expected that the population will be decreasing in the area due to the effects of out migration as well as due to the impact of HIV and AIDS.

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Rural vs Urban Population



Maclear open market

According to the 2001 Census 77% of households are rural in nature, this includes rural villages and farm households. This dynamic is shifting with the phenomenon of urban in-migration occurring in Elundini Municipality. This is especially evident in the town of Ugie, where the town's population has increased from 8 344 in 2001 to approximately 16 355 in 2004. This figure has probably increased with the addition of 2 130 new housing units planned for Ugie, which will accommodate approximately 10 560 people. The establishment of the timber manufacturing

plant has particularly had a pull effect on the town of Ugie and the neighbouring Maclear, which has had an effect of overstretching the already strained infrastructure.

Age, Gender and Racial Profile

Approximately 50.3% of the municipal population falls in the 15 – 65 age category which can be seen as the economically active sector of the population, with 42% of the population below the age of 15.

This suggests continuing population growth in the district with a need for educational facilities and a focus on education and skills training.

The overall male and female ratio is approximately 46% male to 54% female. This may be ascribed to the migrant and commuter labour which has resulted in many households having a woman as the head of the household and the chief breadwinner living away from the home. This will impact on the type of development that will occur.

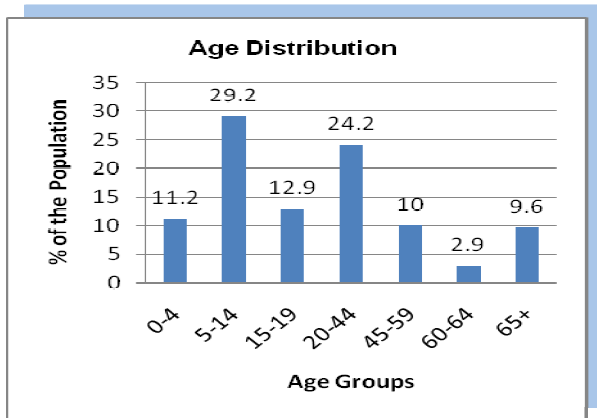
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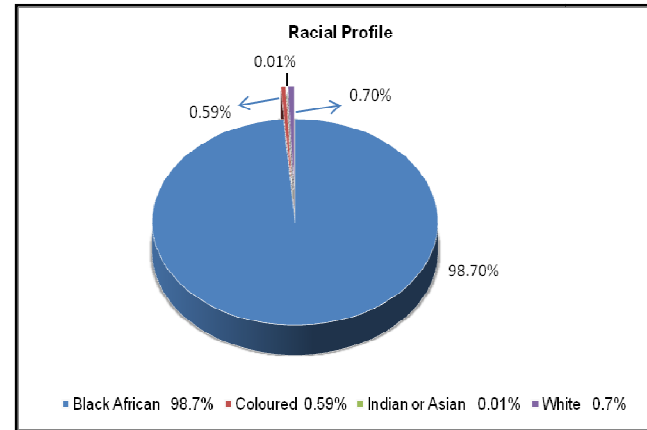
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THE AGE DISTRIBUTION AND AGE DISTRIBUTION



Source: Census 2001



The majority (99%) of the population are Black Africans. The main economic drivers of Elundini Municipality are Agriculture, Tourism and Forestry.

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UNEMPLOYMENT AND DEPENDENCY ON SOCIAL GRANTS

Data from the 2007 Community survey (ECSSEC) indicates that there are 19 02 people employed in Elundini which is 30% of the population.

Data from SASSA (August 2008) indicates that the total value of state support in the form of grants to Elundini Municipality population is **R17 263 810** per month. This is 42.8% of the total value of state support to the district(at **R40 301 044** per month.)

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CHAPTER 2

PERFORMANCE HIGHLIGHTS



REPLACEMENT OF WATER PIPES IN UGIE, 2008

The municipality has a service level agreement with Ukhahlamba District Municipality, which accords the Elundini Municipality the a status akin to an agent for the water services authority.

The Technical services department was responsible for following functions:-

- Provision, operation and maintenance of water and sanitation in Ugie, Maclear and Mt. Fletcher urban areas.
- Solid Waste Management (refuse removal, street cleaning and solid waste disposal sites)
- Construction and maintenance of roads and storm water.
- Distribution, operation and maintenance of water and sanitation to Ugie and Maclear.

2.2.1 WATER AND SANITATION

The Department of Water Affairs developed and implemented a drinking water quality regulation which is called the Blue and Green Drop Certification. Its primary objectives are to ensure sound, continuous and sustainable improvement of Drinking Water Quality management by WSAs and WSPs; and to empower ordinary South Africans and international guests to make decisions on tap water consumption. There are on-going assessments made towards attainment of the Certificate. Elundini municipality actively participated towards ensuring that some of the items in the checklist were attended to.

In terms of the service level agreement concluded with the Ukhahlamba District Municipality in 2006, the Elundini Municipality is responsible for operation and maintenance of bulk infrastructure and reticulation in Maclear and Mount Fletcher, and reticulation only in Ugie. The municipality is also responsible for water purification. Bulk supply and purification for Ugie is the performed through a service provider, Sintec Consulting Engineers. Rural water supply for the entire municipal area is also contracted by the District Municipality to Sintec Consulting Engineers

2.2.1 a) In Urban Ugie

There was one water treatment works serving two reservoirs. One reservoir called Ugie reservoir with a 10 ML capacity it supplies water to Ugie town, Ugie Park, Prentjiesberg, Dyoki Extension, and Ugie extension phase 1 townships. The Ntokozweni reservoir with a capacity of 250 000KL is supplying water the Ntokozweni Township and the PG Bison plant. Water quality monitoring at the water treatment works was improved from the previous financial year where it was carried out three hourly to two hourly in 2008/2009 financial year. The testing is done regularly and at some point the results indicated that there was e-coli found from samples taken. Water samples were taken by the UKhahlamba Municipality and results were acceptable most of the times.

The water treatment works is pumping adequately to fill both reservoirs. Sintec Consulting Engineers appointed by Ukhahlamba district with a primary role of monitoring operations and maintenance of the treatment works, rising main and the filling of the two reservoirs; however, the Elundini Municipality supplies the consultant with chlorine gas. The reservoir at Ntokozweni often overflows directly affecting the resident living closer to it. Elundini municipality maintains the gravity line and the reticulation.

Another significant progress was the maintenance of water meters and

replacement of faulty/old meters. The majority of waters meters were functional.

There was one waste water treatment works serving Prentjiesberg municipal houses. The rest of the town and townships had septic tanks. In town, there were septic tanks per household and in every erf in the business area. In Dyoki extension, Ugie extension phase 1, there was a septic tank per household. John Knox Bokwe, Ntokozweni, Land camp, Mandela Park, Soccer field have VIPs. The Ugie Park and Popcorn Valley had 1 septic tank per 10 households which created huge challenges of raw sewer overflows. Ukhahlamba DM through interaction with Elundini extended the capacity of the shared septic tanks. This remains a challenge since the septic tanks are still shared. There were dedicated two honey suckers which were sent by the district to ensure that constant emptying of the tanks occurs in the affected area. The challenge around overflowing tanks was evident from time to time and it still remains even though it is minimal.

2.2.1 b) In Urban Maclear

There were two water treatment works which were Maclear water treatment works and Mooi River water treatment works. Maclear water treatment works served two reservoirs which supply water to Maclear town, Maclear hospital, Clearview and all households in town. Mooi River water treatment works supplied water to two reservoirs serving Sonwabile, Greenfields, Vincent Park, Zakhele, Sithole Park and

Peter Mokaba townships. Maclear dam went dry in winter and the condition improved in summer, and the dam had a gravity line to the Maclear water treatment works and Aucamp dam served as a back-up to the Maclear dam. The winter seasons was survived by the use of the Aucamp reserve dam.

Water quality monitoring at the Maclear water treatment works was improved hence it was carried out every two hours through testing turbidity, pH and the chlorine. Mooi River plant was only monitored during working hours which leaves a huge challenge in relation to provisioning of water to the townships excluding Clearview. The testing is done regularly and at some point the results indicated that there was e-coli found from samples taken. Water samples were taken by the UKhahlamba Municipality and results were acceptable most of the times.

Maclear water treatment works was operating for 24hrs and monitoring improved during 2008/2009 financial year due to UKDM learnership programme. This led to the great improvement of turbidity test results.

The water samples taken by the Ukhahlamba D.M. yielded very good results. Mooi River plant was facing serious capacity constraints which led to failure of sand filters and the system as a whole. Sand filters were replaced and that brought little improvement. The plant is running beyond its capacity. The community served by the

plant did not always have access to clean water due to the mentioned major challenge. Additional communal standpipes were installed around the townships. There was no emergency reservoir in Maclear which means that when the reservoirs were empty or having challenges, people of Maclear would have no access to water. One of the high impact achievements was the improvement of water availability in Sonwabile and Greenfields.

An internal project to install water reticulation to the Maclear plots below the hospital commenced and was almost complete. It was implemented successfully. Another significant progress was the maintenance of water meters and replacement of faulty/old meters. The majority of waters meters were functional.

There was a newly constructed waste water treatment works was commissioned and fully functional even thou it was not running at this full capacity. The waste water treatment works served Clearview and Greenfields. In town, there were septic tanks per household and in every erf in the business area. However, there were households that have waterborne sanitation around the hospital and the Maclear High School which were serviced by the oxidation ponds.

In Sonwabile, Vincent pilot housing project sharing septic tanks and townships, some households had VIPs and some households had septic tanks. In Sithole Township, every household had a septic tank excluding the

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area where people built for themselves and those had VIPs.

A serious challenge was established that due to poor workmanship on plumbing and reluctant customers to pay for emptying; the community of Sithole went back to utilization of buckets. These buckets were emptied by a local man at the banks of Mooi River upstream of the Mooi River plant intake which was a serious health hazard even for water treatment. There was two major sewer pipe burst in Maclear (next to Maclear High School and in Greenfields) and it was fixed within 24 hours. The team successfully managed blockages in Vincent and Clearview and pressure jetting of sewer pipe lines in the two townships was done successfully as well.

2.2.1 c) In Urban Mt. Fletcher

The town, hospital, police station, FET College and Katlehong Township were serviced by two boreholes (no. 5 and 7). Lisolomzi, Kutlwanong, Nkululekweni townships serviced by 2 boreholes (borehole 2 and 8). Boreholes no.1, 3 and 4 were closed due to scarcity of water (they were dry). The challenge of inadequate water supply in Mount Fletcher remains a serious challenge.

Borehole no 7 had the engine concrete platform with serious cracks which led to construction of a new concrete platform. Water interruptions were reported from is the delivery of clean water and decent sanitation.

time to time but UKDM would send water carting trucks to remedy the situation. Water samples were taken by the D.M. for testing and the results were acceptable. There was no emergency reservoir in Mount Fletcher which means that when the reservoirs were empty or having challenges, people of Mount Fletcher would have no access to water.

There is no waste water treatment works; however, there were oxidation ponds. The hospital, FET College and the police station had waterborne sanitation serviced by separate oxidation ponds under the supervision of the Department of Public Works. The oxidation ponds under Dept of Public Works would be full from time to time posing a serious health risk. In the business area, there were septic tanks and VIPs. Kutlwanong and Nkululekweni townships had self constructed VIPs; and Lisolomzi and Katlehong VIPs were constructed by the district. No sewer spillages were reported. The department internally constructed and renovated toilets in Mount Fletcher town hall/unit office precinct

CHALLENGES IN WATER SERVICES

In the rural areas, it was estimated that about 54% of Elundini community do not have access to clean water mostly being the rural community. This situation is mainly attributable to the inadequate MIG allocation to the Ukhahlamba District Municipality, whose primary responsibility

There is a challenge around the overall management of complaints from the communities since there is no central point to report. The communities with septic tanks were generally reluctant to pay for emptying of their tanks which led to overflowing. Some business properties extended sewer overflows illegally in some cases running to the river and to the streets.

Another common challenge which was a health hazard was the full VIPs in all three towns as a result there were unpleasant smells around areas where there are VIPs. There was a problem around availability of raw water source in Maclear which hinders developments. There were no water and sanitation master plans for Maclear and Mount Fletcher. There were water losses which were not quantified. The municipality had no OHS officer which impacts on the safety of employees with the service.

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Water and Sanitation Projects implemented by Ukhahlamba District Municipality in the Elundini Municipal Area for Financial Year 2008/2009

PROJECT NAME	APPROVED BUDGET	WARD	STATUS QUO	COMMENTS
Maclear Waste Water Treatment Works Phase 1	R 7 900 000.00	3	Complete	The district is awaiting funding approval for phase 2
Ugie Upgrading of Water Infrastructure: Upgrading of Water treatment works Upgrading of gravity mains Upgrading rising mains Water Reticulation for the town and townships Construction of two new reservoirs Construction of a dam	R 10 750 000.00 R 6 000 000.00 R 9 000 000.00	2	complete complete construction stage construction stage tender stage design complete	There are no envisaged challenges with regard to the implementation of these projects
Ugie upgrading of sanitation infrastructure: Construction of outfall sewers phase 1 Construction of outfall sewers phase 2 Construction of sewer reticulation system Construction of conventional waste water treatment works	R 35 000 000.00 R 32 000 000.00	2	Under construction Tender stage Design complete Design complete	There are no envisaged challenges with regard to the implementation of these projects
Prentjiesberg water and sanitation services		2	Complete	N/A
Mt. Fletcher Bulk Rural Water Supply Scheme: Dam Bulk Lines Water Treatment Works and 2 reservoirs 5 Village Water Supply 22 village water supply	R 10 200 000.00 R 10 500 000.00 R 55 000 000.00 R 21 000 000.00	9, 10, 11, 12 & 15	Complete Complete Construction Construction Design complete	Electricity supply to the dam is a serious challenge and Eskom is non committal. The Ukhahlamba District Municipality is exploring the utilization of alternative energy (generator) to address this challenge

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2.2.2 Solid Waste Management

Elundini Municipality has a responsibility of providing Solid Waste Management Services to the community as one of its functions. This also contributes to the constitutional objective of our municipality in providing a safe and healthy environment.

The objective of this function is to primarily ensure that the municipal towns are kept clean and to promote a sustainable healthy environment. In financial year 2007/2008, the Technical Services Department was responsible for the landfill sites only. Street cleaning and refuse removal were moved from Community Services to the Technical Services from financial year 2008/2009 which led to the value chain of solid waste management being in one department to create synergy. Solid waste management services were rendered in the urban areas only. The rural areas dispose their waste in the traditional fashion of digging pits and often burning waste from the pits.

During 2008/2009 financial year, the President assented to the National Environmental Management Waste Act 2008, government gazette 32000. An Integrated Waste Management Plan of the Ukhahlamba District is in place with one of its chapters being the Elundini solid waste management services.

The new act seeks to primarily protect health, well-being and the environment by providing reasonable measures for avoiding and minimising the generation of waste;

reducing, re-using, recycling and recovering waste; preventing pollution and ecological degradation; promoting and ensuring the effective delivery of waste services.

The EPWP clean-up programme funded and supported by DEDEA made a significant impact in improving cleanliness and towards realization of a healthy environment for our communities. It is however sad that the programme will create job opportunities and a healthy environment for a few months.

i) Street Cleaning

Street cleaning focused on the main streets of the three towns. The teams would from time to time also focus on other streets in the towns. There were casual employees employed during this financial year working over weekend and on public holidays. This made a huge positive impact to the cleanliness of the towns but the challenge in the townships of illegal dumping remains. The service improved during this financial year hence the improved cleanliness in all three towns. The EPWP cleaning campaign funded by DEDEA also contributed to this improved service. The EPWP program focused in the townships eliminating all areas where illegal dumping was almost accepted as normal.

ii) Refuse Removal

Refuse collection was collected daily in the towns of Maclear, Mt Fletcher and Ugie and at least three times a week in some of the townships in Maclear, Mt Fletcher and Ugie. The vehicles often had breakdowns and

sometimes the drivers would fall sick or take leave. There was a resource constraint (tractor drivers, general workers and limited tractors) in rendering this service. Often times, casually employed personnel assisted the municipality in carrying out the service. EPWP played a significant role in refuse removal and refuse collection in the townships and in towns. Removal of waste illegally dumped in the township was carried out and sustained through the EPWP program. A work plan for all three towns scheduling activities for the refuse removal team was developed and implemented.

iii) Solid Waste Disposal Sites

The municipality has three solid waste disposal sites, one in each town. The Maclear site is water positive and the other sites are water negative. There is no recycling taking place in any of the sites. All solid waste sites were rehabilitated, patched fencing where necessary and repaired the guard houses. The landfill sites remain a challenge in terms of proper management and operations. This has regrettably led to a claim against the municipality from the neighbouring farmer of the Maclear Site. There was no maintenance and operational plan for the sites. The municipality employed casual people to clean around all the sites and assist in rehabilitation of the sites which led to a very improves sight of the sites. The communities continue to scavenge in all solid waste disposal sites.

Town	Life expectancy	Personnel	Anticipated expansion
Maclear	10 years	2 permanent	None
Mount Fletcher	10 years	2 permanent	None
Ugie	10 years	2 permanent	None

The Section 78 study Transaction Advisor Contract on Solid Waste Management.

The municipality was faced with a continuous challenge on management and maintenance of all municipal solid waste disposal sites due to shortage of personnel, budget and machinery and this is still continuing. These challenges led to the municipality having conflicts with PG Bison and the surrounding farm owners. The inability to successfully maintain the solid waste disposal sites also led the Department of Water and Forestry writing several correspondences to the municipality indicating dissatisfaction on the operations of the solid waste sites. The Environmental Health Practitioners from UKhahlamba District Municipality often wrote reports citing dissatisfaction on the operations and maintenance of this service. These sites are in Ugie, Maclear and Mount Fletcher respectively.

In light of the above, the municipality saw it fit to seek funding for purposes of the feasibility study and the possibility of engaging itself in a PPP contract. In the previous financial year, the municipality applied for funding from NT-PPP Unit and R3 million was confirmed in 2008/2009 financial year by NT-PPP Unit. A service provider (Ardemus Consulting) was appointed to carry out the S78 study at R3.5 million excluding disbursements. Elundini municipality committed and contributed R850,000.00 to the study. An agreement was signed between NT and Elundini Municipality.

One of the strategic objectives of the project was to assess the site conditions, operations and management, assessment of surrounding areas within jurisdiction of municipality and receiving environments, taking into account future developments into consideration.

As at end of the financial year, Ardemus Consulting had completed the needs analysis, internal assessment of the municipal solid waste management function as well as the technical options. Generally, the internal assessment concluded that the municipality does not have enough budget to effectively and efficiently run the service due to shortage of the budget, the municipality suffers to secure relevant personnel, materials, equipment and plant. A council resolution was taken for the internal assessment and that the service provider can consider possible external mechanisms. There is as yet no Council

decision in relation to the service delivery mechanism and option.

2.2.3 ROADS AND STORMWATER

3 Construction of roads was primarily funded by the Municipal Infrastructure Grant (MIG). MIG also funds a project management unit whose primary objective was to administer and manage MIG funded projects. The responsibility of the PMU was extended to other projects implemented by the municipality. A business plan for the establishment and functioning of the Project Management Unit was approved by DPLG-MIG. The municipality had a three year capital implementation plan for capital infrastructure that is funded by MIG including roads. The MIG allocation was spent 100%. The following road projects were implemented:

Ward no	Project name	Length	Status at 30 June 2009
12	Sethathi to Mashata gravel access road	8km	Complete
9	Surfacing of Mount Fletcher internal streets		Complete
13	Kuebung gravel access road	4.5km	Complete
8	Ntabelanga to Nkamane gravel access road	8km	Practically complete
13	Gobo to Esixhotyeni gravel access road	4.7km	Practically complete
13	Nxotshane gravel access road and bridge	1.9km	Complete
10	Zwelitsha, Tsolobeng and Sondaba gravel access roads	4.2km	Construction stage

The Zwelitsha, Tsolobeng and Sondaba access roads were delayed as a result of poor performance by the contractor, who was subsequently terminated. A new contractor has since been appointed.

CHALLENGES IN ROADS AND STORMWATER

There was very minimal maintenance of roads which was carried out internally and it was primarily done in the urban areas. The municipality owns a grader and TLB. The machinery often went to the rural area to assist with dry blading, installation of pipe culverts. There was no roads maintenance plan. There was an area wide road maintenance programme which was implemented by Department of Roads and Transport on district roads. DRT also introduced a programme of household contractors for minor road maintenance. Backlog on construction of gravel access roads was estimated to be at 1280km and construction of blacktop roads to be at 15km.

Minimal maintenance of roads and storm water infrastructure is leading to further deterioration of the roads and storm water condition thus increase in the infrastructure

backlog. The municipality would perform more activities around maintenance of roads and other road works if it owned plant and machinery. The scope of work covered by the municipality would be more than what is currently covered by service providers who intend to maximize their profits. Poor performance by contractors caused delays in service delivery following various terminations which had to be effected. There were challenges around contract and project management due to shortage of staff which had a negative impact in quality, reporting, monitoring and supervision. Pothole patching was partly done internally and opening of storm water drains.

2.2.4 ELECTRICITY SERVICES

The municipality has a distribution license for Maclear and Ugie urban areas with small areas in townships that belonged to Eskom. Ballenden and Robb Electrical Consulting Engineers are the electrical engineers for the license. The municipality submitted for the first time a report on the operations and maintenance of the area for which we have a license (NERSA distribution forms). A major challenge is with rural electrification

where the supply is from the Eastern Region of Eskom. This resulted in the rural Mount Fletcher villages to be without electricity and probably for the next 5 years. As a result of this challenge, DME and the municipality embarked on solar programme as an interim measure. DME appointed a service provider to implement the solar program without the presence of a consultant for monitoring which led to other challenges and roll – out being slow.

During the 2007/2008 audit, there was a concern around electricity losses. The municipality appointed a service provider to study the causes for losses and propose corrective actions to be implemented by the municipality. A report on losses and corrective measures was submitted in April 2009. An action plan responding to the report was developed and implemented on an ongoing basis.

There following projects were implemented during the 2008/2009 financial year:

PROJECT NAME	FUNDED BY	APPROVED BUDGET R million	WARD	STATUS QUO
Prentjiesberg electrification of 195 erven	ELM	4,8	2	Complete
Maclear substation 22kv/11kv	NER	13,5	3	Complete
Maclear metering: replacement of 270 meters	NER	0,14	3	Complete
Maclear master plan phase 2		3,5	3	Under construction
Mount Fletcher street lights		0,14	2	Under construction

All planned electricity shut downs were communicated 5 days in advance. Unscheduled electricity supply interruptions were resolved within 1 day except those which needed specialist equipment and personnel. Some of the incidents which took longer than 1 day to resolve were:

1. Blown transformer at the substation in Maclear sub.
2. Truck hit a Medium voltage line which affected the Maclear sub.
3. There was a short circuit in the underground high voltage cable which needed specialist to trace the fault (Eyabantu).

4. Burnt low voltage cable in Maclear next to Doves.
5. Continuous blowing of transformers in Vincent.
6. Burnt transformer hit by thunderstorm at Bhekela.
7. Damaged medium voltage line due to PG Bison trees which fell onto the cable in Maclear.

A Service level agreement with ESKOM for the maintenance of street lights in Mt Fletcher was signed between Eskom and Elundini Municipality.

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1.1 Ugie Urban

There was no sub station in Ugie. The municipality received bulk electricity supply from Eskom which was 1700 KVA (22kv). There were 6 22kv/400v transformers supplying town and the municipal complex. At Prentjiesberg, there was a 22kv/11kv feeder transformer which feeds three 11kv/400v mini-sub transformers. The PG bison plant was supplied directly by Eskom. The townships were supplied by twenty two 22kv/400v transformers.

The electrician was mostly carrying out overload transformer faults in townships due to insufficient capacity of the system (there is currently 0.45kva average demand instead of 1,6kva average demand), changing faulty town and township meters, street light repairs, new household connections. An electricity master plan for Ugie was underway and it will be implemented in financial year 2009/2010.

1.2 Maclear Urban

The municipality received bulk electricity supply from Eskom which was 2000 KVA (22kv). The municipality utilised the old sub Service provider is still in progress and this will be complete by end of July 2009.

station which had a 22kv/11kv main transformer. The town was supplied by three 11kv feeders where feeder1 had sixteen 11kv/400v transformers, feeder2 had five transformers and feeder3 had 1 transformer. The townships were supplied by one 11kv feeder which had twenty three 11kv/400v transformers.

1.3 Mount Fletcher

The electricity network belongs to Eskom both in urban and rural area.

2. Mount Fletcher Youth Centre

An engine was purchased and supplied to Mount Fletcher in December 2008. This was decided after it was clear that the solar system would not be reliable and sustainable in relation to generation of electricity for a minimum of 40 hours a week.

A tap was installed and a septic tank is used for sanitation and they are functioning well.

The access road was completed in December 2008 and fencing of the complex has recently been finished.

MAJOR CHALLENGES IN ELECTRICITY SERVICES AND REMEDIAL ACTIONS

1. The electricity distribution losses which have been noted in the audit report arise as a result of a multitude of factors, viz: -
 - Illegal bypassing of electricity meters
 - Faulty meters
 - Incomplete and inaccurate reading of meters
 - Inaccurate information relating to electricity customers
 - Non measurement of electricity consumption
 - Unscientific electricity tariffs

As alluded above, the municipality commissioned a study into the electricity distribution losses, the outcomes of which are currently being implemented.

2. The municipality constantly exceeds the notified maximum demand in each of the towns of Maclear and Ugie. As a result of this excess consumption, the municipality is under constant threat of financial penalties from ESKOM. The municipality has received quotations in excess of R1 million for the increase in the level of the notified maximum demand.
3. The non electrification of more than 25 000 homesteads in Mt Fletcher. The efforts that have been undertaken to resolve this matter are captured in the municipal manager's message above.

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2.2.5 HOUSING

While Housing is a concurrent competence of the National and Provincial Housing Departments, it is imperative that Local Municipalities do not ignore it. To make Elundini's vision of "a better quality of life for all" a reality, housing development has to be prominent and visible to affirm the vision.

Municipalities in terms of Housing Act 107 of 1997 are responsible for the following:-

- Determine actual housing needs in the different area in terms of numbers and types
- Identify and procure suitable land for housing development
- Administration and verification of beneficiary applications
- Capacitation of local contractors and manufacturers to encourage LED

- Planning and co-ordination with all key role players regarding bulk and reticulation of services, and
- Generally playing an integrator role with all key stakeholders to create an enabling environment for the sustainable delivery of human settlements

STRATEGIC OBJECTIVES

- Facilitate provision of quality housing development
- Facilitate rural housing delivery thereby exploiting availability of land in those areas
- Strengthen beneficiary administration and management through regular update of beneficiary database
- Continuous compilation of new entrants to housing acquisition for timeous eligibility verification

KEY ISSUES FOR 2009/2010

- Facilitate approval of new housing development applications
- Facilitate capacitation and involvement of local building contractors in housing delivery
- Ensure aggressive job creation opportunities in housing industry
- Enforce Expanded Public Works Programme (EPWP) development approach that empowers designated groups

MAJOR CHALLENGES IN HOUSING AND REMEDIAL ACTION

Housing has always been a grey area in the Elundini Municipality, and in the past five years, no housing development projects have been implemented. During the year under review, the municipality had hoped to, inter alia: -

- Have an agreement with Chief Lehana to build approximately 3000 housing units on the peri-urban land adjacent to the town of Mt Fletcher. The outcomes of the meeting that took place on the 8 July 2008 between the Executive Committee and Chief Lehana did not bear positive outcomes;
- Have agreements with the Traditional Leaders in Elundini to implement rural housing development. A meeting between the Mayor and the Traditional Leaders and/ or their representatives took place on 30 September 2008, and there is an in principle agreement in this regard;
- The Department of Housing was unable to process housing applications in respect of Ngcele, Katkop and Mangoloaneng East, some of which initially submitted in 2004;
- The Department of Housing was unable to resuscitate the Maclear Greenfields housing project (250 units), which stalled more than five (5) years ago;

There are positive indications that there will be progress, as the new provincial executive authority responsible for housing appears to have taken keen interest in removing housing development blockages.

2.2.6 SPATIAL PLANNING

a) Preparation and approval of Spatial Development Framework:

The Elundini municipality developed and adopted its Spatial Development Framework (SDF) in financial year 2007/2008. Spatial Development Framework for Elundini was ranked the best in terms of the MEC's Assessment Report.

- Land Invasion has been addressed and legal action preferred against offenders, in partnership with Corporate Services Department.
- There has been some progress regarding formalization of informal settlement e.g. EIA report and survey for Sonwabile and Mount Fletcher completed – however the process is very slow.

b) Challenges

- Call for proposals for Municipal land development, does not yield positive result, perhaps due to perceived risk in dealing with low grade municipality or less lucrative business opportunities and inadequate investment infrastructure in Elundini.
- Formalization of human settlements is procedurally cumbersome and takes too long to attain.
- Lack of support from the Department of Local Government is a serious drawback for Elundini.
- Continued invasion of municipal land by communities places additional strain to the individual dealing with land administration function.

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c) Measures to address challenges

- Appointment of a senior and qualified professional through appropriate procedures will lift the plight of the division dealing with spatial planning function.
- Targeted major land portions, one per town to be re-advertised for call for development proposals. Hopefully this will give attention and focus of prospective developers to those portions instead of a large number of sites.
- Appointment referred to earlier, will enable follow up on progress on a regular basis, while a work plan for such incumbent will address performance requirements.
- Appeal for support from the Department of Local Government and Traditional Affairs is required.
- With all the above measures in place formalization of human settlements will be faster and less cumbersome.
- Land invasion is phenomenon that counters development, which requires policy reviews at national level, as the present instruments to deal with it, are not strict enough to stop them effectively.

b) Land Use Management & Zoning Information

	TOWN	Date Approved	Erf No.	Structure	App fee	Zoning	Classification	Estimated building Cost	Sewer conection
1	UGIE	2007/03/23	414	SINGLE	R 917.00	BUSINESS ZONE 05	FUEL TANKS UNDERGROUND	151648.2	N/A
2	MACLEAR	2007/07/20	2493	SINGLE	R 1,054.00	RESIDENTIAL ZONE 01	DWELLING	105442	
3	MACLEAR	2007/08/16	25	SINGLE	R 886.00	INSTITUTIONAL	CLASS ROOM	131427.96	N/A
1	UGIE	2008/01/28	2141	SINGLE	R 2,420.00	BUSINESS ZONE 01	BUSINESS	710360	SEPTIC
2	MACLEAR	2008/02/14	499	SINGLE	R 2,381.00	BUSINESS ZONE 01	BUSINESS	674770.38	SEPTIC
3	MACLEAR	2008/06/26	2500	SINGLE	R 1,133.00	RESIDENTIAL ZONE 01	DWELLING	221824.75	SEPTIC
4	MAC RURAL	2008/07/11	116/L			PSI			
5	UGIE	2008/07/18	425, 426, 427	SINGLE	R 15,577.00	BUSINESS ZONE 01	BUSINESS	5464257.5	SEPTIC
6	MACLEAR	2008/09/08	1776	SINGLE	R 1,531.00	RESIDENTIAL ZONE 01	DWELLING	356437.72	SEPTIC
7	MAC RURAL	2008/09/22	T3123			PSI			
8	UGIE	2008/10/09	497	SINGLE	R 797.00	RESIDENTIAL ZONE 01	DWELLING	89445.69	SEPTIC
9	MACLEAR	2008/10/31	298	SINGLE	R 828.75	RESIDENTIAL ZONE 01	FLAT	115674.13	SEPTIC
10	UGIE	2008/11/03	336	SINGLE	R 1,707.00	BUSINESS ZONE 01	BUSINESS	420327.5	SEPTIC
11	MACLEAR	2008/11/11	1162	SINGLE	R 1,263.00	BUSINESS ZONE 01	BUSINESS	258921.74	NETWORK
12	UGIE	2008/11/24	383	SINGLE	R 6,668.00	BUSINESS ZONE 01	BUSINESS	2224373.13	SEPTIC
13	MACLEAR	2009/03/04	2461	SINGLE	R 1,235.00	RESIDENTIAL	DWELLING	248833.88	SEPTIC

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						ZONE 01			
14	MACLEAR	2009/03/04	3476	SINGLE	R 853.00	RESIDENTIAL ZONE 01	DWELLING	109789.54	SEPTIC
15	MACLEAR	2009/05/07	1780	SINGLE	R 1,423.30	RESIDENTIAL ZONE 01	DWELLING	238702	SEPTIC
16	MACLEAR	2009/05/12	2491	SINGLE	R 1,297.28	RESIDENTIAL ZONE 01	DWELLING	294397.38	SEPTIC
17	MACLEAR	2009/05/14	2158	SINGLE	R 883.00	RESIDENTIAL ZONE 01	DWELLING	129825.18	SEPTIC
18	MACLEAR	2009/05/27	2501	SINGLE	R 1,355.90	RESIDENTIAL ZONE 01	DWELLING	316758.8	SEPTIC
19	UGIE	2009/06/03	560	SINGLE	R 1,794.90	RESIDENTIAL ZONE 01	STORAGE	484217.28	N/A
20	UGIE	2009/06/12	1070	SINGLE	R 1,213.09	RESIDENTIAL ZONE 01	DWELLING	262284	SEPTIC
21	UGIE	2009/06/23	3443	SINGLE	R 1,263.87	RESIDENTIAL ZONE 01	DWELLING	281653.05	NETWORK
22	maclear	2009/06/24	2489	SINGLE	R 1,298.60	RESIDENTIAL ZONE 01	DWELLING	294901.77	SEPTIC
23	maclear rural	2009/06/25	17245			PSI			

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ZONING REGISTER								
date	erf num	Town	current zoning	proposed zoning	subdivision	consolidation	app fee	council res num
01/08/2008	156	Maclear	institutional	business	sub divide portion 01 & 02 from 709 & 156		municipal property	204/08
01/08/2008	709	Maclear	institutional	institutional		consolidate 709 & portion 1	municipal property	204/08
01/08/2008	3468	Maclear	agriculture	institutional	subdivide a portion from 3468 for cemetry		municipal property	205/08
01/08/2008	1	Maclear	comonage	institutional zone 3	subdivide a portion from erf 01 for clinic		municipal property	206/08
01/08/2008	98	Maclear	residential	residential	subdivide 5 erven to 15 portions		municipal property	207/08
03/09/2008	5429	Ugie	comonage	business zone 01 with consent use	1 potion from 5429 for commercial purposes		R10, 639.00	208/08
10/10/2008	573	Ugie			Subdivide 573 into 2 portions		R 3,748.00	209/08
15/10/2009	554 & 553	Ugie			Subdivide 554 and consolidate 553 the 2 portions	consolidate 553 & portion 1	R 2,369.00	210/08
12 /11/2009	213	Ugie	residential zone 1	residential zone 4			R 3,196.00	211/08

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2.8 LOCAL ECONOMIC DEVELOPMENT

Local Economic Development (LED) is an outcome based local initiative and driven by local stakeholders. It involves identifying and using primary local resources, ideas and skills to stimulate economic growth and development. LED is an ongoing process, rather than a single project or a series of steps to follow. LED encompasses all stakeholders in a local community, involved in a number of different initiatives aimed at addressing a variety of socio-economic needs of that community.

Local Economic Development initiatives always take place in the context of the regional national and global economies. There are no physical boundaries to LED hence these larger changes impact on local economies in different ways. It is therefore important to design LED initiatives in such a way which assists local area to respond to the context alluded to creatively.

Three major roles are a responsibility of the Municipality. These are:

- Coordination: using the IDP as a tool to draw together these developmental objectives, priorities, strategies and programmes of a municipality.
- Facilitation: improve investment environment in the local area through, for example streamlining the development process or improve planning procedures and zoning regulations.
- Stimulation: Municipality has a role to stimulate business creation or expansion for example municipality may provide premiums at low rental to SMMEs.

Nearly every effort to develop a local economy will require some input, participation and support from the municipality.

N.B. Like the IDP, LED implementation covers all municipal departments, and not only confined to the department under which the function falls.

ACHIEVEMENTS FOR 2008/2009

- Local Economic Development (LED) Forum has been established and is fully functional.
- SMME database has been compiled and documented, updated as and when necessary information is made available.
- SMME Advice and Tourism Information Center has been established and operational.
- Project Steering Committee for Tsitsa River Basin Project has been established and functional
- The Elundini Municipal Council has approved and adopted the Tourism Sector Plan, implementation thereof begun.
- Established formal partnership with ECDC, DEDEA, UKDM and PG BISON economic development programmes.

KEY ISSUES FOR 2009/10

- Continue to implement LED Strategy as per the Implementation Plan and Recommendations of the Elundini Strategic Plan.
- Continue to mobilize resources for the implementation of the Tourism Plan.
- Ensure community participation in Tourism.
- Enhance SMME Development with vigour.
- Facilitate development of Agricultural Plan by the Department of Agriculture.
- Consolidate poverty alleviation initiatives and partnership with relevant stakeholders.

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CHALLENGES REGARDING LED STRATEGY IMPLEMENTATION

Unfunded mandate of “Elundini food basket” initiative is not progressing well.

- Inadequate budget for LED.
- Absence of agricultural plan to dissect agricultural development in our area.
- General limited understanding of the role of LED in our municipality.
- Absence of documented sites of tourism attractions, heritages sites, cultural tourism activities and less developed arts and culture artifacts.

c) Measures to address challenges

- Exploit the existence of newly created department of Rural -Department and Land Reform to address rural poverty, underdevelopment and landlessness.
- Lobby for more developmental budget within LED division.
- Special request for availing agricultural plan be made to the Department of Agriculture.
- Appoint Service Provider to prepare and produce a documentary for promoting Elundini Municipality tourism.

2.9 GOOD GOVERNANCE, PUBLIC PARTICIPATION, ACCOUNTABILITY & TRANSPARENCY

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1. INTEGRATED DEVELOPMENT PLANNING

Integrated Development Planning (IDP) is a process through which municipalities prepare a strategic plan containing short, medium and long term development objectives, strategies and programmes for the municipal area. The IDP is the principal instrument that guides and informs budgeting, management and decision making related to service delivery and development in a municipality.

The IDP process enables municipalities to work together with communities and other stakeholders, to find innovative and cost effective ways of eradicating poverty and growing the local economy.

IDP therefore helps to:

- Make more effective use of scarce resources
- Speed up service delivery
- Attract additional investment and additional funds
- Strengthen democracy and hence institutional transformation
- Promotes intergovernmental co-ordination

IDP and the Municipal Council

- IDP helps to provide clear and accountable leadership and development direction
- Develop co-operative relationships with stakeholders and communities
- Obtain access to development resources and external support
- Monitor the performance of municipal officials

IDP and Councilors

- IDP provides councilors with a mechanism of communicating with their constituencies
- Enables councilors to represent their constituencies effectively by making informed decisions
- Enables councilors to measure their own performance

IDP and Communities

- Gives them an opportunity to inform the Municipal Council what their development needs are
- Gives them an opportunity to determine the municipality's development direction
- Provides a mechanism through which to communicate with their councilors and the governing body
- Provides a mechanism through which they can measure the performance of the councilors and the municipality as a whole

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IDP Outreach Imbizo: Hillgate Greatplace –March 2009

IDP and National and Provincial Sector Departments

- The availability of the IDP provides guidance to the departments as to where their services are required and hence where to allocate their resources and avoid duplication of effort
- Allows the departments to co-ordinate their service delivery and development programmes in municipal area, based on local conditions and requirements



IDP Outreach meeting: Dengwane Village- March 2009

- The IDP serves as a guide to the private sector in making decisions with regard to areas and sectors to invest in.

These relationships, roles and responsibilities of different stakeholders to IDP are the foundation and expression of effective co-ordination and co-operation that guide delivery of services, which local government is charged with. Failure to understand and effect them results in an ad hoc approach to planning and development.

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KEY ISSUES FOR 2010/2011 IDP REVIEW

- Improvement of IDP review on the basis of MEC's assessment comments
- Continuous identification and acquisition of suitable land for development
- Strengthen intergovernmental relations with all relevant stakeholders
- Continuous up skilling of various publics, both internally and externally on their roles and responsibilities with respect to IDP
- Intensification of Community Based Planning (CBP)
- Re-think public participation, to promote inclusive participation and actively incorporate public input beyond IDP compliance

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CHAPTER 3

HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

This function serves as a support service to the municipality. Its primary objectives include:-

- Management of the employees' conditions of service in terms of the relevant collective agreement and policies;
- Design and implement an organizational structure aligned to the municipality's powers and functions and the IDP
- Facilitate the training and development of personnel including councilors
- Maintenance of a human resources environment that is conducive to and that promotes organizational stability and harmony
- Implementation of the Job evaluation system

3.1 Employment Equity

The status of employment equity as at June 2009 is as follows:

Racial Classification	Males	Females	Total	Percentage-racial grouping (%)
Africans	135	62	197	93,8
Coloureds	6	0	6	2,9
Indians	0	0	0	0
Whites	4	3	7	3,3
	145	65	210	100
Percentage – Gender Distribution	69,0	31,0	100	

A =Africans, C = Coloureds, I = Asians, W = Whites

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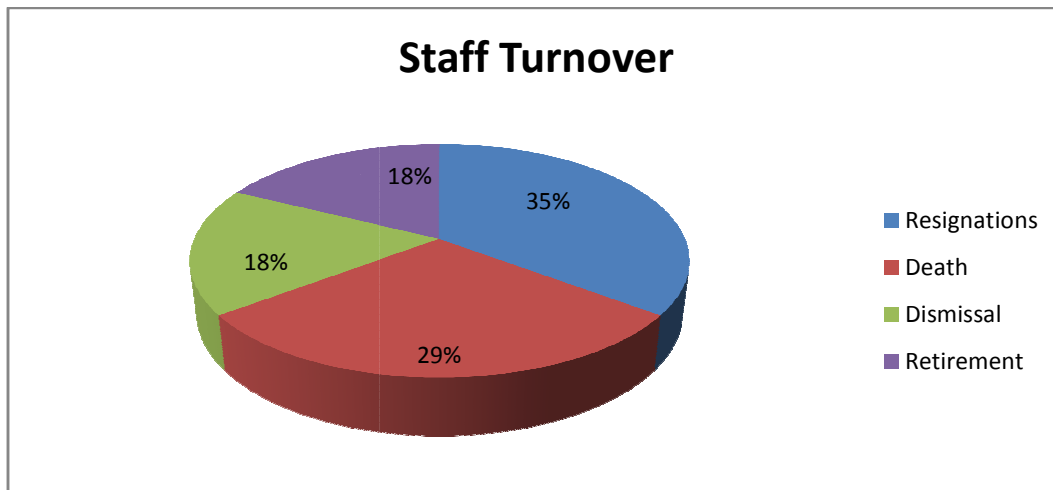
There has been a slight improvement in the gender composition of the workforce when compared to the previous financial year. This improvement is due to the implementation of the employment equity plan approved by the municipality at the beginning of the financial year.

Age Classification

AGE	A		C		W		Total	Percentage (%)
	F	M	F	M	F	M		
18-35	21	35	0	0	0	1	57	27,1
36-40	12	75	0	1	0	0	88	41,9
41-50	17	13	0	1	3	3	37	17,6
51-65	5	19	0	4	0	0	28	13,4
Total	54	130	0	7	3	4	210	100

Youthful members (18 – 40) of staff constitute 69% of the work force, and this augurs well for the continuity, but may also be problematic in the sense that it is this category of workforce that is highly mobile.

Staff turnover



Out of 6 staff members who resigned during the year under review, 5 of them resigned as a result of better offers of employment elsewhere, while the 6th employee resign on the eve of a disciplinary hearing against him.

Deaths were mainly due to natural causes and one death occurred as a result of a motor vehicle accident.

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Dismissals were mainly due to various infractions of the disciplinary code, including fraud and insubordination.

ORGANISATIONAL STAFF BENEFITS

NUMBER OF MEDICAL AIDS AND BENEFICIARIES

MEDICAL AID	NUMBER OF MEMBERS
BONITAS	23
SAMWUMED	35
LA HEALTH	16
KEY HEALTH	4
HOSMED	35

NUMBER OF PENSION FUNDS AND BENEFICIARIES

PENSION FUND	NUMBER OF MEMBERS
MUNICIPAL COUNCILLORS PENSION FUND	31
CAPE RETIREMENT FUND	19
SALA PENSION FUND	34
NATIONAL FUND FOR MUNICIPAL WORKERS	1
SAMWU NATIONAL PROVIDENT FUND	137
CAPE JOINT PENSION FUND	1

Educational Profile

OCCUPATION-AL CATEGORY	MALE			NQF	FEMALE		NQF
	A	C	W		A	W	
Sections 57 Managers	3			6-7	2		8
Professionals	9		2	4-6	3		5-6
Technicians	7		1	5-6	1		4-5
Clerks	4		1	4-6	26	3	4-6
Service & Sales workers	4			4-5	2		4-5
Operators	12			2-4			
General workers	96	6		0-2	28		0-2
TOTAL	135	6	4	-	62	3	-

A= Africans C= Coloureds W= Whites

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EXPLANATORY NOTES

NQF LEVEL	Level of qualification
0	Less than Std 7 or no Education at all
2	STD 7
3	STD 8
4	STD 10
5	N6
6	National Diploma & Junior Degree
7	Four year university Degree
8	Master's Degree

Industrial Action

No industrial action took place during the year under review.

3.4 Training and Capacity Building

FIELD	NUMBER OF STAFF BENEFITED
Welding	4
Minute Taking	3
Events Management	8
Waste Water Process Operations	3
Housing Development & Training	4 Councillors & One official
Pound Management	4
Project Management	1
Records Management	1

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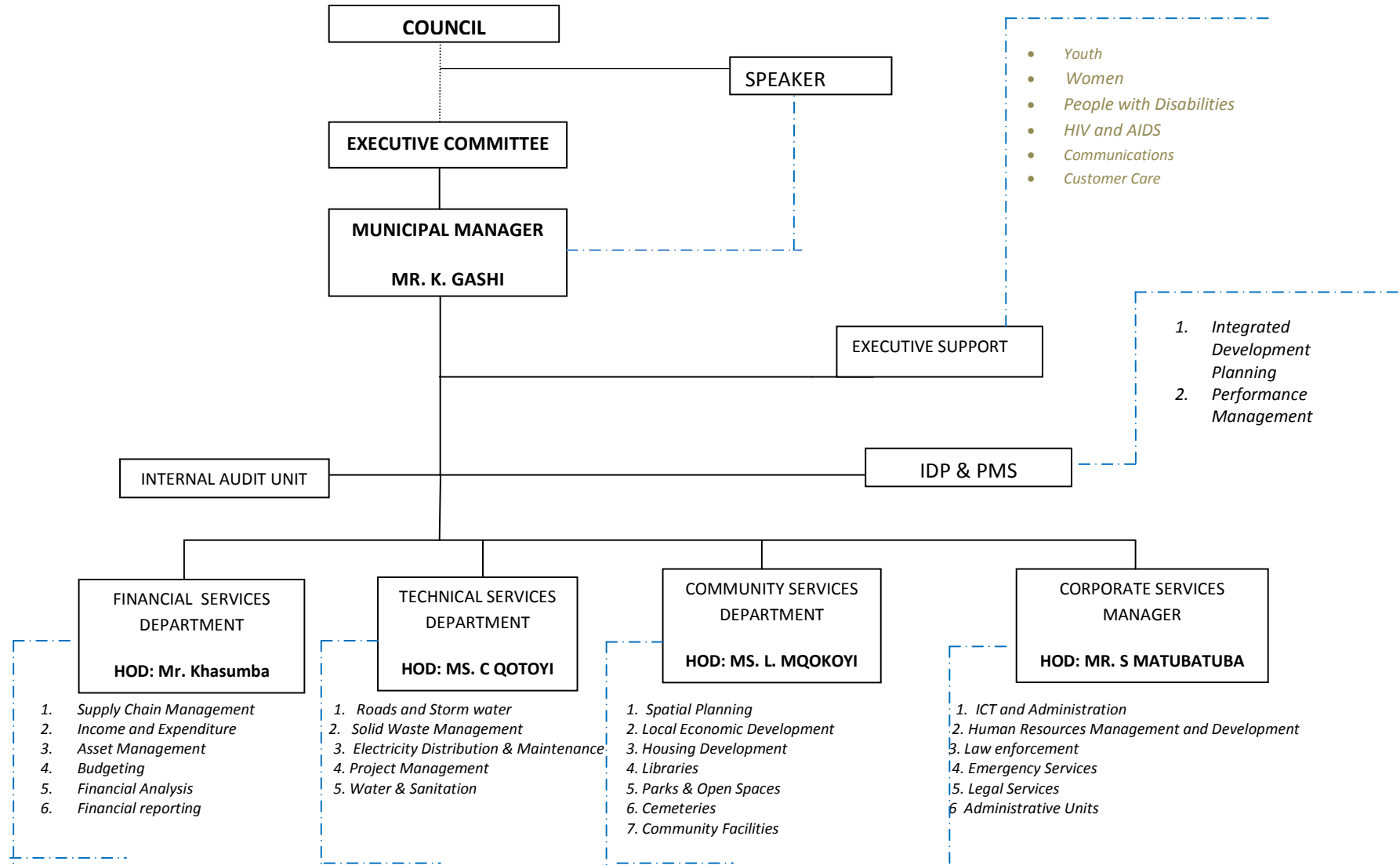
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IDP	1
OHS	4
Strategic Management	9
Records Management Workshop	1
Water and Sanitation Learnership	4 Community Members
Accomodation Services Learnership	17 Community Members
IDP	1
Public Participation for Ward Councillors	8 Councillors
Electricity - Live LV	2
Recruitment and Selection	2
Project Management	1
MFMA	3
Basic Archives & Records Management	2
Executive Leadership	1
Certificate programme for management development in municipal finance	1

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3.5 ORGANISATIONAL STRUCTURE AS AT 30 JUNE 2009



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Bursary Assistance

The total number of employees granted financial academic assistance during the financial year 2008/2009 is a total of eleven employees.

Name	Job Title	Qualification	Institution
B Sithole	Secretary	Diploma in Public Administration	UNISA
TT Mati	Committee Clerk	Diploma in Public Management	UNISA
F Tshaka	IDP Clerk	Diploma in Office Management and Technology	UNISA
M Mvumvu	Chief Traffic Officer	LLB	WSU
T Pula	Registry Clerk	Diploma in office management	UNISA
N Bilitane	Credit Control Officer	Diploma in Public Finance and Accounting	UNISA
N Memeza	Personnel Clerk	B Tech – Human Resources Management	UNISA
G Tywabi	ICT Systems Administrator	MBA	MANCOSA
N Sokutu	Assistant Manager – Executive Support	MBA	Rhodes University
N Mditshane	Traffic Officer	Diploma in Road Traffic and Municipal Police Management	Tshwane University of Technology
N Gwele Dumeko	Committee Clerk	Procurement and Supply Chain Management	UNISA

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3.6. STAFF DEBTORS AT 30 JUNE 2009

ACCOUNT NO	A/C HOLDER	OPENING BALANCE 01 JULY 2008	CURRENT	PAYMENTS	CLOSING BALANCE 30 JUNE 2009
0N0953/1133	MHALBENI M	3879.90	151.9	0	4031.80
0P2766/1276	MVELA E.	11243.74	263.05	0	11506.79
0UC530/S02456	PETROS M	3739.05	413.35	1500	2652.40
0M1841/2139	THEMBELA N.	1633.72		0.00	1633.72
5M0987/500987	MAREKA LP	8946.97	310.25	600.00	8657.22
5S1211/501511	TSHOBEKA M	9475.65	220.20	500.00	9195.85
0N0874/00100	MBINDA FN	2347.49	144.85	0.00	2492.34
0N0694/1244	MBINDA FN	2183.29	143.75	0.00	2327.04
8M0836/500592	DLWANGU- DLWANGU	3420.05	139.20	0.00	3559.25
5S0677/501267	NOMBAMBA E	22694.99	226.15	0.00	22921.14
0P2619/2388	BUDU TC	4357.41	209.15	300.00	4266.56
0L2123/2574	VENU S	2347.49	144.85	0.00	2492.34
5M0917/500454	KOK S	3882.87	157.60	0.00	4040.47
5S1887/501311	NXELANA LC	12920.64	185.85	0.00	13106.49
5S2827/501137	NXELANA M	3610.15	214.10	0.00	3824.25
5G2594/500083	MDLOKOVANA T	3610.15	213.75	0.00	3823.90
0P3106/S00253	THAMELA KJ	3610.15	213.75	300.00	3523.90
0P3877/S00433	YOKWANA M	3610.15	214.10	0.00	3824.25
5S2834/S01444	NONGCAWULA M.	3610.15	214.10	0.00	3824.25
5V3105/S01655	OIJANI H	3610.15	214.10	0.00	3824.25
5V2386/S01878	MDUNYELWA P	3610.15	214.10	0.00	3824.25
5S1138/S02033	CWABA ZW	2337.3	144.80	0.00	2482.10
0P3141/S02126	MANQINDI ZP	3610.15	214.10	0.00	3824.25
0N0921/S02355	NXANGASHE PH	3691.05	155.70	0.00	3846.75
5S2881/S1189	BILITANE N.	3610.15	212.35	500.00	3322.50
0P3131/S00272	KLAAS T.	3721.85	215.40	0.00	3937.25
5S1883/501399	RAWE Z	21970.13	223.50	0.00	22193.63
5S1909/501079	MFAKADOLO N	12920.64	185.85	0.00	13106.49
5S1699/501242	NJOZELA TN	12920.64	185.85	0.00	13106.49
0M1593/2135	THEMBELA B	6836.49	159.15	0.00	6995.64
0N0935/2603	MGWADLENI VV	4943.99	156.40	0.00	5100.39
5V2355/S01846	ZILWA L	3638.2	214.10	0.00	3852.30
5S1608/500140	COMBI J	22723.04	226.15	0.00	22949.19
5S1309/500105	MATI N	12920.64	185.85	0.00	13106.49

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0J1425/1213	MOYIKWA M	4328.16	151.10	0.00	4479.26
0N0689/1918	SINEYILE NJ	13779.02	204.50	0.00	13983.52
5M0847/500482	LEFMEBER A	22694.99	226.15	0.00	22921.14
0U530E/S02091	MATYENI V	2854.03		0.00	2854.03
0U0530/S02091	MATYENI V	8171.65	1945.35	2500.00	7617.00
0N0851/45	BANGISO DD	2963.12	156.20	88.00	3031.32
0P2631/000262	DDODA T	2678.82	201.00	263.00	2616.82
0N0683/425	GODWANA M.	4096.72	176.35	88.00	4185.07
0M1849/992	MBAYIMBAYI T	851.07	127.05	88.00	890.12
0N0804/1240	MPUNGA P	-397.21	127.05	88.00	-358.16
0S1454/00143	BUNZI NF	55.21	127.05	91.00	91.26
0J1350/1249	NDABANGAYE Y	-914.86	127.05	88.00	-875.81
0J1351/1249	NDABANGAYE Y	5187.58	192.60	0.00	5380.18
0S1413/1919	SINEYILE NJ	-827.33	127.05	88.00	-788.28
0N0966/2138	THEMBELA MV	-573.07	127.05	88.00	-534.02
0N0967/2139	THEMBELA	-482.09	127.05	88.00	-443.04
0U530H/S01557	LEHLAPA PR	1089.6	430.15	340.00	1179.75
0U530E/500471	GQOLA N	598.7	691.20	605.65	684.25
0U530E/501556	MVUMVU MS	4331.96	861.05	833.00	4360.01
0U530/502272	TSHAKA F	884	530.10	460.00	954.10
0UC530E/502248	NKWEZANE P	325.8	633.70	616.65	342.85
0U530E/S02334	DUMEKO S	462.2	524.30	497.00	489.50
0UL530/S02464	ZWAKALA M	1609.25	646.15	605.65	1649.75
TOTAL		339395.83	15146.60	18465.85	311886.55

In terms of paragraph 10 of the Code of Conduct for municipal staff members, a staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months, and a municipality may deduct any outstanding amounts from a staff member's salary after this period.

Only 32% of the above outstanding account has been acknowledged and arrangements made. Although staff have been requested to settle their accounts, most have raised various issues, including the following: -

- Staff are being billed for their houses in the Greenfields area, which remains incomplete;
- Staff are being billed while services are not provided

It is hoped that the database cleansing project will help to resolve these problems.

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CHAPTER 4

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

4.1 FOREWORD TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009.

30 June 2009 is the last year for low capacity municipalities, in the ilk of the Elundini Municipality, to produce annual financial statements on the conventions set by the Institute of Municipal Finance Officers. From the 2009/2010 financial year, the preparation of the annual financial statements must follow Generally Recognized Accounting Practices and fully comply to the prescripts of the Municipal Finance Management Act, 56 of 2003. This requirement comes along together with the Auditor General's stated desire to express an opinion on the attainment of service delivery targets by municipalities with effect from the 2009/2010 financial year.

This scenario has induced the Elundini Municipality to make all efforts and create the necessary conditions for the attainment of an unqualified opinion in respect of the 2008/2009 financial year. The final arbiter, of course, as to whether such efforts and conditions were adequate is the Auditor General.

Lastly, the Elundini Municipal council has gone beyond the midpoint in its term of office, and probably needs to evaluate its performance towards the attainment of "a better quality of life for all" as the municipality's vision proudly proclaims. The Executive Committee has therefore agreed to hold a session before the end of the financial year, where it can appraise the service delivery road traversed so far, and identify those critical matters that must be resolved before the end of the term of the municipal council. This might of necessity include a reconfiguration of the municipality such that it ably responds to the current challenges facing our people.

Councillor B Salman
Mayor

4.2 FINANCIAL OVERVIEW: CFO'S REPORT

1. OPERATING RESULTS

Details of the operating results according to service classification and object of expenditure are included in Appendices

D and E. The operating results for the year ended 30 June 2009 are as follows:

	VARIANCE %	BUDGET 2009 R	ACTUAL 2009 R	ACTUAL 2008 R
INCOME				
Rates and general services	-2.2%	71,421,839	69,880,017	75,365,489
Trading Services	-57%	39,774,605	16,913,334	14,784,149
Total Budgeted Income	-22%	111,196,444	86,793,351	90,149,638
EXPENDITURE				
Rates and general services	3%	69,105,062	70,912,215	94,901,919
Trading Services	-54%	42,024,581	19,208,683	18,406,318
Total expenses	-19%	111,129,643	90,120,898	113,308,237
(Deficit)/Surplus for the year		66,801	(3,327,547)	(23,158,599)

Revenue

Rates and General Services

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Current year actual revenue to prior year depicts a 33.8% decrease. Current year receipts compares fairly to the budgeted.

Trading Services

Current year actual revenue to prior year depicts a 14% increase. Current year receipts do not compare fairly to the budgeted.

Expenditure

Rates and General Services

Current year actual expenditure to prior year depicts a 35% decrease. Current year expenses compares fairly to the budgeted.

Trading Services

Current year actual expenditure to prior year depicts a 4% increase. Current year expenses do not compare fairly to the budgeted.

2. CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets during the year amounted to R17 771 064. The actual expenditure consists of the following: -

	VARIANCE	ACTUAL 2009 R	ACTUAL 2008 R
Capital Development	(10,749,944)	347,144	11,097,088
Electricity Network	6,573,673	9,205,366	2,631,693
Office Equipment	(246,994)	117,829	364,823
Computer Equipment	(333,496)	208,332	541,828
Computer Software	(36,720)		36,720
Machinery	(95,524)		95,524
Motor Vehicles	(761,475)	671,437	1,432,912
Land & Buildings	(461,789)	271,163	732,952
Streets	4,496,658	6,788,468	2,291,810
Plant & Equipment	(50,568)		50,568
Tools & Equipment	158,785	161,325	2,540
Other Assets	(257,970)		257,970
	(1,765,364)	17,771,064	19,536,428

Resources used to finance the fixed assets were as follows: -

	ACTUAL 2009 R
<u>Grants & Subsidies</u>	
Grants & Subsidies	17,771,064
	17,771,064

A detailed analysis of fixed assets can be examined on Appendix C of the annual financial statements.

3 EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding as at 30 June 2009 amounted to R327 336 (2008: R368 281). These loans are payable over a period of 20 years and bear interest at rates of 16.72% and 17.36% per annum. They will be fully redeemed by 2009 and 2015 respectively.

As at 30 June 2009, external investments at approved financial institutions amounted to R51,1 million (2008: R55,2 million). The main bank account shows a favourable cashbook balance of R1 800 344 (2008: R1 952 437), whilst the First National Bank Account had a favourable balance of R934 738 (2008: R8 568).

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More information regarding loans and investments are disclosed in the notes and Appendix B of the annual financial statements.

4 FUNDS AND RESERVES

TRUST FUNDS

The balance of Trust and Project funds at 30 June 2009 amounted to R26,531 million (2008: R21 million).

More information on these Trust and Project Funds is detailed in Appendix A to the financial statements.

5 CONTINGENT LIABILITIES

SALA Pension Fund vs Elundini Municipality

Outstanding pension fund contribution by the Municipality	281,586	244,000
---	----------------	----------------

Matyeni vs Elundini Municipality

Alleged failure by municipality to pay subsistence allowance due	80,000	80,000
--	---------------	---------------

Department of Housing vs Elundini Municipality

Alleged mismanagement of funds transferred to the municipality	936,047	936,047
--	----------------	----------------

Performance Bonuses

	357,897	-
--	----------------	----------

This is in respect of the impending evaluation of the performance of section 57 employees in respect of the years ended 30 June 2009.

In terms of the conditions of employment applicable to the section 57 employees, there must be an annual assessment of the performance of all section 57 employees, which may result in the employees being rewarded if their performance meets and /or exceeds certain prescribed standards. A potential liability exists in the event that

the performance
evaluation outcomes require that
bonuses be paid.

**Claims by Mrs S Songca, N D Mdzanga
and P J Brits**

230,000

-

The above claims relate to alleged damages suffered by
the claimants
as a result of a fire which apparently emanated from
the property of the
municipality. The municipality intends to
defend the case.

6 EXPRESSION OF APPRECIATION

I wish to express my appreciation to the Mayor, the Chairperson of the Standing Committee on Finance, the Council at large and my fellow managers as well as to the staff members at large for their invaluable support during the past year.

A special word of thanks is extended to the representatives of the Auditor General for their assistance during the year.

**K GASHI
ACTING CHIEF FINANCIAL
OFFICER**

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4.3 CONSOLIDATED FINANCIAL STATEMENTS AS AT THE END 30 JUNE 2009:

ELUNDINI LOCAL MUNICIPALITY						
BALANCE SHEET as at 30 June 2009						
			Notes	2009		2008
				R		R
CAPITAL EMPLOYED						
FUNDS AND RESERVES						
	Statutory funds		1	7,625,703		29,349,962
ACCUMULATED SURPLUS						
LONG TERM LIABILITIES						
	Long term loans		3	294,606		266,612
	Consumer deposits: services		4	137,186		193,475
	Provisions		11	1,000,000		-
				25,205,283		34,698,063

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EMPLOYMENT OF CAPITAL						
FIXED ASSETS						
			5	327,335		368,281
NET CURRENT ASSETS						
CURRENT ASSETS						
	Inventory		7	292,708		649,472
	Accounts receivable		8	3,963,738		6,846,752
	Investments		6	51,088,972		55,279,904
	Cash		9	2,736,130		1,961,005
CURRENT LIABILITIES						
	Accounts payable		10	4,081,141		8,609,117
	Provisions		11	2,558,520		255,665
	Trust and project funds		2	26,531,209		21,440,900
	Short term portion of long term loans		3	32,730		101,669

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										25,205,283	34,698,063

CASH FLOW STATEMENT
for the year ended 30 June 2009

	Notes	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES			
Interest received	12	5,069,884	2,134,831
Interest paid	12	(62,130)	(78,321)
Cash generated from operations	15	83,071,907	(96,498,074)
(Increase)/decrease in working capital	16	(21,550,584)	8,478,733
Contributions to funds and reserves		(21,724,259)	(16,013,755)
Cash available from operations		44,804,818	(101,976,586)
Cash contributions from the public and government		(56,670,454)	127,904,687
Increase in project funds		5,090,309	
NET CASH FROM OPERATING ACTIVITIES		(6,775,327)	25,928,101

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	CASH UTILISED IN INVESTMENT ACTIVITIES							3,331,526	(5,885,738)
	Investment in fixed assets							3,331,526	(5,885,738)
								(3,443,801)	20,042,363
	NET CASH FLOWS FROM FINANCING ACTIVITIES							4,218,926	(17,838,986)
	Increase/(decrease) in long term loans			17				27,994	128,215
	(Increase)/decrease in cash investments			18				4,190,932	(17,967,201)
	NET DECREASE IN CASH AND CASH EQUIVALENTS							775,125	2,203,377
	(INCREASE)/DECREASE IN CASH ON HAND			19				(775,125)	(2,203,377)

ELUNDINI LOCAL MUNICIPALITY									
NOTES TO THE FINANCIAL STATEMENTS									
for the year ended 30 June 2009									
								2009	2008
								R	R

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1	STATUTORY FUNDS								
	Revolving fund					7,625,703			11,412,988
	Equitable share fund					-			17,936,974
						7,625,703			29,349,962
						-			-
2	TRUST & PROJECT FUNDS								
	Housing Personnel Fund					60,483			56,226
	Town Register Fund					21,224			20,127
	Drought Relief Fund					942,251			865,120
	Intervention Fund					509,491			887,872
	MIG Fund					8,131,652			125,527
	CMIP Fund					1,001,747			1,047,822
	Elundini Housing Fund					71,732			66,683
	IDP/LDO Fund					118,600			110,877
	Leave Reserve Fund					12,118			11,549
	NER Fund					6,139,650			10,756,599
	Survey Fund					228,899			210,684
	Transitional Grant Fund					978,970			913,502

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Capacity Building Fund				1,235,773			1,335,853
MSP Fund				1,637,912			1,575,242
Katlehong Housing Fund				2,791			2,660
LED Open Market Fund				38,726			33,238
Housing Pilot Fund				112,508			114,684
Maclear Greenfields Fund				805,811			739,557
Financial Management Grant Fund				396,235			761,118
MSIG Fund				756,829			216,425
Enkululekweni Fund				438,879			406,399
Library Fund				276,015			285,152
Municipal Admin. Fund				73,855			68,656
HIV/AIDS Fund				60,000			-
Mt Fletcher Youth Center Fund				200,000			-
Tourism Fund				1,857,782			829,328
Expanded Public Works Fund				420,165			-
Voter Station Fund				1,109			-
				26,531,209			21,440,900

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3	LONG TERM LOAN								
	DBSA Loan					327,336			368,281
	Short Term Portion					(32,730)			(101,669)
	Long Term Portion					294,606			266,612
These loans bear interest at rates of 16,72% and 17,36% per annum. They will be fully redeemed over a									
period of 20 years (2009 and 2015 respectively). The loan balance has been adjusted to reflect the actual amount									
due.									
4	CONSUMER DEPOSITS								
	Deposits - Houses					7,902			15,858
	Deposits - Water					21,473			30,868
	Deposits - Electricity					107,811			146,749
						137,186			193,475
ELUNDINI LOCAL MUNICIPALITY									
NOTES TO THE FINANCIAL STATEMENTS									

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for the year ended 30 June 2009							
					2009		2008
					R		R
5	PROPERTY, PLANT & EQUIPMENT						
	Fixed assets at the beginning of the year				71,008,989		65,163,346
	Capital expenditure during the year				17,771,064		19,536,426
	Less: Assets written off during the year				(21,102,590)		(13,690,783)
	TOTAL FIXED ASSETS				67,677,463		71,008,989
	Less: Loans Redeemed and other capital receipts				(67,350,128)		(70,640,708)
	NET FIXED ASSETS				327,335		368,281
	For more details on Fixed Assets, Refer to Appendix C.						
6	SHORT TERM INVESTMENTS						
	<u>UNLISTED</u>						

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Town Register Investment				21,224			20,127
Elundini Housing Investment				71,732			66,683
IDP/LDO Investment				118,600			60,877
Intervention Investment				509,491			1,214,997
Leave Reserve Investment				12,118			11,549
Drought Relief Investment				942,251			865,119
Equitable Share Investment				18,174,509			20,987,462
NER Investment				6,131,546			6,756,594
Survey Investment				228,899			210,684
Personal Housing Investment				60,483			56,226
Coloured Housing Investment				20,279			19,234
MIG Investment				4,576,261			1,175,964
Capacity Building Investment				1,235,773			1,335,853
Transitional Grant Investment				978,970			913,503
LED Open Market Investment				38,725			199,904
MSP Investment				1,637,911			1,812,221
CMIP Investment				838,915			895,235
Katlehong Housing Investment				2,792			2,660

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Housing Pilot Investment				112,508			114,684
Maclear Greenfields Investment				805,811			764,622
Electricity Investment				1,577,352			1,873,920
Surplus Investment				1,200,764			1,152,776
Financial Management Grant Investment				318,630			761,118
Investments - Deposits				12,425			11,841
Investment - Revolving Fund				7,483,068			11,175,976
Youth Centre Investment				200,000			-
Public Works Investment				420,165			-
Voting Station Investment				99,860			-
MSIG Investment				550,959			844,759
Testing Centre				3,306			3,150
Mount Fletcher Balance				7,584			7,228
Motor Registration Investment				1,635			1,635
Training/Cemetery/Golf Course				15,439			14,714
Enkululekweni Housing Investment				438,879			406,399
Tourism Investment				1,944,792			941,842
Library Investment				221,461			531,690

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	Municipal Administration Investment				73,855			68,658
					51,088,972			55,279,904
ELUNDINI LOCAL MUNICIPALITY								
NOTES TO THE FINANCIAL STATEMENTS								
for the year ended 30 June 2009								
					2009			2008
					R			R
7	INVENTORY				292,708			649,472
8	ACCOUNTS RECEIVABLE							
	Rates & Taxes				7,635,112			6,702,301
	Health Rates				5,370			6,558
	Electricity				4,660,529			3,564,272
	Water and sanitation				-			18,615,943
	Ukhahlamba W & S				627,394			-
	Refuse				10,795,861			12,226,502
	Commonage				13,898			15,474

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Housing Rental				711,054		738,288
Sundry Billings				113,879		111,791
Grazing				55,898		55,943
Outstanding Balances				90,188		92,411
Self-help Housing				-		196,170
Prepaid expenses				125,464		-
Training, Cemetery and Golf Course				-		-
Housing Scheme				123,786		-
Sundry Debtors				4,235		-
Bank Errors				-		2,356
T/A Funds				-		-
R/D Cheques				-		36,425
VAT				2,436,577		1,462,966
Internal Loan				4,506		4,506
				27,403,751		43,831,906
Less: Provision for bad debts				(23,440,013)		(36,985,154)
				3,963,738		6,846,752

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	Provision for bad debts has been made for all debts outstanding for more than 180 days. Refer to note 20.						
9	CASH & CASH EQUIVALENTS						
	Elundini Standard Bank Revenue Bank Account				1,800,344		1,952,437
	Petty cash account				1,048		-
	Elundini FNB Main Bank Account				934,738		8,568
					2,736,130		1,961,005
	The Elundini Standard Bank Revenue Bank Account and Elundini FNB Main Bank Account are both						
	cheque accounts.						
10	ACCOUNTS PAYABLE						
	Trade Creditors				1,995,335		7,994,980
	Other Creditors				2,085,806		-
	SARS (P.A.Y.E; U.I.F & S.D.L.)				-		316,278
	Dept of Roads & Transport				-		297,859
					4,081,141		8,609,117
11	PROVISIONS						

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	Provision for 13th cheque				785,468				-
	Provision - Leave Pay				1,273,052				255,665
	Provision for rehabilitation of waste sites				500,000				-
					2,558,520				255,665
	The total provision for the rehabilitation of solid waste sites amounts to be R1,500,000 which is split as follows:								
	- Long term provision				1,000,000				
	- Short term provision				500,000				
					1,500,000				
	The Elundini Municipality is operating 3 solid waste sites, of which it has one valid permit (Maclear).								
	Two of the permits (Ugie and Mount Fletcher) have lapsed with the Department of Water Affairs, hence a								
	further application must be made to re-instate the permits.								
12	FINANCE TRANSACTIONS								
	Interest earned				5,069,884				2,134,831
	Interest paid				62,130				78,321

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ELUNDINI LOCAL MUNICIPALITY									
NOTES TO THE FINANCIAL STATEMENTS									
for the year ended 30 June 2009									
						2009			2008
						R			R
13	COUNCILLOR'S REMUNERATION								
	Mayor					534,680			464,896
	Speaker					430,942			374,698
	Executive Councillors					1,119,675			-
	Other					4,203,346			4,736,596
						6,288,643			5,576,190
14	APPROPRIATIONS								
	Accumulated surplus/(deficit) at the beginning of the year					4,888,014			69,450,206

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	Operating (deficit)/surplus for the year				(3,327,547)				(23,158,599)
	Appropriations for the year				14,587,321				(41,403,593)
					16,147,788				4,888,014
15	CASH (UTILIZED)/GENERATED BY OPERATIONS								
	CASH GENERATED BY OPERATIONS								
	Surplus/(deficit) for the year				(3,327,547)				(23,158,598)
	Appropriations for the year				14,587,321				(41,403,594)
	Appropriations charged against income:				23,440,013				16,013,755
	Bad debt provision				23,440,013				16,013,755
					34,699,787				(48,548,437)
	Interest received				(5,069,884)				(2,134,831)
	Interest paid				62,130				78,321
	Grants and subsidies received from the state				53,379,874				(45,893,127)

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						83,071,907						(96,498,074)	
16	(INCREASE)/DECREASE IN WORKING CAPITAL												
	(Increase)/decrease in inventory											356,764	(359,854)
	(Increase)/decrease in debtors											(20,556,999)	8,379,096
	Increase/(decrease) in provisions											3,302,855	(30,000)
	Increase/(decrease) in short-term portion on long term liabilities											(68,939)	(13,610)
	Increase/(decrease) in consumer deposits											(56,289)	11,878
	Increase/(decrease) in creditors											(4,527,976)	491,223
												(21,550,584)	8,478,733

ELUNDINI LOCAL MUNICIPALITY													
NOTES TO THE FINANCIAL STATEMENTS													
for the year ended 30 June 2009													
						2009						2008	
						R						R	
17	INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)												
	Loans repaid											27,994	128,215

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					27,994			128,215
18	(INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS							
	Investment made				4,190,932			(17,967,201)
					4,190,932			(17,967,201)
19	INCREASE IN BANK AND CASH							
	Cash balance: beginning of the year				1,961,005			(242,372)
	Less: Cash balance: end of the year				(2,736,130)			(1,961,005)
					(775,125)			(2,203,377)
20	SUMMARY OF CONSUMER DEBTORS							
	<30 days				2,020,943			1,247,854
	<60 days				1,367,782			1,171,013
	<90 days				1,155,725			1,074,899
	<120 days				1,099,807			1,039,717
	<150 days				1,094,484			1,036,732
	<180 days				20,051,341			36,985,154
					26,790,082			42,555,369

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21	EMPLOYEE RELATED COSTS							
	Remuneration of Municipal Manager							
	Annual Remuneration				695,253			575,080
	Performance Bonus				125,087			-
	Housing Allowance				70,000			60,000
	Travelling Allowance				60,000			120,000
					950,340			755,080
	Remuneration of Chief Finance Officer							
	Annual Remuneration				340,285			339,612
	Performance Bonus				118,116			-
	Housing Allowance				217,358			256,211
	Travelling Allowance				66,975			73,590
					742,734			669,413
	Remuneration of Manager - Technical Services							
	Annual Remuneration				417,885			295,945
	Performance Bonus				-			-
	Housing Allowance				109,800			181,940

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Travelling Allowance				120,000		186,473
				647,685		664,358
Remuneration of Manager - Community Services						
Annual Remuneration				409,131		363,873
Performance Bonus				111,716		-
Housing Allowance				96,436		210,320
Travelling Allowance				228,479		88,778
				845,762		662,971
Remuneration of Manager - Corporate Services						
Annual Remuneration				383,511		339,612
Performance Bonus				104,167		-
Housing Allowance				79,836		73,590
Travelling Allowance				275,830		256,211
				843,344		669,413

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ELUNDINI LOCAL MUNICIPALITY									
NOTES TO THE FINANCIAL STATEMENTS									
for the year ended 30 June 2009									
						2009			2008
						R			R
22	OTHER COMPULSORY DISCLOSURES AS PER SECTION 125 OF MFMA								
	Included in the personnel and general expenditure during the current are the following amounts:								
	Audit fees paid					1,071,899			511,985
	Pension fund contributions					2,493,176			2,211,952
	Medical aid contributions					956,467			1,047,416
						4,521,542			3,771,353
23	RELATED PARTY TRANSACTIONS								

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Matubatuba and Associates					150,701			97,580
Being services in respect of various litigation and disciplinary matters rendered by the company owned by the brother to one of the senior managers.								
YYZ Suppliers					198,427			-
Payments in respect of the contract amounting to R198 427 for the rehabilitation of the municipal ground awarded to a company owned by a wife of a municipal employee.								
Ganta Trading Enterprise					27,370			10,485
Catering services rendered by a company owned by a wife of a Councillor.								
Snow Drop Inn B & B					15,880			-
Hiring of accommodation services from a bed and breakfast owned by the wife of a Councillor.								
					392,378			108,065

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	STV Construction					-			22,023
	Hiring of the services of a company owned by a councillor.								
24	COUNCILLOR DEBTORS								
	Cllr CK Mthi					823			652
	Cllr D Mvumvu					17,770			17,538
	Cllr NR Lengs					7,010			5,233
	Cllr GM Moni					15,346			12,895
	Cllr T Fokoto					20,225			11,402
	Cllr H Rankuthu					2,818			2,428
	Cllr R Lehana					257			-
	Cllr LS Baduza					774			-
						65,023			50,148
	The following councillors have made arrangements with the municipality								
	to settle their outstanding debt:								
	Cllr CK Mthi								
	Cllr D Mvumvu								

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	Cllr NR Lengs								
	Cllr R Lehana								
	Cllr LS Baduza								
25	FRUITLESS & WASTEFUL EXPENDITURE					226,916			-
	The fruitless and wasteful expenditure for the 2009 financial year relates								
	to penalties and interest charged by the Compensation Commissioner								
	due to failure by the Municipality to pay statutory Workmen's Compensation								
	contributions since 2002. The Council has since condoned the fruitless								
	and wasteful expenditure.								
	This amount relates to an employee that incurred expenditure without the								
						1,100			38,132
	necessary authority. The said employee has since been dismissed for								
	this and other infractions.								
	The fruitless and wasteful expenditure for the 2008 financial year relates to								
	to a under deduction of PAYE, UIF and SDL from employees and Councillors								
	for the tax years ending February 2000 - 2007 and includes penalties and								
	interest.								

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26	IRREGULAR EXPENDITURE					34,970				-
	The amount reflected as irregular expenditure relates to the private use of the Mayoral									
	Vehicle. The Municipal Council has, on 30 April 2009, condoned this expenditure.									
27	CONTINGENT LIABILITIES									
	SALA Pension Fund vs Elundini Municipality									
	Outstanding pension fund contribution by the Municipality									
						281,586				244,000
	Matyeni vs Elundini Municipality									
	Alleged failure by municipality to pay subsistence allowance due									
						80,000				80,000
	Department of Housing vs Elundini Municipality									
	Alleged mismanagement of funds transferred to the municipality									
						936,047				936,047
	Performance Bonuses									
	This is in respect of the impending evaluation of the performance of									
	section 57 employees in respect of the years ended 30 June 2009.									
	In terms of the conditions of employment applicable to the section 57									

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	employees, there must be an annual assessment of the performance of					
	all section 57 employees, which may result in the employees being					
	rewarded if their performance meets and /or exceeds certain prescribed					
	standards. A potential liability exists in the event that the performance					
	evaluation outcomes require that bonuses be paid.					
	Claims by Mrs S Songca, N D Mdzanga and P J Brits			230,000		-
	The above claims relate to alleged damages suffered by the claimants					
	as a result of a fire which apparently emanated from the property of the					
	municipality. The municipality intends to defend the case.					
28	CAPITAL COMMITMENTS					
	Capital commitments for the year consist of the following:					
	Sethathi access Road			800,000		-
	Amadwala Trading			697,482		-
	Development of Mt Fletcher internal streets			491,876		-
	Rehabilitation of Kuebung access road			241,659		-

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	Upgrading of Nxotshane access road and bridge				1,219,232					-
	Gobho Esixhotyeni access road				58,857					-
	Ntabelanga – Nkamane road link				37,324					-
	Maclear substation construction				2,325,767					-
	Prentjiesberg electrification				701,854					-
					6,574,051					-
29	ELECTRICITY DISTRIBUTION LOSSES									
	The Municipality incurred electricity distribution losses estimated at 6429600 units (2008: XX) during the									
	financial year ended 30 June 2009.									
	These distribution losses emanated from the following:									
	- Non metering of certain properties, including the Municipal properties and the water and sewerage treatment									
	works;									
	- Inaccurate and/ or incomplete reading of meters;									
	- Illegal bypassing of meters;									
	- Incorrect application of electricity tariff factors;									

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- Inappropriate estimation of electricity consumption; and									
- Inappropriate tariff structure									
This has resulted in a potential financial loss to the Municipality estimated at R3 021 912.									

ELUNDINI LOCAL MUNICIPALITY							
INCOME STATEMENT							
for the year ended 30 June 2009							
2008	2008	2008		2009	2009	2009	2009
R	R	R		R	R	R	R
Actual Income	Actual Expenditure	Surplus / (deficit)		Actual Income	Actual Expenditure	Surplus / (deficit)	Budget Surplus / (deficit)
75,365,489	94,901,918	(19,536,429)	RATES AND GENERAL SERVICES	69,880,017	70,912,215	(1,032,198)	2,316,777
71,185,485	88,875,962	(17,690,477)	Community Services	65,866,053	64,250,691	1,615,362	7,018,456

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308,646	2,711,230	(2,402,584)	Subsidised Services	41,741	2,931,901	(2,890,160)	(3,216,821)
3,871,358	3,314,726	556,632	Economic Services	3,972,223	3,729,623	242,600	(1,484,858)
14,784,149	18,406,318	(3,622,169)	Trading Services	16,913,334	19,208,683	(2,295,349)	(2,249,976)
90,149,638	113,308,236	(23,158,598)	TOTAL	86,793,351	90,120,898	(3,327,547)	66,801
		(41,403,594)	Appropriations for the year			14,587,321	
		(64,562,192)	Net (deficit)/surplus for the year			11,259,774	
		69,450,206	Accumulated surplus at the beginning			4,888,014	
			of the year				
		4,888,014	Accumulated surplus/ (deficit) at the end of the year			16,147,788	

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ELUNDINI LOCAL MUNICIPALITY								APPENDIX A
	Balance at 30 June 2008	Contribution during the period	Interest on Investment	Other income	Operating expenditure during the year	Capital expenditure during the year	Transfers	Balance at 30 June 2009
PROJECT FUNDS								
Housing Personnel Fund	56,226	-	4,257		-	-	-	60,483
Town Register Fund	20,127	-	1,097		-	-	-	21,224
Drought Relief Fund	865,120	-	77,131		-	-	-	942,251
Intervention Fund	887,872	-	52,331		430,713	-	-	509,491
MIG Fund		19,133,847	51,632	-	-	11,179,354	-	8,131,652
CMIP Fund	1,047,822	-	26,396		72,471	-	-	1,001,747

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	66,683		11,434		-		6,385	71,732
IDP/ LDO Fund	110,877	-	7,723		-		-	118,600
Leave Reserve Fund	11,549	-	569		-		-	12,118
NER Fund	10,756,599	5,000,000	381,205		-	9,998,154	-	6,139,650
Survey Fund	210,684	-	18,215				-	228,899
Transitional Grant Fund	913,502	-	80,141		14,674		-	978,970
Capacity Building Fund	1,335,853	-	106,834		-		206,914	1,235,773
MSP Fund	1,575,242	-	142,254		-	79,584	-	1,637,912
Katlehong Housing Fund	2,660	-	131		-		-	2,791
LED Open Market Fund	33,238	-	5,488		-		-	38,726
Housing Pilot Fund	114,684	-	9,468		-	11,644	-	112,508
Maclear Greenfields Fund	739,557	-	66,254		-		-	805,811

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FMG Fund	761,118	250,000	62,494	-	-	677,377	396,235
MSIG Fund	216,425	918,750	62,967	441,313	-	-	756,829
Enkululekweni Funds	406,399	-	32,480	-	-	-	438,879
Library Funds	285,152	-	23,753	32,890	-	-	276,015
Municipal Admin. Fund	68,656	-	5,199	-	-	-	73,855
Tourism Fund	-	2,029,838	159,939	244,982	-	87,013	1,857,782
Voter Station Fund	-	250,000	880	249,771	-	-	1,109
Expanded Public Works Fund	-	500,000	4,516	-	84,351	-	420,165
HIV/ Aids Fund	829,328	60,000	-	829,328	-	-	60,000
Mt Fletcher Youth Center Fund	-	200,000	-	-	-	-	200,000
	21,440,900	28,342,435	1,394,791	-	2,316,141	21,353,087	977,689
							26,531,208

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STATUTORY FUNDS								
Revolving Fund	11,412,988	-	832,289	-	-	4,619,574	-	7,625,703
Equitable Share Fund	17,936,974	-	-	-	17,936,974	-	-	-
	29,349,962	-	832,289	-	17,936,974	4,619,574	-	7,625,703

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ELUNDINI LOCAL MUNICIPALITY				APPENDIX B
INTERNAL LOANS/(INTERNAL ADVANCES)				
	Balance at 30 June 2008	Received during the year	Redeemed or written off during the year	Balance at 30 June 2009
INTERNAL LOANS				
Financial Management Grant	4,506	-	-	4,506
Library Fund	246,538	-	246,538	-
Intervention Fund	327,126	-	327,126	-
MIG Fund	971,686	-	971,686	-
Tourism Fund	112,515	87,011	112,515	87,011
MSIG Fund	628,334	-	628,334	-
MSP Fund	236,980	-	236,980	-
LED Open Market Fund	166,667	-	166,667	-
Maclear Greenfields Fund	25,065	-	25,065	-

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Voter Station Fund	-	98,751	-	98,751
	2,719,417	185,762	2,714,911	190,268
INTERNAL ADVANCES				
Revolving Fund	237,011	26,024	120,400	142,635
CMIP Fund	152,587	10,145	-	162,732
IDP/LDO Fund	50,000	-	50,000	-
NER Fund	4,000,000	-	4,000,000	-
Library fund	-	54,554	-	54,554
MIG Fund	-	3,555,391		3,555,391
MSIG Fund	-	205,869		205,869
	4,439,598	3,851,983	4,170,400	4,121,181

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ELUNDINI LOCAL MUNICIPALITY					APPENDIX C
ANALYSIS OF FIXED ASSETS					
ASSET CATEGORY	Balance at June 2008	Expenditure during the year	Written off/ Transferred	Disposal	Balance at 30 June 2009
Rates and General Services	71,008,989	17,771,064	21,061,644	40,946	67,677,463
Community Services	70,573,399	17,771,064	21,061,644	40,946	67,241,873
Office equipment	604,739	117,829	-	-	722,568
Capital development	11,097,088	347,144	-	-	11,444,232
Computer equipment	729,975	208,332	-	-	938,307
Computer software	36,720	-	-	-	36,720
Commonage	8,002,060	-	-	-	8,002,060
Electricity network	2,631,693	9,205,366	-	40,946	11,796,113
Plant and equipment	50,568	-	-	-	50,568
Buildings	2,503,715	-	-	-	2,503,715
Machinery	2,678,808	-	-	-	2,678,808

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Streets	2,291,810	6,788,468	-	-	9,080,278
Land and Buildings	36,130,876	271,163	19,374,600	-	17,027,439
Library	128,579	-	-	-	128,579
Motor Vehicles	3,426,258	671,437	1,687,044	-	2,410,651
Tools and Equipment	2,540	161,325	-	-	163,865
Other assets	257,970	-	-	-	257,970
					-
Economic Services	435,590	-	-	-	435,590
	435,590				435,590
					-
Less: Loans redeemed and other capital receipts	-70,640,708	-17,771,064	-21,061,644	-	-67,350,128
NET FIXED ASSETS	368,281	-	-	40,946	327,335

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ELUNDINI LOCAL MUNICIPALITY				APPENDIX D
ANALYSIS OF OPERATING INCOME AND EXPENDITURE				
for the year ended 30 June 2009				
INCOME	VAR.	BUDGET	ACTUAL	ACTUAL
	%	2009	2009	2008
		R	R	R
Grants and subsidies	-31%	35,834,597	31,674,181	24,712,573
National Government - Equitable Share	-22%	31,030,000	31,029,765	24,350,623
Provincial Government(Finance, Tourism; HR)		-	-	361,950
Grants in Aid	-100%	4,804,597	644,416	-
Operating income	7%	41,375,446	33,413,477	44,256,511
Assesment Rates	102%	1,800,000	3,548,743	3,628,823
Sale of Electricity	194%	1,600,000	6,769,134	4,700,227
Sale of Water	173%	1,243,558	-	3,396,315
Other Service Charges	-11%	36,731,888	23,095,600	32,531,146

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TOTAL INCOME	-11%	77,210,043	65,087,657	68,969,084
Add: Government Grants in Funds				
Government Grants in Funds	-38%	33,986,401	21,705,693	21,180,554
		111,196,444	86,793,351	90,149,638
EXPENDITURE				
Salaries, wages and allowances	2175%	35,087,379	30,487,215	27,454,405
General expenditure	-1378%	73,179,452	58,002,945	83,263,706
Repairs and maintenance	953%	2,862,812	1,630,738	2,590,126
Gross expenditure	-196%	111,129,643	90,120,898	113,308,237
Less: amounts charged out	0%	-	-	-
Net expenditure	-196%	111,129,643	90,120,898	113,308,237
Net (Deficit)/Surplus for the year		66,801	(3,327,547)	(23,158,599)

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DETAILED INCOME STATEMENT

for the year ended 30 June 2009

2008	2008	2008			2009	2009	2009	2009
R	R	R			R	R	R	R
								Budget
Actual Income	Actual Expenditure	Surplus / (deficit)			Actual Income	Actual Expenditure	Surplus / (deficit)	Surplus / (deficit)
75,365,489	94,901,918	(19,536,429)	RATES AND GENERAL SERVICES		69,880,017	70,912,215	(1,032,198)	2,316,777
71,185,485	88,875,962	(17,690,477)	Community services		65,866,053	64,250,691	1,615,362	7,018,456
-	2,657,865	(2,657,865)	Municipal Manager's office	100	50,408	4,273,522	(4,223,114)	(4,902,217)
222,811	6,656,158	(6,433,347)	Councillors	110	222,982	7,294,349	(7,071,367)	(6,985,001)
			Community Serv - Admin					

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-	1,287,277	(1,287,277)		200	-	1,266,731	(1,266,731)	(1,151,028)
547,614	694,679	(147,065)	Community Serv - LED	201	331,536	732,764	(401,228)	(152,346)
-	713,599	(713,599)	Community Serv - SPU	202	-	-	-	(363,852)
-	97,825	(97,825)	Community Serv - Pound	203	41,056	584,504	(543,448)	(817,018)
109,022	4,805,644	(4,696,622)	Administration	205	-	5,645,351	(5,645,351)	(5,868,947)
-	1,217,647	(1,217,647)	ICT	206	-	764,224	(764,224)	(983,076)
208,610	2,027,398	(1,818,788)	Human Resources	207	335,862	3,443,293	(3,107,431)	(3,218,875)
-	71,789	(71,789)	Buildings	210	-	-	-	-
-	-	-	Estates	220	-	-	-	-
11,767	-	11,767	Disaster Management	240	134,356	41,941	92,415	(50,000)
1,253,942	2,649,855	(1,395,913)	Traffic	255	946,294	2,623,868	(1,677,574)	(3,131,946)
55,367,705	44,522,833	10,844,872	Treasury	300	52,470,053	20,461,922	32,008,131	41,066,411

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16,616	-	16,616	Commonage	420	-	-	-	-
13,371,142	19,263,214	(5,892,072)	Maintenance	430	11,268,009	14,459,931	(3,191,922)	(2,959,800)
69,683	670,069	(600,386)	Town Planning	450	39,287	863,680	(824,393)	(1,617,834)
-	1,069,104	(1,069,104)	Admin - Stores	460	-	1,207,305	(1,207,305)	(1,024,370)
-	443,636	(443,636)	Housing	700	14,673	525,078	(510,405)	(451,644)
6,573	27,370	(20,797)	Cemetery	595	11,537	62,228	(50,691)	(370,000)
308,646	2,711,230	(2,402,584)	Subsidised Services		41,741	2,931,901	(2,890,160)	(3,216,821)
-	2,134,826	(2,134,826)	Sports, Parks and Public Places	480	3,031	2,527,663	(2,524,632)	(2,828,259)
308,646	576,404	(267,758)	Libraries	615	38,710	404,238	(365,528)	(388,562)
3,871,358	3,314,726	556,632	Economic Services		3,972,223	3,729,623	242,600	(1,484,858)
185,090	1,673,244	(1,488,154)	Sewerage	470	-	-	-	-

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3,686,268	1,641,482	2,044,786	Refuse Removal	475	3,972,223	3,729,623	242,600	(1,484,858)
14,784,149	18,406,318	(3,622,169)	Trading Services		16,913,334	19,208,683	(2,295,349)	(2,249,976)
7,977,154	14,759,254	(6,782,100)	Electricity	805	16,913,334	19,208,683	(2,295,349)	(2,249,976)
6,806,995	3,647,064	3,159,931	Water	800	-	-	-	-
90,149,638	113,308,236	(23,158,598)	TOTAL		86,793,351	90,120,898	(3,327,547)	66,801
		(41,403,594)	Appropriations for the year				14,587,321	
		(64,562,192)	Net (deficit)/surplus for the year				11,259,774	
		69,450,206	Accumulated surplus at the beginning				4,888,014	
			of the year					
		4,888,014	Accumulated surplus/ (deficit) at the end of the year				16,147,788	

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ELUNDINI LOCAL MUNICIPALITY					APPENDIX F
30 JUNE 2009					
STATISTICAL INFORMATION					
					2008/2009
1)	Population				137,580
	Registered Voters				56,704
2)	Valuation of Property				
	Land		Taxable		24,473,165
	Land		Non- Taxable		19,135,443
	Improvements		Taxable		

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					138,843,252
		Improvements	Non- Taxable		29,085,170
Residential		Land			20,619,955
		Improvements			107,192,143
Commercial		Land			3,642,930
		Improvements			31,636,949
Number of Properties		Residential			2,447
		Residential (Non-rateable)			3,147
		Commercial			94
3) Assesment Rates - Land & Improvements		Residential			0,02

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			Government		0,03
			Business		0,025
4) Number of employees as at 30 June 2009					205
5) Electricity Statistics		Units Purchased			18,243,080
		Units Sold			10,475,304
		Cost Per Unit Sold			0,47cents
6) Water Statistics		Units Purified			268,693
		Units Sold			268,693
		0 - 6 KL			Free
		6 - 30 KL		R	4.67
		31 - 50 KL		R	5.14
		> 50 KL		R	5.60

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4.4 REPORT OF THE INTERNAL AUDIT COMMITTEE ON THE CONSOLIDATED FINANCIAL STATEMENTS.

The Audit Committee of the Elundini Municipality has been established in terms of section 166 of the Municipal Finance Management Act, No 56 of 2003, and performs its functions in terms of the Elundini Municipality Audit Committee charter.

We are pleased to present our report for the financial year ended 30th June, 2009.

Audit Committee Members and Attendance

The Audit committee consists of the members listed hereunder. During the current year 4 meetings were held.

Name of Member	No of Meetings Attended	Audit Committee fees
Mr Pooven Chetty	3	R30 100
Ms Liesl Dart	4	R 8 400
Mr C B Nkukwana (1/7/2008 – 20/2/2009)	1	-
Mr Q Williams	4	R10 100
Ms N. Mnconywa (1/5/2009 – 30/6/2009)	1	R 4 200

During the year under review, Mr. C B Nkukwana passed away on 20 February 2009 and the municipality appointed Ms. N Mnconywa as a member of the audit committee on 30 April 2009.

Audit Committee Responsibility

The Audit Committee has noted the findings of the Auditor General in relation to the non fulfillment of the responsibilities of the Audit Committee as set out in section 166 of the Local Government : Municipal Finance Management Act (Act 56 of 2003).

The Audit Committee reports that it has regulated its affairs in compliance with the Audit Committee Charter as approved by the municipal council.

Effectiveness of Internal Control

The system of internal control was not entirely effective for the year under review. During the year under review, several deficiencies in the system of internal control particularly in the billing and reading

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of meters were noted by the internal auditors in their intervention report for April 2009. In certain instances, matters reported in the previous financial year had not been adequately addressed.

We are satisfied with the content and quality of periodic reports prepared and issued by the Accounting Officer of the municipality during the year under review. It was, however, noted, that certain critical accounting activities (e.g. clearance of suspense accounts on a monthly basis) were not performed.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and Accounting Officer.
- Reviewed the Auditor-General's management letter and management's response thereto.

The Audit Committee concurs and accepts the Auditor-General's conclusion of the financial statements and is of the opinion that the annual financial statements be accepted and read together with the report of the Auditor-General.

P Chetty
Audit Committee Chairperson

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4.6 REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2009.



AUDITOR-GENERAL
SOUTH AFRICA

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

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Elundini municipality which comprise the balance sheet as at 30 June 2009, and the income statement and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages xx to xx.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the entity-specific basis of accounting as set out in accounting policy notes 1 to 11 and in the manner required by the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) 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), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Auditor-General Republic of South Africa

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Basis for qualified opinion

Revenue

7. Income disclosed on the face of the income statement is understated by R6.5 million. This understatement is due to all properties in the municipal district not being valued and included in the valuation roll on which the property rates assessments were based, incorrect electricity meter readings and billings, electricity meters not being read and receipts not being properly sequentially controlled.

Provisions

8. The provision for rehabilitation for waste sites, as disclosed in note 11 to the financial statements amounts to R1.5 million. We could not obtain sufficient audit evidence to satisfy ourselves whether the basis for the estimate of rehabilitating these landfill sites is adequate as detailed workings and assumptions used in determining the estimate were not submitted for audit. The available records and specialist nature of the provision prevented the application of alternative procedures on this amount.

Qualified opinion

9. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements of the Elundini municipality have been prepared, in all material respects, in accordance with the basis of accounting as set out in accounting policy note 1 and in the manner required by the MFMA.

Emphasis of matters

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

Appropriation account

10. As disclosed in note 14 to the financial statements, the appropriation account has been adjusted by R16 million as a result of various journal entries to correct errors found in the prior year financial statements.

Basis of accounting

11. The entity's policy is to prepare financial statements on the entity-specific basis of accounting, as set out in accounting policy notes 1 and 11.

Other matters

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

Non-compliance with applicable legislation

Municipal Finance Management Act

12. The controls exercised over fixed assets are not satisfactory as infrastructure assets of R2.5 million are not recorded on the asset register and land and buildings with a cost of R1.1 million which are not registered in the name of the municipality, were included in the asset register. As a result, the municipality has not complied with the requirements of section 63(2)(c) of the MFMA.

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Electricity Act

13. The electricity tariff charged by the municipality for the financial year under review was not approved by the National Energy Regulators of South Africa (NERSA).

Environment Conservation Act

14. The municipality obtained permits for all three of its landfill sites, however it did not comply with the conditions of the permits for two of its sites.

Inconsistency in the appendixes to the financial statements

Fixed assets

15. The cost of fixed assets disclosed in appendix C to the financial statements amounts to R67.7 million, however the cost of fixed assets in the register total assets R69.3 million. This has resulted in an unexplained difference of R1.6 million.

16. The loans redeemed amount per the trial balance is greater than the amount disclosed in appendix C by R290 846.

Governance framework

17. 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 other key governance requirements addressed below:

Internal control deficiencies

18. 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 qualified 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 qualified opinion	CE	RA	CA	IC	M
7	Income	2		4		1
8	Provisions			4		
Internal control deficiencies						
	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

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Par. no.	Basis for qualified opinion	CE	RA	CA	IC	M
	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
RA = Risk assessment						
	Management has not specified financial reporting objectives to enable the identification of risks to reliable financial reporting.					1
	The entity does not identify risks to the achievement of financial reporting objectives.					2
	The entity does not analyse the likelihood and impact of the risks identified.					3
	The entity does not determine a risk strategy/action plan to manage identified risks.					4
	The potential for material misstatement due to fraud is not considered.					5
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
IC = Information and communication						
	Pertinent information is not identified and captured in a form and time frame to support financial reporting.					1
	Information required to implement internal control is not available to personnel to enable internal control responsibilities.					2
	Communications do not enable and support the understanding and execution of internal control processes and responsibilities by personnel.					3

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Par. no.	Basis for qualified opinion	CE	RA	CA	IC	M
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

19. The lack of a revenue accountant contributed to a lack of supervision in the revenue section of the municipality which resulted in the findings reported relating to revenue.

Other key governance requirements

20. 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
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested 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.	✓	
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 126 of the MFMA.	✓	
5.	Key officials were available throughout the audit process.	✓	
6.	Audit committee		
	• The municipality had an audit committee in operation throughout the financial year.	✓	
	• The audit committee operates in accordance with approved, written terms of reference.	✓	
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.		✓
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.		✓

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No.	Matter	Y	N
	• 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 106 of the MFMA.	✓	
13.	The prior year audit findings have been substantially addressed.		✓
14.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
15.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		✓
16.	A strategic 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 Elundini municipality against its mandate, predetermined objectives, outputs, indicators and targets section 68 of the MFMA.	✓	
17.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

Overall reflections/conclusions on the governance framework based on other key governance requirements

21. The finance section does not have adequate skills and resources which resulted in the material amendments to the financial statements and the financial statements after submission for auditing.
22. The control environment within the municipality is not conducive to good governance and accountability as management have not ensured that the risk management processes and internal audit function have received the appropriate attention. The audit committee was found not to have substantially fulfilled its responsibilities for the year as required by the MFMA, which has a direct impact on the municipalities' ability to achieve good governance and accountability. The audit committee's effectiveness was hampered by the ineffective internal audit function.

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Furthermore, no risk assessment took place during the year and the fraud prevention plan was prepared and approved by Council on 30 January 2009. Subsequent to the approval of the fraud prevention plan, there was no evidence that the plan was communicated to staff nor implemented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

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

The accounting officer's responsibility for the performance information

24. 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

25. 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.

26. 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.

27. 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

Publicising of the Integrated Development Plan (IDP)

28. The municipality did not give notice to the public or publicise the adoption of its IDP, for the period 2008-09 to 20011-12, as required by section s25(4) of the MSA.

Content of the Integrated Development Plan (IDP)

29. The integrated development plan did not include:

- A financial plan, as required by section 26(h) of the MSA and regulation 2(3) of the Municipal Planning and Performance Management Regulations, 2001.
- The key performance indicators determined in terms of its performance management system, as required by sections 26(i) and 41(1)(b) of the MSA and regulation 9 of the Municipal Planning and Performance Management Regulations, 2001.
- No general performance indicators applicable to the municipality, as prescribed in terms of section 43(1) of the MSA.

30. The performance targets are impractical and not wholly within the municipality's capacity, as prescribed in terms of regulation 12 of the Municipal Planning and Performance Management Regulations, 2001.

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Functioning of a performance audit committee

31. The performance audit committee or committee functioning as the performance audit committee did not:
- 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.
 - Review the internal audit report on the performance management system at least twice during the financial year.

Internal auditing of performance measurements

32. The 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.
33. The internal audit processes and procedures did not include assessments of the functionality of the performance management system, whether the system complied with the requirements of the MSA and the reliability of reported performance against key and general indicators. The internal audit processes and procedures did not include assessments of the extent to which the municipality's performance measurements were reliable in measuring the performance of the municipality on key as well as general performance indicators.
34. The 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.

Content of Annual Performance Report

35. Comparative prior year performance information and measures taken to improve performance is not disclosed in the annual performance report, as required by section 46(1) of the MSA.

Usefulness and reliability of reported performance information

36. 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?

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The following audit findings relate to the above criteria:

Relevance

37. Targets were not specific within the PMS (between the IDP, the SDBIP and the City Score Card) of the municipality, as the nature and required level of performance were not clearly identified.
38. Targets do relate to the development priorities and objectives and are thus found to be relevant. However, key performance indicators are lacking as the field indicator is left blank and these do not include outcomes or an impact and are not measurable, relevant, objective and precise. The key performance indicators do not serve as a yardstick for measuring performance. Thus an assessment of their relevance could not be made.

Consistency

39. Key performance indicators were not defined within the PMS (between the IDP, the SDBIP and the City Score Card) of the municipality. Thus an assessment of the consistency of key performance indicators within the PMS (between the IDP, the SDBIP and the City Score Card) could not be made.
40. Targets between the SDBIP and the City Score Card are consistent and have been approved however, the targets in the IDP are not consistent with those in the SDBIP and City Score Card.

Inconsistently reported performance information

41. The municipality reported on objectives and targets in addition to those as per the approved municipal scorecard and did not report on all key performance indicators.

Reported performance information not reliable

Source information not accurate

42. The source information or evidence provided to support the reported performance information with regard to the targets did not adequately support the accuracy of the facts. Targets have been indicated as having been met, when this is not factual. These targets have not been met due to extenuating circumstances, beyond the control of the manager to whom the target has been allocated. These targets are:
 - Unscheduled electricity supply interruptions resolved within one day.
 - Refuse collection daily in the towns of Maclear, Mount Fletcher and Ugie and at least three times a week in all the townships in Maclear, Mt Fletcher and Ugie.

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APPRECIATION

43. The assistance rendered by the staff of the Elundini Municipality during the audit is sincerely appreciated.

Auditor General

East London

30 November 2009



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4.7 MANAGEMENT LETTER : REMEDIAL ACTION PLAN

Finding	DEPT.	Responsible Official	Rectified Yes or No	Action Plan	Implementation date
Authorisation and approval of indigent debtors	FIN	C.F.O.	No	Introduction of an Indigent Management System; validation of all indigents on FMS and migration to approved IMS; development of detailed procedural manual, enforcement of supervisory and management oversight functioning, including authorisation of indigent support subsidy allocations in line with policy directives(detective controls); Debtor types as per Sabata FMS to be updated of all approved indigents	Mar-10
Electricity meter reading sheets not properly safeguarded	FIN	C.F.O.	No	Meter reading routes and sheets to be generated annually in line with masterfile records held (Sabata) and prenumbered; meter records to be controlled by Snr Billing Officer and filed in fire proof safe when not in use by meter readers	Mar-10
Segregation of duty	FIN	C.F.O.	No	Develop a procedures manual	Jun-10
Authorisation and review of data capture	FIN	C.F.O.	No	System of internal control to be enhanced through amendment of master file input documentation to record authorisation of input data by Senior Billing Supervisor	Jun-10
Processing of tariffs into the system	FIN	C.F.O.	No	Control framework on Sabata FMS to be enhanced through introduction of a tariff approval masterfile function	Jun-10
Traffic income	FIN	C.F.O.	No	Fines and Warrants issued to be updated in a register daily, weekly reconciliation of all income received to be undertaken ex BTO and Dept of Justice- Investigate Revenue enforcement system- CYPRUS and linkage to e-natis (vehicle licence renewal blocking)	Jun-10

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Township grave yards	Community Services department	Manager Community Services	No	Develop a procedures manual	Jun-10
Transfers of property ownership	FIN	C.F.O.	No	Control framework to be enhanced through the development and implementation of a procedural manual; full reconciliation of all transfer data processed as per Sebata to be reconciled to monthly transfer scheduled ex Deeds and signed off by Revenue Accountant monthly	Jun-10
Electricity losses	Technical Services	T.S.M	Yes	Temporary electricians engaged to assist the municipality to implement the recommendations emanating from the electricity loss study report	Mar-10
Sequence of receipt numbers	FIN	C.F.O.	No	Programmatical amendments to POS system to be introduced to ensure the sequential number of receipts issued, daily detective controls to be introduced with cash up procedure/ daily audit summaries to ensure completeness and correctness of receipt numbering	Mar-10
Provision for the rehabilitation of solid waste sites	FIN	C.F.O.	Yes	In 2007, the Elundini Municipality had commissioned an engineer to determine the rehabilitation costs for all the solid waste sites. The engineer's estimates will be updated and used to disclose the provision for solid waste sites	Jun-10
Daily cash up	FIN	C.F.O.	Yes	Procedural manual will be developed and enforced, supervisory and management oversight functioning will be significantly enhanced to ensure that all monies received on a daily basis has been receipted and banked timeously.	Jun-10
Cheques received in the mail	FIN		No	A remittance register will be introduced to ensure that all monies received via the mail is adequately accounted for, receipted and banked in line with MFMA	Jun-10
Petty Cash	FIN	C.F.O.	No	Develop a procedures manual	Jun-10
R/D Cheques	FIN	C.F.O.	No	An R/D control account linked to a RD register will be implemented and controlled by the Accountant Revenue to ensure the proper management of all dishonoured payments	Jun-10
Daily cash takings	FIN	C.F.O.		Control environment will be significantly enhanced through enforcement	Jun-10

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				of supervisory functioning and controls	
Bank confirmation from standard bank	FIN	C.F.O.	No	Write to the Standard Bank and request that the bank signatories file must be updated	Jan-10
Property, Plant and Equipment	FIN	C.F.O.	Yes	The municipality has appointed a service provider to compile the infrastructure assets register, but must also consolidate the existing register and the findings of the AG into their final report.	Jun-10
Waste site permits	Technical Services	T.S.M	No	The copies of the permits were recently obtained and the conditions attached to the permits will be evaluated and an action plan developed. Cognisance will be given to the outcomes of the s78 study currently underway	Jun-10
Audit committee evaluation	MM	MM	Yes	A framework for the evaluation of the audit committee has been developed and approved	Jun-10
Internal audit Evaluation	MM	MM	Yes	A framework for the evaluation of the internal audit unit has been developed and approved	Jun-10
GRAP Implementation	FIN	C.F.O.	Yes	A GRAP implementation plan has been developed and tabled before the Audit Committee on 18/11/2009. An SLA will be signed with the service provider	Feb-10
Auditing of performance information	MM	MM	Yes	Performance report for the quarter ended 30 September 2009 has been passed on to the internal auditors to facilitate auditing thereof	MM
2.5% Notch increase	Corporate Services	Corporate Services Manager	Yes	Bring the issue of the calculation of the 2,5% notch increase before the Local Labour Forum	Feb-10
Controls relating to leave forms	Corporate Services	Corporate Services Manager	No	Review the findings of the Auditor General and ensure that these are addressed	Feb-10
Housing contracts not in accordance with approved tariffs	FIN	C.F.O.	No	Align the billed rentals to the contract provisions	Feb-10

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Salary increase incorrectly calculated	MM	MM	Yes	Matter has already been brought to the attention of the Corporate Services Manager. Arrangements will be made with the manager to reimburse the municipality	Feb-10
Inventory	FIN	C.F.O.	No	Develop a procedures manual	Mar-10
Long service awards	Corporate Services	Corporate Services Manager	No	Review all calculations iro the long service awards and address the under/overpayments	Feb-10
Employees tax annual certificates	FIN	C.F.O.	No	Issue IT 3 (a) certificates to employees who do not qualify for the IRP 5 certificates	Jun-10
Disclosure of interests	MM	MM	No	Proper disclosures will be made in the register of interests by Mr. S Matubatuba, Cllr Baduza and Cllr Leteba. Mr Matubatuba and Ms Qotoyi will be urged to apply to be deregistered from the disputed companies through CIPRO	Feb-10
Value Added Tax	FIN	C.F.O.	No	A comprehensive review of the VAT account will be performed, and the staff need to be trained on the VAT Act	Jun-10
Cut off relating to receivables	FIN	C.F.O.	No	Develop a procedures manual	Mar-10
DORA Reports	FIN	C.F.O.	No	Develop a procedures manual	Mar-10
Water and sanitation receivables	FIN	C.F.O.	No	Monthly reconciliations will be prepared and submitted to the UKDM, accompanied by the invoice	Mar-10
Steiner lease agreements	FIN.	C.F.O.	No	Review lease contracts with Steiner Hygiene and ensure that invoices correspond to the provisions of the contract before effecting payment	Mar-10
Creditors reconciliations	FIN.	C.F.O.	No	Ensure that proper creditors reconciliations are performed monthly	Mar-10
Credit Card issued in the name of the former Chief Financial Officer	FIN.	C.F.O.	Yes	New card to be issued in the name of the Chief Accountant has been applied	Mar-10

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77 cellphones used by municipal staff	Corporate Services	Corporate Services Manager	No	Develop a report on the status of cellphone account of the municipality, with particular emphasis on the actual lines and whether these lines are active or not, with the intention of discontinuing all non live lines	Mar-10
Attendance registers	Corporate Services	Corporate Services Manager	Yes	Acquisition of a new automated attendance register as approved by Council and consult in the LLF	Mar-10

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4.6 SUPPLY CHAIN MANAGEMENT INFORMATION AS AT 30 JUNE 2009.

CONTRACTS REGISTER 2008/9 FINANCIAL YEAR

Tender/Contract No.	Project Name	Date of Award	Awarded Bidder	Amount	Source of Funding	HDI%					LLU (Local Labour Use)
						No Franchise	Women	Youth	Disability	Locality (ELM)	
EL09/t001	Security Services	07/11/2008	Golden Security Services	363,600.00	Equitable Share	100	30	0	0	0	N/A
0	Transaction advisors for management of municipal solid waste sites	04/12/2008	Ardemus Consulting	3,500,000.00	National Treasury	22.25	0	0	0	0	N/A
0	GRAP Implementation	11/12/2008	Deloitte Consulting (PTY)ltd	731,156.00	Equitable Share	28.5	22.5	0	1	0	N/A
FIN/SCM 2008	Reviewal Of Supply Chain Management Policy	11/12/2008	Price Waterhouse Coopers	151,164.00	Equitable Share	66.7	0	0	0	100	N/A
TECHSERV	Electricity Loss Study-Maclear and Ugie	22/12/2009	Vokon Africa Consulting	184,338.00	Own Revenue	Quotation Based (Below R200 000)					N/A
ELM/001/0809	Maclear Master Plan-Phase II	12/01/2009	Racec Power (PTY)LTD	3,518,531.97	NERSA	33.3	0	0	0	33.3	N/A

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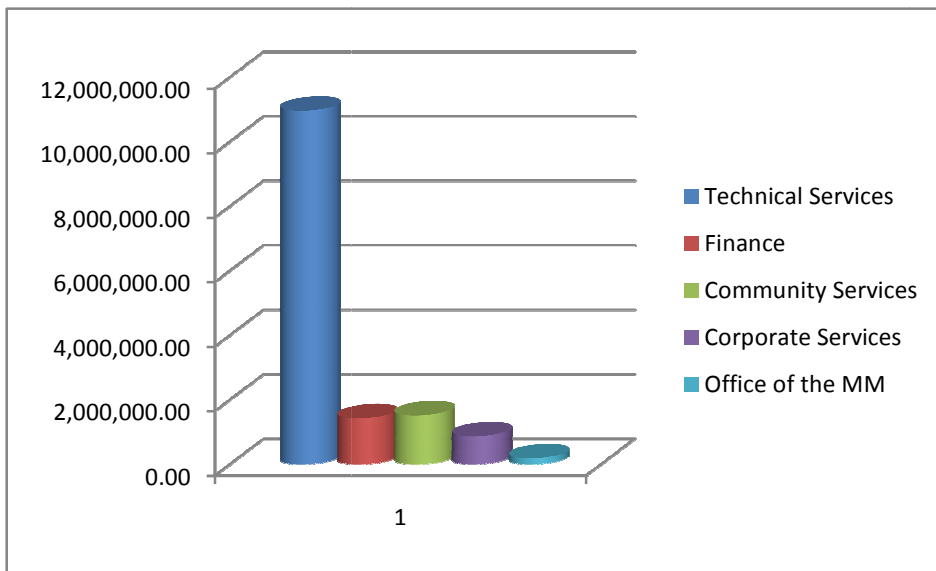
<i>ELM-MIG 001/2008</i>	Construction and Rehabilitation of UGIE Streets Professional Engineering Services	12/01/2009	Kwezi V3 Engineers	972,990.00	MIG	58	0	12	0	0.5	N/A	
<i>Quotation Based</i>	Compilation of GRAP compliant Fixed Asset Register	13/02/2009	Price Waterhouse Coopers	342,821.00	Own Revenue	Quotation Based (Urgent Project for compliance purposes)					N/A	
<i>Quotation Based</i>	Development of a long term financial strategy and action plans	01/04/2009	PSU International	199,344.00	Own Revenue	Quotation Based (Below 200 000)					N/A	
<i>Quotation Based</i>	Distribution of water to voting Stations	09/04/2009	Mzamo and Mzamo Contractors	98,751.00	IEC	Quotation Based (Below 200 000)					N/A	
<i>Quotation Based</i>	Distribution of water to voting Stations	09/04/2009	Qama and Qawe Civils	151,020.00	IEC	Quotation Based (Below 200 000)					N/A	
<i>Quotation Based</i>	Removal of generator Sets at My Fletcher Youth Centre	29/04/2009	Crossbar Agencies 211 CC	181,116.60	Own Revenue	Quotation Based (Below 200 000)					N/A	
<i>MIG/R/EC/5 021/07/08</i>	Provision of Access Roads for Ward 1,5	05/05/2009	Amadwala Trading 363 Construction	1,535,048.99	MIG	10	0	2%	0%	5%	50%	N/A

	and 6										
ELM/2008-9/COMM/001	Rehabilitation and Maintenance of Municipal Parks	05/05/2009	Crossbar Agencies 306 CC	109,057.00	Tourism Grant	100	30	0	0	50%	
ELM/2008-9/COMM/001	Rehabilitation and Maintenance of Municipal Parks	05/05/2009	Conyama Consultants	405,000.00	Tourism Grant	100	65	0	0	50%	N/A
008/3/2008-2009	Construction of Maclear Marketing Stalls	05/05/2009	Qama and Qawe Civils	1,000,000.00	Tourism Grant	100	0	100	0	0	100
ELM/2008-9/CORP/001	Supply and Delivery of Traffic Vehicles	05/05/2009	Toyota Motique	499,700.76	Own Revenue	60	0	0	0	0	N/A
MIG/PMU/14/06/3/14	Construction of Zwelitsha, Sondaba Tsolobeng Access Roads	21/05/2009	Intellect Construction	976,179.15	MIG	100	50	50	0	0	N/A
ELM/2008-9/CORP/002	Review of Existing HR Policies	21/05/2009	Spontaneous Management Services	184,680.00	Own Revenue	0	0	0	0	0	0
Appointment of consultant at RISK	Technical Services	26/06/2009	Electrification of Villages	0.00							
4/2008	Driver's Licence Testing Centre	29/09/2008	Incline Decline	682,297.52	Own Revenue	100	0	0	0	0	N/A
Extension of scope	GRAP Implementation-Chart of Accounts	20/05/2009	Sebata	105,164.80	Own Revenue	Continuation of existing Contract.					
Quotation Based	PMS Framework Review	26/02/2009	Charmaine Van Schalkwyk	103,113.00	Own Revenue	Quotation Based					

Quotation Based	IDP Review	12/01/2009	Tshani Consulting	117,135.00	Own Revenue	Quotation Based	
GRAND TOTAL FOR AWARDED PROJECTS.				15,927,528.79			

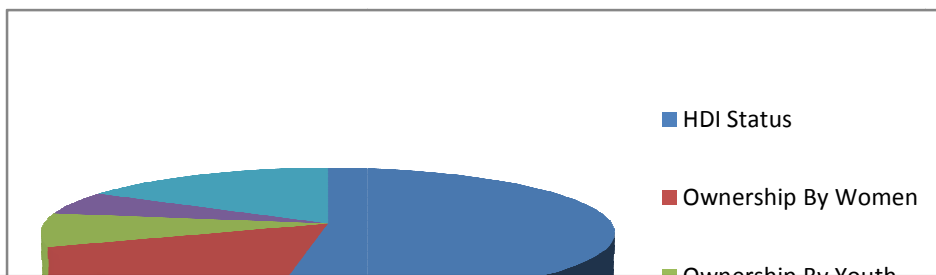
Report Analysis

1. ExPENDITURE PER DEPARTMENT



The chart above shows the expenditure patterns for all department in the financial year under review. The technical services department has spent more that R10 m due to the nature of projects that are handled in that department.

2. ALLOCATION OF PREFERENTIAL POINTS



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The chart above illustrates the allocation of preferential points , and it is clear that most of our projects are allocated to companies with HDI status.

meaning, black owned companies are benefiting from the SCM Processes of Elundini Municipality. Companies owned by women benefited 31.6%, Companies owned by youth benefited 15.8%, while those companies owned by people with disabilities benefited 11%.

The issue of points for locality has been difficult to identify because in some projects Locality means Eastern Cape and in some means Ukhahlamba District Municipality.

The overall percentage of companies that are locally situated is 31.6% and this includes those companies that are not necessarily from Ukhahlamba DM, but from the Eastern Cape province.

The overall picture shows that we need to find a working strategy to attract locally based service-providers into our business.

A supplier/contractor support programme needs to be developed in order to encourage these small business owners to have faith in our operations while at the same time we are building capacity.

<i>Tender/Contract No.</i>	<i>Department</i>	<i>Project Name</i>	<i>Date of Award</i>	<i>Awarded Bidder</i>	<i>Amount</i>	<i>Start Date</i>	<i>Completion Date</i>	<i>Progress as at 30 June 2009</i>

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EL09/t001	<i>Corporate Services</i>	Security Services	07/11/2008	Golden Security Services	363,600.00	07/11/2008	30/06.2009	New Contractor appointed in May due to dissatisfaction, will continue to work until the SCM processed are finalized in July.
ELM/2008-9/CORP/001	<i>Corporate Services</i>	Supply and Delivery of Traffic Vehicles	05/05/2009	Toyota Motique	499,700.76	07/11/2008	30/06/2009	100%
ELM/2008-9/CORP/002	<i>Corporate Services</i>	Reviweal of Existing HR Policies	21/05/2009	Spontaneous Management Services	184 680.00	21/05/2009	30/08/2009	30%
4/2008	<i>Corporate Services</i>	Driver's Lincence Testing Centre	29/09/2008	Incline and Decline	682,297.52	29/09/2008	30/06/2009	The contractor did not perform the duties on site, contract was terminate d and the second contractor was appointed, also failed, the project will be implement ed in 2009/2019 financial year.
					1,545,598.28			

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0	<i>Technical Services</i>	Transaction advisors for management of municipal solid waste sites	04/12/2008	Ardemus Consulting	3,500,000.00	04/12/2008		40%
TECHSERV	<i>Technical Services</i>	Electricity Loss Study-Maclear and Ugie	22/12/2009	Vokon Africa Consulting	184,338.00	22/12/2009		95%
ELM/001/0809	<i>Technical Services</i>	Maclear Master Plan-Phase II	12/01/2009	Racec Power (PTY)LTD	3,518,531.97	12/01/2009		
ELM-MIG 001/2008	<i>Technical Services</i>	Construction and Rehabilitation of UGIE Streets Professional Engineering Services	12/01/2009	Kwezi V3 Engineers	972,990.00	12/01/2009		5%
Quotation Based	<i>Technical Services</i>	Distribution of water to voting Stations	09/04/2009	Mzamo and Mzamo Contractors	98,751.00	09/04/2009		100%
Quotation Based	<i>Technical Services</i>	Distribution of water to voting Stations	09/04/2009	Qama and Qawe Civils	151,020.00	09/04/2009		100%
MIG/R/EC/5021/07/08	<i>Technical Services</i>	Provision of Access Roads for Ward 1,5 and 6	05/05/2009	Amadwala Trading 363 Construction	1,535,048.99	05/05/2009		90%
Quotation Based	<i>MM</i>	Removal of generator Sets at MT Fletcher Youth Centre	29/04/2009	Crossbar Agencies 211 CC	181,116.60	29/04/2009		100%

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MIG/PMU/14/06/3/14	<i>Technical Services</i>	Construction of Zwelitsha, Sondaba Tsolobeng Access Roads	21/05/2009	Intellect Construction	976,179.15	21/05/2009		5%
Appointment of consultant at RISK	<i>Technical Services</i>	Electrification of Villages	26/06/2009	Racec Power (PTY)LTD		26/06/2009		0%
					11,117,975.71			
FIN/SCM 2008	<i>Finance</i>	Reviewal Of Supply Chain Management Policy	11/12/2008	Price Waterhouse Coopers	151,164.00	19-Feb-09	13-Mar-09	95%
0	<i>Finance</i>	GRAP Implementation	11/12/2008	Deloitte Consulting (PTY)ltd	731,156.00	Implementation postponed to 2009/2010 Financial Year)		
Quotation Based	<i>Finance</i>	Compilation of GRAP compliant Fixed Asset Register	13/02/2009	Price Waterhouse Coopers	342,821.00	18-Mar-09	30-Nov-09	80%
Quotation Based	<i>MM</i>	Development of a long term financial strategy and action plans	01/04/2009	PSU International	199,344.00			30%
Extension of scope	<i>Finance</i>	GRAP Implementation-Chart of Accounts	20/05/2009	Sebata	105,164.80	03-Apr-09	20/06/2009	100%
					1,529,649.80			
Quotation Based	<i>MM</i>	PMS Framework Review	26-Feb-09	Charmaine Van Schalkwyk	103,113.00		30/09/2009	50%

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Quotation Based	<i>MM</i>	IDP Review	12/01/2009	Tshani Consulting	117,135.00		30/09/1009	100%
					220,248.00			
ELM/2008-9/COMM/001	<i>Community Services</i>	Rehabilitation and Manintenance of Municipal Parks	05/05/2009	Crossbar Agencies 306 CC	109,057.00	01-Jun-09	30-Jun-09	95%
ELM/2008-9/COMM/001	<i>Community Services</i>	Rehabilitation and Manintenance of Municipal Parks	05/05/2009	Conyama Consultants	405,000.00	15-Jun-09	30-Aug-09	Average 30%
008/3/2008-2009	<i>Community Services</i>	Construction of Maclear Marketing Stalls	05/05/2009`	Qama and Qawe Civils	1,000,000.00	08-Jun-09	08/10/2009	10%
					1,514,057.00			
GRAND TOTAL FOR AWARDED PROJECTS 2008/9 FINANCIAL YEAR					15,927,528.79			

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PROGRESS REPORTS

Tender/ Contract No.	Departme nt	Project Name	Date of Award	Awarded Bidder	Bidder's Address	Amount	HDI%	Wome n	Yout h	Disabili ty	Locality
											100% UKDM, 50% EC
EL09/t001	CS	Security Services	07/11/2008	Golden Security Services	East London	363,600.00	100%	30%	0	0	50%
			01/05/2009	Masakhane Security Services	Mthatha	40 000pm	Awarded subsequent to cancellation of Golden Security Services Contract and pending appointment of another service provider.				
ELM/2008- 9/CORP/001	CS	Supply and Delivery of Traffic Vehicles	05/05/2009	Toyota Motique	Kokstad	499,700.76	6%	0	0	0	0
ELM/2008- 9/CORP/002	CS	Reviewal of Existing HR Policies	21/05/2009	Spontaneous Managemen t Services	East London	184 680.00	100%	50	0	0	50%
4/2008	CS	Driver's Lincence Testing Centre	29/09/2008	Incline and Decline	Mthatha	682,297.52	100%	0	0	0	50%
				Mzamo and Mzamo	Mount Fletcher	534,392.10			b		n
						1,545,598. 28					
0	TS	Transaction advisors for management of	04/12/2008	Ardemus Consulting	Irene	3,500,000. 00	22.30 %	0	0	0	0

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		municipal solid waste sites										
TECHSERV	TS	Electricity Loss Study-Maclear and Ugie	22/12/2009	Vokon Africa Consulting	Mthatha	184,338.00	Quotation Based					
ELM/001/0809	TS	Maclear Master Plan- Phase II	12/01/2009	Racec Power (PTY)LTD	East London	3,518,531.97	33.3	0	0	0	50%	
ELM-MIG 001/2008	TS	Construction and Rehabilitation of UGIE Streets Professional Engineering Services	12/01/2009	Kwezi V3 Engineers	Mthatha	972,990.00	58		12		50%	
Quotation Based	TS	Distribution of water to voting Stations	09/04/2009	Mzamo and Mzamo Contractors	Mount Fletcher	98,751.00	Quotation Based					
Quotation Based	TS	Distribution of water to voting Stations	09/04/2009	Qama and Qawe Civils	Tsolo	151,020.00	Quotation Based					
MIG/R/EC/5 021/07/08	TS	Provision of Access Roads for Ward 1,5 and 6	05/05/2009	Amadwala Trading 363 Construction	Herschel	1,535,048.99	100%	2%	0%	5%	100%	
Quotation Based	MM	Removal of generator Sets at MT Fletcher Youth Centre	29/04/2009	Crossbar Agencies 211 CC	Mthatha	181,116.60	Quotation Based					
MIG/PMU/1 4/06/3/14	TS	Construction of Zwelitsha, Sondaba Tsolobeng Access Roads	21/05/2009	Intellec Construction	Tsolo	976,179.15	100%	50%	50%	0	50%	

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Appointment of consultant at RISK	TS	Electrification of Villages	26/06/2009	Racec Power (PTY)LTD	East London	Consultants appointed at Risk					
						11,117,975.71					
FIN/SCM 2008	Finance	Reviewal Of Supply Chain Management Policy	11/12/2008	Price Waterhouse Coopers	East London	151,164.00	66.70 %	0	0	0	50%
0	Finance	GRAP Implementation	11/12/2008	Deloitte Consulting (PTY)ltd	East London	731,156.00	28.50 %	22.30 %	0	1%	50%
Quotation Based	Finance	Compilation of GRAP compliant Fixed Asset Register	13/02/2009	Price Waterhouse Coopers	East London	342,821.00	66.70 %	0	0	0	50%
Quotation Based	MM	Development of a long term financial strategy and action plans	01/04/2009	PSU International	East London	199,344.00					Quotation Based
Extension of scope	Finance	GRAP Implementation-Chart of Accounts	20/05/2009	Sebata	Kimberley	105,164.80					Extension of contract
						1,529,649.80					
Quotation Based	MM	PMS Framework Review	26-Feb-09	Charmaine Van Schalkwyk	East London	103,113.00					Quotation Based
Quotation Based	MM	IDP Review	12/01/2009	Tshani Consulting	East London	117,135.00					Quotation Based
						220,248.00					

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<i>ELM/2008-9/COMM/01</i>	CS	Rehabilitation and Manintence of Municipal Parks	05/05/2009	Crossbar Agencies 306 CC	Mthatha	109,057.00	100%	30%	0	0	50%
<i>ELM/2008-9/COMM/01</i>	CS	Rehabilitation and Manintence of Municipal Parks	05/05/2009	Conyama Consultants	East London	405,000.00	100%	65%	0	0	50%
<i>008/3/2008-2009</i>	CS	Construction of Maclear Marketing Stalls	05/05/2009`	Qama and Qawe Civils	Tsolo	1,000,000.00	100%	0	100%	0	50%
						1,514,057.00					
						15,927,528.79					
GRAND TOTAL FOR AWARDED PROJECTS 2008/9 FINANCIAL YEAR						.79					

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CHAPTER 5

FUNCTIONAL AREAS SERVICE DELIVERY REPORTING

5.1 INTRODUCTION

During the year under review, the municipality developed and implemented a performance management system as required by the Municipal Systems Act (Act 32 of 2000) and the Municipal Planning and Performance Regulations (2001). The regulations stipulate that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review and reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players”

In terms of the Municipal Finance Management Act (Act 56 of 2003), the municipality also developed a service delivery and budget implementation plan which was linked to the performance management system.

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5.2 MUNICIPAL SCORECARD

MUNICIPAL SCORECARD 2008 -2009 FINANCIAL YEAR

VISION: "A better quality of life for all"									
MISSION: "A viable, effective and efficiently managed institution in order to eradicate poverty and ensure sustainable service delivery to the community"									
Key Performance Area	Related Program	Baseline	Inputs	Outputs	Outcome	Risks	Perf. Indicator/ Target	Date	Resp.

1.MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

1.1 Organisational Design	Governance	Revised organisational structure approved	LLF, service provider	organisational structure with post levels	Organisational structure aligned to IDP	delays in finalisation of the job evaluation	Finalise job descriptions for all posts	Aug-08	Corporate services
		No post levels on structure					Finalisation of post levels	Aug-08	Corporate services
1.2 Employment Equity	Governance	EE Policy and EE Plan in place	LLF, Council, SPU	Legal compliance	Affirmation of designated groups	Non suitability, or lack of interest from the designated groups	New appointments to Elundini Municipality staff establishment reflect a 70:30 female to male ratio	Jun-09	Corporate Services
							Applications from disabled people actively encouraged	Sep-08	Corporate Services
1.3 Skills Development	Governance	Workplace skills plan in place	HODs, Department of Labour, Ward Councilors	Legal Compliance	improved economic opportunities for the people of Elundini	Lack of support from community structures	SETA discretionary grants received	Oct-08	Corporate Services
		No community skills program		Community Skills database			Community skills database completed	Jun-09	Corporate Services

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		me							
1.4 IT / ICT	<i>Governance</i>	Network infrastructure installed	HODs, MM, Community Services Manager	Efficiently managed network infrastructure	Bridging the digital divide and improving the low levels of computer literacy in Elundini	Electricity load shedding and inefficiently managed electricity distribution system	Business plan developed for installation of ICT infrastructure in all the municipality managed libraries	Dec-08	Community Services
		Website developed and online		ICT infrastructure installed in the Mt Fletcher youth centre		lack of electricity infrastructure in the Mt Fletcher Youth centre	Alternative energy installed in the Mt Fletcher Youth centre	Sep-08	Technical Services
		New computer hardware purchased				DSRAC not providing grant funding	Installation of ICT systems in the municipal libraries utilising DSRAC grant funding	Jun-09	Corporate Services
		Systems not integrated					Installation of ICT systems in the Mt Fletcher Youth Centre utilising SPU operational budget	Dec-08	Corporate Services
		Mt Fletcher youth centre not yet operational							
		ICT Policies in place							

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		Municipal libraries not ICT equipped							
1.5 Traffic and law Enforcement	<i>Governance</i>	Lack of systems to follow up summonses for violation of traffic regulations	Operational budget	Increase in revenue from traffic fines	Prevalence of law and order	litigation as a result of implementation of by laws	Traffic revenue increases by 60% over the previous financial year	30-Jun-09	Corporate Services
		inadequate facilities for traffic management		Testing stations established in Mt Fletcher		inadequate financial resources to appoint additional traffic officers	Site for testing station identified	31-Aug-08	Corporate Services
		Lack of a firearms policy		Firearm policy approved		Delay in the promulgation of by laws	Service provider for construction of testing station appointed	31-Dec-08	Corporate Services
		By laws adopted					Municipal By Laws promulgated	31-Jul-08	Corporate Services
1.6 Human Resources	<i>Governance</i>	Workplace Skills Plan	Service Provider, LLF	Approved Integrated Human Resources Plan for the Elundini Municipality	Capacitated workforce	Inadequate management of service provider	Service provider appointed	Sep-08	Corporate Services
		Approved organisational structure in place					Integrated Human Resources Plan approved by Council	Mar-09	Corporate Services
1.7 Council Support	<i>Governance</i>	Poor support to Council and committee	HODs	Effective functioning of Council and	Effective implementation of Council resolution	Lack of cooperation from municipal officials	Electronic recording equipment acquired	Aug-08	Corporate Services

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		es		committees					
							Council and committee minutes distributed to MM and HODs 5 days after the council or committee meeting	Aug-08	Corporate Services
1.8 Performance Management	<i>Governance</i>	Performance management system approved and reviewed annually	HODs, Council	Performance managed institution	Implementation of the IDP	Lack of financial resources to achieve IDP objectives	Formal performance evaluation of all sectional managers	Quarterly	HODs
1.9 Administrative Units	<i>Governance</i>	Administrative systems in place and communication between head office and units streamlined through Unit Heads	HODs,	Reduction in the number of unresolved administrative unit issues channelled to the head office	Administrative Units responsive to the service delivery requirements of the people of Ugie and Mt Fletcher	Poor communication between HODs and Unit Heads and lack of assertiveness on the part of Unit Heads	Monthly reports on the activities in the units also detailing how problems have been addressed	31-Jul-08	Corporate Services

2. Local Economic Development

	<i>Agriculture programme, tourism programme, Timber programme</i>	LED Strategy approved	Community services operational budget, technical services, Corporate Services	Consolidation of food basket initiative	Achievement of an increase in economic growth	Non response from sector departments	Establishment of an LED forum	Jul-08	Community Services
		LED implementation framework approved	UKDM, Service Provider		Reduction in poverty and unemployment	Lack of financial resources to implement the LED strategy	Compilation of an SMME database	Sep-08	Community Services

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		Tourism Sector Plan not finalised					Tourism Sector Plan approved	Sep-08	Community Services
							Establishment of a project steering committee for the Tsitsa River Basin Project with Mhlontlo (supported by the respective DMs)	Oct-08	Community Services
							Review the Elundini Food basket initiative and hold at least one meeting per quarter	Quarterly	Community Services

3. Service Delivery and infrastructure

3.1 Water and sanitation	<i>Water and sanitation programme</i>	Service delivery agreement not finalised	UKDM, Corporate Services	Signed service delivery agreement	Improved supply of water	Lack of urgency on the WSA in finalising the SDA	SDA signed by MM	31-Jul-08	Technical Services
		Poor availability of water/ inconsistent supply of water		Improved operations and maintenance		Lack of financial support from the WSA	Leaks repaired within 10 working days from the date reported	31-Jul-08	Technical Services
		water superintendent appointed				Inadequate financial base in the WSA	Burst pipes repaired within 48 hours from date reported	31-Jul-08	Technical Services
		Dilapidated infrastructure							

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		e							
		Inadequate raw water storage facility							
		No sanitation master plan for Mt Fletcher		Sanitation master plan for Mt Fletcher developed		Inadequate MIG allocation	Motivate and monitor development of a sanitation master plan for Mt Fletcher	30-Sep-08	Technical Services
3.2 Electricity	<i>Municipal Services Upgrading Programme</i>	Non monitoring of electricity distribution losses	DME, Service provider, ESKOM	Procedures for the monitoring and reporting of electricity losses	Quality electricity supply	Lack of capacity to design systems for monitoring electricity losses	First report on monthly electricity losses reported with recommendation for corrective measures	30-Sep-08	Technical Services
		Construction of the Maclear substation in progress		Project management of the construction of the substation	Achievement of universal electricity access for Mt Fletcher		Progress in the construction of the maclear substation reported monthly to Technical Services Committee	31-Jul-08	Technical Services
		Unscheduled/uncommunicated electricity shutdowns					All planned electricity shut downs communicated 5 days in advance	31-Jul-08	Technical Services
		two additional technicians appointed					Unscheduled electricity supply interruptions resolved within 1 day	30-Sep-08	Technical Services
		Mt Fletcher under ESKOM					Service level agreement with ESKOM for the maintenance of street lights in Mt	31-Aug-08	Technical Services

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							Fletcher		
		Lack of infrastructure planning for rural electrification of Mt Fletcher					DME/ESKOM infrastructure plan for rural Mt Fletcher available	30-Jun-09	MM
3.3 Roads and Storm water	<i>Access and linkages programme</i>	No established PMU	MIG Unit	Properly managed MIG projects	Increased grant funding allocations as a result of improved spending	Delay in the approval of the PMU business plan	PMU business plan approved	31-Jul-08	Technical Services
		Lack of resources to maintain urban roads and streets	Technical services operational budget		improved quality of roads	Lack of financial resources	Spending of MIG allocation accelerated to 80% of 2008/2009 allocation	31-Dec-08	Technical Services
							Roads and stormwater operations plan submitted to the Executive Committee for endorsement	31-Aug-08	Technical Services
3.4 Street Cleaning , Refuse Removal and Solid Waste Disposal	<i>Municipal Services Upgrading Programme</i>	Existing solid waste sites not operated according to permits	Service Provider , Technical Services operational budget	section 78 report on the management of the solid waste sites	Management of solid waste sites according to permits	Lack of financial resources	Service provider appointed to undertake a section 78 analysis	30-Sep-08	Technical Services
		No concrete refuse collection strategy for the municipality			Promotion of LED		Council decision based on the section 78 process	30-Nov-08	Technical Services

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		Inadequate waste bins					Refuse collection daily in the towns of Maclear, Mt Fletcher and Ugie and at least three times a week in all the townships in Maclear, Mt Fletcher and Ugie	30-Sep-08	Technical Services
3.5 Housing	<i>Municipal Services Upgrading Programme</i>	No successful housing development in Mt Fletcher	Department of housing, Council, MM	Accelerated housing delivery	Housing shelter for the indigent	Delays in the processing of housing application and unblocking of housing projects by dept of Housing	Agreement reached on the development of 3000 units on peri urban land in Mt Fletcher	30-Sep-08	MM
		Incomplete greenfields project in Maclear				Poor relationship with Traditional Leaders	Katkop and Ngcele housing applications approved by dept of housing	31-Jul-08	Community Services
		Beneficiaries not taken occupation of their houses				non traceable housing beneficiaries	New business plan developed and submitted to Bhisho for Mangoloane ng East	31-Aug-08	Community Services
		Rural housing applications submitted to Bhisho					Approval of business plan for Mangoloane ng East	31-Dec-08	Community Services
		BNG housing project for Ugie					Meeting with all Traditional Leaders to explore	30-Sep-08	MM

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							opportunities for further rural housing development		
							At least 5 new rural housing projects identified and business plans submitted	31-Mar-09	Community Services
							Deregistration of untraceable beneficiaries and registration of new housing beneficiaries	31-Dec-08	Community Services
							Feasibility report for BNG housing development in Ugie	31-Aug-08	Community Services
3.6 Public Amenities	<i>Municipal Services Upgrading Programme</i>	No SLA for the three libraries in Elundini	DSRAC, SPCA, Community Services operational budget	Approved SLA	Direct funding for libraries - linked to cost recovery and library function aligned to the municipality's developmental mandate	Lack of response from DSRAC	SLA with DSRAC concluded	31-Jul-08	Community Services
		Municipal pounds not managed according to SPCA standards		Municipal Pound rehabilitated	Citizen safety enhanced	inadequate resources to achieve SPCA standards	Certificate from SPCA on the maintenance of standards for keeping impounded animals	31-Oct-08	Community Services

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		No systems for the maintenance of the municipality' parks and gardens		Assessment report of community halls	Community hall embraced as community assets of value	No funding source for refurbishment of community halls	Council considers a report on the assessment of community halls	31-Aug-08	Community Services
		inadequate cemetery space		Report on available cemetery space	Increase in the number of days tourists spend in Elundini	Inadequate budget for parks and gardens	Acquisition of facilities for parks and gardens	30-Nov-08	Community Services
		Most community halls in urgent need of repair		Well maintained parks and gardens		No land available for new cemeteries	Land for new cemetery sites identified and fenced	31-Mar-09	Community Services
Spatial Planning	<i>Municipal Services Upgrading Programme</i>	Detailed SDF approved		Development agreements on properties set aside for commercial development	Job creation		Development agreements on all advertised properties in Maclear, Mt Fletcher and Ugie approved by Council	31-Mar-09	Community Services
		Informal townships		informal townships formalised			Outstanding title deeds delivered to property owners in Maclear, Mt Fletcher and Ugie	31-Mar-09	Community Services
		Land invasions		Legal action against any further land invasions			Court processes against all identified land invaders	30-Sep-08	

4. MUNICIPAL FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT

4.1 Revenue Collection	<i>Governance</i>	Adopted credit control bylaw not promulgated	Corporate Services	Improved revenue collection and less reliance	Enhancement of municipal financial viability	Credit control bylaw not promulgated	Increase in revenue collection 80% of budgeted	30-Jun-09	CFO
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		ed		on grant funding		timeously	revenue		
		No dedicated official responsible for debt collection				Bottlenecks in the appointment of the credit control officer			
4.2 Implementation of the Municipal Finance Management Act	<i>Governance</i>	Framework for s71 report already exists	HODs, MM, Council	Compliance to the prescripts of the MFMA	Improved accountability and financial governance	Poor support systems on the financial management system	S71 reports incorporate balance sheet, income statement and cashflow statement	30-Sep-08	CFO
		GRAP compliant FMS in place				Inaccurate information processed in the FMS	S71 reports incorporate narrative ratio analysis	31-Dec-08	CFO
							s72 report to the Mayor	25-Jan-09	MM
		MFMA circulars				Delay in the finalisation of the 2008 AG report	AFS for the year ending 30 June 2008 submitted to the Auditor General - IMFO standards	31-Aug-08	CFO
		Financial policies and procedures in place					Auditor General report available	30-Nov-08	CFO
		Audit Report for the year ended 30 June 2007 delayed					Annual Report for the year ended 30 June 2008	31-Jan-09	MM
							Oversight Report on	31-Mar-09	MM

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							the annual report for the year ended		
							Time schedule for the preparation, tabling and approval of the annual budget and budget related policies tabled by the Mayor before Council	31-Aug-08	CFO
							Report on the necessity for the municipality to compile an adjustments budget for the 2008/2009 financial year	31-Dec-08	CFO
4.3 Supply Chain Management Unit	<i>Governance</i>	No SCM practitioner in place	Corporate Services; MM	Timely spending of infrastructure grant funding	Accelerated service delivery	Lack of suitable applications for SCM practitioner	SCM Practitioner assumes duty	31-Jul-08	Corporate Services
		SCM policy adopted - needs revision		Budget implementation			SCM unit with operating procedures established and consolidated	30-Sep-08	CFO
				Improved reporting to Council on SCM policy implementation			Administrative support to the Bid Specification Committee, the Bid Evaluation Committee and the Bid Adjudication Committee	30-Sep-08	CFO

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4.4 Indigent Register	<i>Governance</i>	no credible indigent register for the municipality	Ward councilors and Ward committees, service provider	Appropriate indigent register compiled	Accelerated access to basic services by the indigent	Tardy DME processes might delay the implementation of free basic energy in the rural areas	Indigent registers established for wards 8,11,12,13, 15 and 16	31-Jul-08	CFO
		Indigent register established for ward 14					Business Plan for free basic alternative energy approved by the Executive Committee	31-Aug-08	CFO
							Roll out of free basic alternative energy indigent support to all qualifying residents in wards 8,11,12,13,14,15 and 16	30-Sep-08	CFO
4.5 Auditor General Report	<i>Governance</i>	No audit report issued yet for the 2007 financial year		Improved audit report for the 2008 financial year	Public confidence in Elundini Municipality enhanced	Lack of capacity and continuous changing of contracted auditors by AG	Action Plan to address 2007 AG issues	31-Jul-08	
							Issues raised by the internal Audit unit/ Audit committee addressed within 10 days of receipt	30-Sep-08	HODs
4.5 Off site electricity vending	<i>Governance</i>	No off site electricity vending station	Sebata FMS, SM MEs	Access to prepaid electricity after hours	Improved access to basic services	lack of agreement on terms with service providers	Potential service providers identified and agreements	31-Aug-08	CFO

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							signed with them		
							Equipment and related systems acquired	30-Sep-08	CFO
							Implementation of after hours prepaid electricity points	31-Oct-08	CFO

5. Good Governance, Public Participation Accountability and Transparency

5.1 Public Participation	Governance	Established ward committees	Executive and Council operating budget	Functional ward committees	Ward committees influencing Council decisions	invisible political leadership	Ward Committees meeting at least once a quarter and selected ward committee meetings attended by the Speaker/representative	30-Sep-08	MM
		Public participation policy		Visible attendance of municipal programmes by Community organisations and takeholders	Cohesion between the municipality and communities	poor relations between ward councilors and ward committees/ traditional leaders	Public participation policy fully implemented	30-Sep-08	MM
		CDWs for all wards		Reports of CDWs to the MM/ Speaker	Direct link between CDWs and the municipality	CDWs and ward councilors not cooperating with one another	CDW reports received by the Speaker and the Municipal Manager	30-Sep-08	MM

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5.2 Communications	Governance	Communications Officer	Executive and Council Operational budget	Communication Strategy, Establishment of Local Communicators Forum	Improved coordination of municipal programmes	Lack of information management systems	Approval of Communications Strategy by Council	30-Nov-08	MM
		Municipal Website	ICT Systems Administrator	Compliance to section 75 of the MFMA	Community participation in the affairs of the municipality	Downtime of ICT systems	Continuous updating of website with information prescribed in the MFMA	31-Jul-08	MM
5.3 Special Programmes Unit	Governance	Youth centre operational plan approved	Operational budget, Support of Technical Services Dept	functional youth centre	Youth owned business enterprises	Poor management of the centre, Inappropriate governance model	Mt Fletcher youth centre operational plan fully implemented	31-Mar-09	MM
		Youth Sector Dev Plan	Youth Council, youth sectoral formations	Youth sector plan integrated in IDP	Youth development Programmes	Dysfunctional youth council	Adoption of the Youth Sector Development Plan by the Council;	31-Aug-08	MM
		Local Aids Council	Operational budget	Programme of Action for the AIDs Council	Integrated management plan for HIV and AIDS	Dysfunctional Aids council	Adoption of a programme of action for the AIDS Council	31-Jul-08	MM
		Gender mainstreaming strategy		Participation of Civil Society on gender mainstreaming	Increased economic opportunities for women		Report on the roles and responsibilities of the Women's caucus and the Women's Economic Empowerment	30-Nov-08	MM

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		HIV and AIDS strategic Plan	District Strategic plan	Functiona I AIDS Council	Integrated management plan for HIV and AIDS	Dysfunctiona Aids council	review the HIV and AIDS strategic plan	30-Sep-08	MM
5.4 IGR	Governance	No IGR Forum	Sector Departments, Traditional Leaders, Mayor, MM, Constituency Office	IGR Forum established and functioning	Improved IGR	Lack of response from sector department	IGR Forum established	31-Dec-08	MM
5.5 IDP	Governance	No dedicated IDP staff	Operational Budget, Corporate Services	Reviewed IDP	Implementation of local government strategic plan, legal compliance	Continued non cooperation of sector depts	Approved IDP Process Plan	31-Aug-08	MM
		Some IDP sector plans not in place	Sector Departments, service providers	Outstanding sector plans developed	Credibility of IDP enhanced	Lack of funding	Outstanding IDP sector plans developed	31-Mar-09	MM
5.6 Customer Care	Governance	Suggestions and complaints boxes installed	MM	Customer care in compliance with legislation	Community Satisfaction		Documented systems in respect of customer care management	31-Dec-08	MM
5.7 Internal Audit	Governance	Internal audit function outsourced	MM, HODs	Functiona I audit committee	Improved Auditor General Report	Audit committee recommendations ignored	Audit Committee reports to the Council	30-Sep-08	MM
		Audit Committee established							

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5.2 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2008/2009.

The following table depicts the municipality's performance in terms of the municipal scorecard and SDBIP:-

Office of the Municipal Manager

Key Performance Area	Key Performance Indicator	Achieved/ Not Achieved	Reason for Deviation/ Remarks
Electricity	<ul style="list-style-type: none"> DME/ ESKOM infrastructure plan for rural Mt Fletcher available – June 2009 	Not Achieved	<ul style="list-style-type: none"> Despite numerous letters to DME/ESKOM, this has not been achieved Council resolved end of September 2008 to invoke the assistance of the Public Protector – to no avail Meeting with Minister Sonjica April 2009 – no further progress
Housing	<ul style="list-style-type: none"> Agreement reached on the development of 3000 units on peri-urban land in Mt Fletcher – September 2008 	Not Achieved	<ul style="list-style-type: none"> Meeting facilitated between Chief Lehana and Executive Committee on 8 July 2008 – Chief Lehana has refused to allow housing development on the identified land hence no agreement
	<ul style="list-style-type: none"> Meeting with all Traditional Leaders to explore opportunities for further rural housing development – September 2008 	Achieved	<ul style="list-style-type: none"> Meeting with Traditional Leaders took place on 30 September 2008
Implementation of the Municipal Finance Management Act	<ul style="list-style-type: none"> S72 report to the Mayor – January 2009 	Achieved	<ul style="list-style-type: none"> Due to the physical indisposition of the accounting officer on 22 – 30 January 2009, the report could not be considered by the Council meeting on 30 January 2009. Went before the special council meeting on 12 February 2009
	<ul style="list-style-type: none"> Annual report for the year ended 30 June 2008 – January 2009 	Achieved	
	<ul style="list-style-type: none"> Oversight Report on the annual report for the year ended 30 June 2008 – March 2009 	Achieved	

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Public Participation	<ul style="list-style-type: none"> Ward committee meeting at least once a quarter and selected ward committees attended by the Speaker/ Representative – September 2008 	Not Achieved	Plan developed but the Speaker has not been able to attend selected ward committee meetings
	<ul style="list-style-type: none"> Public Participation Policy fully implemented – September 2008 	Achieved	
	<ul style="list-style-type: none"> CDW reports received by the Speaker and the Municipal Manager – September 2008 	Not achieved	<ul style="list-style-type: none"> Meeting held with the DLG&TA on 30 Oct 2008 re CDW programme and DLG&TA engaged dring strategic planning session in December 2008 CDW Integrative model developed and forwarded to the DLG&TA – so far all the above have not yielded the required results.
Communication	<ul style="list-style-type: none"> Approval of Communications Strategy by Council – November 2008 	Not Achieved	<ul style="list-style-type: none"> Draft communications strategy in place.
	<ul style="list-style-type: none"> Continuous updating of the website with information prescribed in the MFMA 	Achieved	
Special Programmes Unit	<ul style="list-style-type: none"> Mt Fletcher youth centre operational plan fully implemented – March 2009 	Not achieved	<ul style="list-style-type: none"> Due to no electricity, generator acquired in December 2008 Service provider appointed to facilitate implementation of the operational plan Lack of capacity in the SPU unit – all progress due to the appointment of an Assistant Manager

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	<ul style="list-style-type: none"> Adoption of the Youth Sector development Plan – August 2008 	Achieved	<ul style="list-style-type: none"> Youth sector Development Plan adopted by Council October 2008
	<ul style="list-style-type: none"> Adoption of programme of action for the AIDS Council – July 2008 	Not Achieved	<ul style="list-style-type: none"> An Action plan for 2009/2010 has recently been developed POA for AIDS Council held in abeyance – prioritized the review of the strategic plan
	<ul style="list-style-type: none"> Report on the roles and responsibilities of the Women’s caucus and Women’s Economic Empowerment – November 2008 	Achieved	<ul style="list-style-type: none"> Workshop with both structures held in March 2009 – Agreed to work towards the disbandment of the WEE and its replacement by a Women’s Cooperative
	<ul style="list-style-type: none"> Review of the HIV and AIDS strategic plan – September 2008 	Achieved	<ul style="list-style-type: none"> Review undertaken during November/ December 2008
IGR	<ul style="list-style-type: none"> IGR Forum established 	Not achieved	<ul style="list-style-type: none"> Although IDP forum does constitute some form of IGR, this is not what was envisaged The legislative framework does not seem to support IGR at a local level There is a new focus towards an inter sectoral forum, wherein the Mayor and the EXCO will periodically meet with Government departments and other stakeholders to discuss matters relating to the areas of focus
Customer Care	<ul style="list-style-type: none"> Documented systems in respect of customer care management – December 2008 	Not achieved	<ul style="list-style-type: none"> A customer care management framework is being developed together with the communications strategy
Internal Audit	<ul style="list-style-type: none"> Audit Committee reports to Council 	Achieved	<ul style="list-style-type: none"> Report considered by Council in April 2009

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5.2 DEPARTMENT OF FINANCIAL SERVICES:

Key Performance Area	Key Performance Indicator	Achieved/ Not Achieved	Reasons for Deviation/ Remarks
Revenue Collection	<ul style="list-style-type: none"> Increase in revenue collection to 80% of budgeted revenue – June 2009 	<ul style="list-style-type: none"> Achieved 	<ul style="list-style-type: none"> Actual revenue against budget (May 2009 adjustments budget) is 97%. Although there was a 24% downward adjustment in respect of projected billable income (Aug 2008 adj budget v May 09 adj budget), the overall collection rate remained at 95%. Collected billable revenue over the original budgeted billable revenue (Aug 2009) amounts to 74%.
	<ul style="list-style-type: none"> Development of a bad debts write off policy – September 2008 	<ul style="list-style-type: none"> Achieved 	<ul style="list-style-type: none"> Bad debts write off policy approved 15 June 2009, due to need for extensive consultation. First draft was ready end of 2008.
	<ul style="list-style-type: none"> Compilation of a database of PG Bison Properties including billing and collection thereof – August 2008 	<ul style="list-style-type: none"> Achieved 	
Implementation of the Municipal Finance Management Act	<ul style="list-style-type: none"> S71 reports incorporate the balance sheet, income statement and the cashflow statement – September 2008 	<ul style="list-style-type: none"> Partly achieved 	<p>This was achieved in respect of the period ended 31 December 2008. This was not sustained subsequent to that, due to the resignation of the former CFO</p>
	<ul style="list-style-type: none"> S71 report incorporates narrative ratio analysis – December 2008 	<ul style="list-style-type: none"> Not achieved 	<ul style="list-style-type: none"> Reasons per above

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	<ul style="list-style-type: none"> • AFS for the year ended 30 June 2008 submitted to the Auditor General IMFO standards – August 2008 	<ul style="list-style-type: none"> • Achieved 	IMFO based AFS for 2007/2008 submitted to the AG on 29 August 2008
	<ul style="list-style-type: none"> • Auditor General Report available – November 2008 	<ul style="list-style-type: none"> • Achieved 	
	<ul style="list-style-type: none"> • Time schedule for the preparation, tabling and approval of the annual budget and budget related policies tabled by the Mayor before Council – August 2008 	<ul style="list-style-type: none"> • Achieved 	<ul style="list-style-type: none"> • Due to need to integrate IDP and budget processes, and the need to consult on the IDP budget process plans, this was achieved in September 2008
	Report on the necessity of the municipality to compile an adjustments budget for the 2008/2009 financial year – December 2008.	<ul style="list-style-type: none"> • Achieved 	<ul style="list-style-type: none"> • Adjustments budget under cover of report was approved by Council on 30 January 2009
	<ul style="list-style-type: none"> • Payment of creditors within 30 days of receipt of invoice - monthly 	<ul style="list-style-type: none"> • Achieved 	<ul style="list-style-type: none"> • All invoices paid on presentation except when there are queries on the invoice.
	<ul style="list-style-type: none"> • Performance of creditors reconciliations – monthly 	<ul style="list-style-type: none"> • Achieved 	
	<ul style="list-style-type: none"> • Performance of VAT reconciliations for the general ledger and VAT 201 	<ul style="list-style-type: none"> • Achieved 	

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	returns		
Supply Chain Management Unit	<ul style="list-style-type: none"> SCM practitioner assumes duty – July 2008 	<ul style="list-style-type: none"> Achieved 	<ul style="list-style-type: none"> SCM practitioner subsequently resigned and a new official assumed duty on 1 December 2008
	<ul style="list-style-type: none"> SCM unit with operating procedures established and consolidated – September 2008 	<ul style="list-style-type: none"> Not achieved 	<ul style="list-style-type: none"> The review of the SCM policy was reviewed and the service provider's TOR include the development of operating procedures. Draft policy currently advertised for public comments
	<ul style="list-style-type: none"> Development of a request for quotations form to be used by various departments for quotations – September 2008 	<ul style="list-style-type: none"> Not achieved 	<ul style="list-style-type: none"> Refer above
	<ul style="list-style-type: none"> Administrative support to the Bid Adjudication Committee – September 2008 	<ul style="list-style-type: none"> Achieved 	<ul style="list-style-type: none"> Secretary to the CFO responsible for minutes of the BAC
Indigent Register	<ul style="list-style-type: none"> Indigent register established for wards 8,11,12,13,15 and 16 	<ul style="list-style-type: none"> Achieved 	
	<ul style="list-style-type: none"> Business plan for free basic alternative energy approved by the Executive Committee 	<ul style="list-style-type: none"> Achieved 	

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	<ul style="list-style-type: none"> Roll out of the free basic alternative energy indigent support to qualifying residents in wards 8,11,12,13,14,15 and 16 – September 2008 	<ul style="list-style-type: none"> Achieved 	<ul style="list-style-type: none"> The rollout is very slow – there are problems between the German funder of the programme and DME. Only ward 14 being done as at 30 June 2009
Auditor General Report	<ul style="list-style-type: none"> Action plan to address 2007 AG issues – July 2008 	<ul style="list-style-type: none"> Achieved 	<ul style="list-style-type: none"> Due to the late issuance of the 2007 AG report, this had no impact and a mock audit was instead commissioned into the 2008 FY.
	<ul style="list-style-type: none"> Issues raised by the Internal Audit Unit / Audit Committee addressed within 10 days of receipt – September 2008 	<ul style="list-style-type: none"> Achieved 	
Off site electricity vending	<ul style="list-style-type: none"> Potential service providers identified and agreements signed with them – August 2008 	<ul style="list-style-type: none"> Achieved 	<ul style="list-style-type: none"> This was achieved in December 2008
	<ul style="list-style-type: none"> Equipment and related systems acquired – September 2008 	<ul style="list-style-type: none"> Achieved 	
	<ul style="list-style-type: none"> Implementation of after-hours prepaid electricity points – October 2008 	<ul style="list-style-type: none"> Achieved 	<ul style="list-style-type: none"> Off site electricity vending achieved in December 2008

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DEPARTMENT OF CORPORATE SERVICES:

Key Performance Area	Output	Perf. Indicator/ Target	ACHEIVED/ NOT achieved	REMARKS
1. Municipal Transformation and Institutional Development				
1.1 Organisational Design	Organisational structure aligned to IDP	Finalise job descriptions for all posts - Aug 08	ACHIEVED. Job Description finalised and submitted to PJEC	Delays in not meeting deadlines caused by PJEC
		Finalisation of post levels - Aug 08	ACHEIVED only in December 08	
1.2 Employment Equity	Affirmation of designated groups	New appointments to Elundini Municipality staff establishment reflect a 70:30 female to male ratio - Jun 09	NOT ACHIEVED. The actual percentage stands at 41:59 female to male ratio.	This was due to non availability suitably qualified females for the jobs
		Applications from disabled people actively encouraged - Sept 08	ACHIEVED. All adverts are encouraging disabled persons to apply.	
1.3 Skills Development	improved economic opportunities for the people of Elundini	SETA discretionary grants received - Oct 08	ACHIEVED. Discretionary Grants totalling R129 000 received, last payment made in March 09	It is within the competency of Seta to release payments on intervals
		Community skills database completed	It is an ongoing process	
1.4 IT / ICT	Bridging the digital divide and improving the low levels of computer literacy in Elundini	Installation of ICT systems in the municipal libraries utilising DSRAC grant funding - Jun 09	NOT ACHIEVED.	Advised by Community services Manager that the DSRAC did not provide the funding.
		Installation of ICT systems in the Mt Fletcher Youth Centre utilising SPU operational budget - Dec 08	NOT ACHIEVED	Operational plan still under formulation from the Municipal Manager's office.

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1.5 Traffic and law Enforcement	Prevalence of law and order	Traffic revenue increases by 60% over the previous financial year - June 09	Ongoing progress	The department is formulating data for outstanding fines from which recovery rate can be assessed
		Site for testing station identified Aug 08	ACHIEVED	
		Service provider for construction of testing station appointed - Dec 08	ACHIEVED	
1.6 Human Resources	Approved Integrated Human Resources Plan for the Elundini Municipality	Service provider appointed - Sept 08	NOT ACHIEVED	This was postponed so that it could be aligned to the municipality's strat plan which was only conducted in December 2008.
		Integrated Human Resources Plan approved by Council - March 09	ACHIEVED. This was part of the municipality's Strat Plan which was approved in March 2009	
1.7 Council Support	Effective functioning of Council and committees	Electronic recording equipment acquired - Aug 08	ACHIEVED	
		Council and committee minutes distributed to MM and HODs 5 days after the council or committee meeting - Aug 08	ACHIEVED	
1.8 Performance Management	Implementation of the IDP	Formal performance evaluation of all sectional managers	NOT ACHIEVED	Delayed by agreement to 2010/2011 financial year
1.9 Administrative Units	Reduction in the number of unresolved administrative unit issues channeled to the head office	Monthly reports on the activities in the units also detailing how problems have been addressed - Jul 08	ACHIEVED	
1.10 Security arrangements over municipal properties	Approval of appropriate security arrangements	Development and approval of a report on the vulnerability of municipal assets and personnel to theft or harm - Nov 08	NOT ACHIEVED	Financial constraints

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		Implementation of the recommendations relating to the enhancement of security - Jan 09	NOT ACHIEVED	Financial constraints
1.11 Registry and Records Management	Records management and registry systems developed	Development and approval of procedures and systems for the management of the municipality's registry and the records - Sept 08	NOT ACHIEVED	Awaiting approval of Filing Plan by Provincial Archives
		Effective access controls to the registry implemented - Aug 08	ACHIEVED. Only limited access control achieved	Limited budget
		Approval of the filing plan by the Provincial Archives - Dec 08	NOT ACHIEVED	Awaiting approval of Filing Plan by Provincial Archives, first.
1.12 Municipal By Laws	Promulgated by laws	Promulgation of municipal by-laws in the provincial gazette - Aug 08	ACHIEVED	
1.13 Internet and email facilities	Internet and email policy	Functioning email and internet facility	ACHIEVED	

DEPARTMENT OF COMMUNITY SERVICES:

KPA	OUT PUT	PERFORMANCE INDICATOR / TARGET	ACHIEVED / NOT ACHIEVED	DEVIATIONS AND REASONS	REMARKS
Housing	All beneficiaries to have title deeds.	Increased number of eligible beneficiaries- 30 November 2008	Achieved	Nil	Only received title deeds in June 2008. Conveyancer took longer than expected
		Application for beneficiaries, de-registration and re-registration approved – 30 November 2008.	Not achieved	No response from the Provincial Housing Department.	Provincial Housing Department's competence. On 30 June

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					2009 the MEC pronounced that this process is very cumbersome and could take years to resolve.
	Land availability for housing development in Mount Fletcher	Report on land availability in Mount Fletcher for BNG-31 July 2008.	Not achieved	No bulk infrastructure services. This is a policy matter which is beyond our control and competence. Funding constraints is another reason.	DPLG promised funding for EIA and geotechnical survey- later rescinded the decision
		Approval for deregistration and the re-registration of beneficiaries for the Ugie project- November 2008.	Not achieved	The Department is not communicating with us.	The new MEC for housing indicated that this is a long process that can take years to achieve.
	Establishment of Rural Housing Programme.	Approved applications by the Department of Housing-Katkop and Ngcele-31 July 2008.	Not achieved	The department of Housing wrote to indicate their delays	The Mayor wrote to the new MEC on the state of housing at Elundini in general. No response yet.
	Agreement with Traditional Leaders	Letter of instruction from the Municipal Manager subsequent to meeting with Traditional Leaders -30 September 2008.	Achieved		Letter written on 05 November 2008
	Identified available land and	Preparation of business plans-31 December 2008.	Not achieved	Business Plans would be prepared only	Land could not be surveyed

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	beneficiaries in Mount Fletcher.			when land for development is available and surveyed for suitability	(geotechnically) due to financial constraints. Land could not be developed either because of absence of bulk infrastructure services
	Identification of beneficiaries (Mangoloaneng East)	Business plan for Mangoloaneng East submitted to Dept. of Housing-31 August 2008.	Partially achieved	Business Plan completed waiting for technical appraisal by WSA.	Service Provider will only submit during the new financial year.
		Approval of business Plan for Mangoloaneng East.	Not achieved	The Department of Housing has required WSA technical appraisal	This is beyond our control.
	Completed feasibility Study- Ugie 120 (BNG)	Feasibility Study report available 31 August 2008.	Achieved		
		Five additional rural housing projects identified and business plans submitted to the Department of Housing by 31 March 2009.	Partially achieved (identification)	Delays experienced by the Housing Section of the Municipality in securing beneficiary registration dates	This is given at least two months in the new financial year, as confirmed by our other rural housing projects.
2.Environmental Management	Updated registers of EIAs and RODs.	Updated EIAs and RODs register. Ongoing from September 2008.	Achieved		This is a continuous process
3.Spatial Planning	Development of agreements	Development of agreements of all advertised properties	Not achieved	Bidders that submitted proposals on	A new specification is designed,

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	on all Properties set aside for commercial development .	in Maclear, Mt. Fletcher and Ugie approved by council by 31 March 2009.		time did not meet bid evaluation requirements.	and wider advertising coverage to be followed
	Formalized Human Settlements in Maclear, Mount Fletcher and Ugie.	Outstanding Title Deeds delivered to property owners-31 March 2009.	Not Achieved	The process and procedure is too long and tedious	The deliverable timeframe was underestimated
	Legal action against any further land invasion.	Court proceedings against all land invaders-30 September 2008.	Achieved	Achieved later than the date given, due to in-availability of Supreme Court personnel.	Land invasion happens from time to time, so time line determination is not practical.
4. Public Amenities					
4.1 Cemeteries	Report on available cemetery space.	Fence cemetery- 31 March 2009.	Not achieved	Fencing could not take place before approval of the EIA whose application has been submitted to DEDEA in June 2009.	The KPI omitted procedures that precede fencing
4.2 Libraries	Approved SLA	SLA with DSRAC concluded on 31 July 2008	Achieved	Only achieved in December after non- response by SRAC	The new MEC pronounced her discomfort with signing SLAs with

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					Local Municipalities (30/06/09)
4.3 Pounds	Rehabilitated Municipal Pounds	SPCA Certificate of compliance by 31 October 2008.	Not achieved	Incapacity within the division as there is only one staff member overseeing public amenities.	An administrative clerk position is recommended to ease pressure. This is to start mid July 2009.
4.4 Parks and Gardens	Well maintained parks and gardens.	Upgrading of facilities for parks and gardens 30 November 2008.	Achieved	Delayed evaluation of bid proposals received hence the deviation.	On track
4.5 Community Halls	Report on assessment of conditions of community halls.	Operation and maintenance plan available on 30 October 2008.	Not achieved	Delays were due to absence of employees in the component	Assistance will be provided to ensure that this is drawn, latest by end of August 2009.
5. Local Economic Development	Consolidation of food basket initiative.	Establishment of an LED Forum-30 July 2008.	Achieved	Absence of LED staff and poor attendance to meetings before July 2008 had a bearing on this	LED forum in place and operating
		<ul style="list-style-type: none"> Documented and compiled SMME data 	Achieved	Established in March 2009 due to absence of	Done July 2008 Need

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		<p>base- 30 September 2008.</p> <ul style="list-style-type: none"> Establishment of a SMME advice center by September 2008. 	Achieved	LED unit staff	employment of a dedicated officer to run the center.
		Establishment of a Project Steering Committee for the Tsitsa River Basin Project with Mhlontlo supported by Elundini Food Basket initiative- quarterly	<p>Achieved</p> <p>Not achieved</p>	The mother department (DOA) is not active in this hence the retarded progress	The new Agriculture MEC will be engaged so as to revive this initiative started by his predecessor
		Quarterly meetings for Elundini Food Basket.	Not achieved	Put on hold	To revive the initiative is dependant on the response of the new MEC for the Agriculture portfolio
		Council Resolutions approving Tourism Sector Plan 31 October 2009	Achieved	Achieved in September 2008	
6. IDP	Reviewed IDP	Approved IDP Process Plan-31 August 2008.	Achieved	Approval on 29 September 2008. This was when the Council sat. No influence from our side.	
	Outstanding Sector Plans developed.	Outstanding IDP Sector Plans developed- 31 March 2009.	Achieved	Sector plans available in January 2009	

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DEPARTMENT OF TECHNICAL SERVICES:

KEY PERFORMANCE AREA	PERFORMANCE INDICATOR	TARGET DATE	ACHIEVED/NOT ACHIEVED	REASONS FOR DEVIATION
Water and Sanitation	SDA signed by MM	31-Jul-08	Not achieved	Ukhahlamba DM continuously extended the O&M contract through correspondences to Elundini municipality. There is a draft SDA which is under discussion between Elundini Municipality and Ukhahlamba Municipality.
	Leaks repaired within 10 working days from the date reported	31-Jul-08	Achieved	This is a routing exercise and leaks are repaired as they are received and within 10 days.
	Burst pipes repaired within 48 hours from date reported	31-Jul-08	Achieved	All burst pipes have been repaired within 48 hours
	Motivate and monitor development of a sanitation master plan for Mt Fletcher	30-Sep-08	Achieved	The final draft sanitation master plan is complete (it has two components: rural sanitation master plan for the whole municipal area and sanitation master plan for Mount Fletcher urban area). The document is currently with DWAF for comments.
Electricity	First report on monthly electricity losses reported with recommendations for corrective measures	30-Sep-08	Achieved	A report on losses and corrective measures was submitted in April 2009. An action plan responding to the report had been developed. Implementation plan has started and it is an ongoing process.
	Progress in the construction of the Maclear substation reported monthly to Technical Services Committee	31-Jul-08	Achieved	At standing committee meetings, progress is reported. The substation is complete.

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	All planned electricity shut downs communicated 5 days in advance	31-Jul-08	Achieved	Planned shutdowns are communicated.
	Unscheduled electricity supply interruptions resolved within 1 day	30-Sep-08	Achieved	Some interruptions are resolved within 1 day. However; some take longer depending on the nature of the problem and its complexity. The following incidents took longer than 1 day to resolve: <ol style="list-style-type: none"> 1. Blown transformer at the substation in Maclear sub. 2. Truck hit a Medium voltage line which affected the Maclear sub. 3. There was a short circuit in the underground high voltage cable which needed specialist to trace the fault (Eyabantu). 4. Burnt low voltage cable in Maclear next to Doves. 5. Continuous blowing of transformers in Vincent. 6. Burnt transformer hit by thunderstorm at Bhekela. 7. Damaged medium voltage line due to PG Bison trees which fell onto the cable in Maclear.
	Service level agreement with Eskom for the maintenance of street lights in Mt Fletcher	31-Aug-08	Achieved	The contractor is currently working in Mount Fletcher. Connections to the Eskom network have been completed. Switching has been done for some of the lights and the rest of the will be switched on mid August 2009.
Roads and Stormwater	PMU business plan approved	31-Jul-08	Achieved	There is an approval letter from DPLG
	Potholes patched within 3 months of being reported by	31-Dec-08	Not achieved	This could not be possible due to weather conditions, availability of suitable material at the correct time. This is happening at a very low pace. Hydraulic cutters will be purchased by July 2009 to fast track pothole patching.

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	Councilor			
	Spending of MIG allocation accelerated 100% of 2008/2009 allocation	31-Mar-09	Achieved	100% was achieved in January 2009.
	Roads and stormwater operations plan submitted to the Executive Committee for endorsement	31-Aug-08	Not achieved	There were budget constraints.
Street cleaning, refuse removal and solid waste disposal	Service provider appointed to undertake a section 78 analysis	30-Sep-08	Achieved	A service provider was appointed in December 2008. The internal assessment and the technical options are complete. There were delays in the procurement process
	Council decision based on the section 78 process	30-Nov-08	Achieved	A council resolution was taken for the internal assessment and that the service provider can consider possible external mechanisms. There is no Council decision in relation to the service delivery mechanism and option.
	Refuse collection daily in the towns of Maclear, Mt Fletcher and Ugie and at least three times a week in all the townships in Maclear, Mt Fletcher and Ugie	30-Sep-08	Achieved	Some of times, this service is carried out successfully. However; there are times when the vehicles have breakdowns and sometimes the drivers are sick or take leave. There is a resource constraint (tractor drivers, general workers and limited tractors)
Mount Fletcher youth centre	Alternative energy installed in the Mt Fletcher Youth centre	30-Sep-08	Achieved	An engine was purchased and supplied to Mount Fletcher in December 2008. This was decided after it was clear that the solar system would not be reliable and sustainable in relation to generation of electricity for a minimum of 40 hours a week.

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	Water and sanitation services to the Mt Fletcher Youth Centre	31-Dec-08	Achieved	A tap was installed and a septic tank is used for sanitation and they are functioning well.
	Access road to the Mt Fletcher Youth Centre	30-Sep-08	Achieved	The access road was completed in December 2008.
	Fencing of the Mt Fletcher Youth Centre	31-Mar-09	Not achieved	Service provider is still in progress and this will be complete by end of July 2009.

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5.3 PERFORMANCE OVERVIEW

The actual revenue received as against the budgeted revenue for 2008/2009 is in the vicinity of 97%.

While on paper this looks good, it must be noted that the projected billable revenue (assessment rates, electricity, water, sanitation, refuse and rental housing) were reduced from a combined value of R13 million per the adjustment budget of August 2008 to R9,9 million in the January and May 2009 adjustments budgets, and if collections were to be translated against the original adjustment budget figures, the collection rate is approximately 75%.

When one views the spiral of the debtors book, one notes that debtors have been growing by more than R10 million per annum, particularly when viewed against the following: -

- 30 June 2007 R32 million
- 30 June 2008 R42 million
- 30 June 2009 R59 million

What the above picture depicts is the possibility that: -

- There is no correlation between the billing system and the budget. This is probably due to the fact that there has been an effort, over the years, to align budget to what is actually collected;
- The budget is grossly understated and many properties that receive services are not budgeted for;

A database cleansing project has been identified and will be financed under the municipal systems improvement grant.

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5.4 SERVICE DELIVERY REPORT FOR THE PERIOD ENDED 30 JUNE 2009

Below is a summary of achievements against the service delivery targets for 2008/2009.

Name of Department	Number of targets	Achieved	Not Achieved
Office of the Municipal Manager	19	10	9
Financial Services Department	24	20	4
Corporate Services Department	24	13	11
Technical Services Department	20	16	4
Community Services Department	29	14	15
TOTAL	116	73	43

5.4.1. DETAILED ASSESSMENT OF PERFORMANCE AGAINST SERVICE DELIVERY TARGETS

a) Office of the Municipal Manager

KPA	Score Assigned	Total No of Projects	Targets Achieved	Targets Not Achieved	Weighted performance percentage
Basic Service Delivery and Infrastructure Investment	10	3	1	2	6.67
Municipal Financial Viability and Management	20	3	3	0	40.0
Good Governance and Public Participation	20	13	6	7	18.46
TOTAL	50	19	10	9	65.13

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b) Financial Services Department

KPA	Score Assigned	Total No of Projects	Targets Achieved	Targets Not Achieved	Weighted performance percentage
Revenue Collection	15	3	3	0	18,75
Implementation of the MFMA	30	9	7	2	29,17
Supply Chain Management unit	10	4	2	2	6,25
Indigent Register	10	3	3	0	12,5
Auditor General Report	5	2	2	0	6,25
Off Site Electricity vending	10	3	3	0	12,5
TOTAL	80	24	20	4	85,42

c) Corporate Services Department

KPA	Score Assigned	Total No of Projects	Targets Achieved	Targets Not Achieved	Weighted performance percentage
Organizational Design	5	2	2	0	6.25
Employment Equity	20	2	1	1	13.00
Skills Development	10	2	1	1	6.25
IT/ICT	5	3	1	2	2.08
Traffic and Law Enforcement	15	6	3	3	9.38
Human Resources	5	3	1	2	2.08
Council Support	10	5	3	2	7.5
Admin Units	10	1	1	0	12.5
TOTAL	80	24	13	11	59.04

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d) Technical Services Department

KPA	Score Assigned	Total No of Projects	Targets Achieved	Targets Not Achieved	Weighted performance percentage
Electricity	10	6	6	0	12,5
Water and Sanitation	20	5	4	1	20,0
MIG, Roads and Stormwater	40	6	3	3	25,0
Street Cleaning, Refuse Removal and Solid Waste Disposal Sites	10	3	3	0	12,5
TOTAL	80	20	16	4	70

e) Community Services Department

KPA	Score Assigned	Total No of Projects	Targets Achieved	Targets Not Achieved	Weighted performance percentage
Local Economic Development	30	7	5	2	26,79
Housing	30	11	2	9	6,82
Public Amenities	10	5	2	3	5,0
Spatial Planning	10	6	5	1	10,42
TOTAL	80	29	14	15	49,03

5.4.2. SALIENT REASONS FOR NON ATTAINMENT OF SERVICE DELIVERY TARGETS

- Matters beyond the control of the managers (e.g) housing development, electrification of Mt Fletcher, peri urban land in Mt Fletcher for housing development, service delivery agreement in respect of water services, integration of community development workers
- Non filling of key posts. Due to the non implementation of the general valuation with effect from July 2008 as originally planned, key posts in the organogram were frozen

and only in March 2009 was the municipality in a position to fill those vacancies. For instance, there has been tremendous movement in most areas that were affected by the freezing of posts, but this did not happen early enough to be accorded a status of achievement. This would include projects in the SPU. Similarly, most of the shortcomings in the community services department are a direct result of a legacy of service department that has operated with skeleton staff.

- The sudden resignation of the former Chief Financial Officer, the labour relations issues that arose as a result of the appointment of a new CFO as well as the vacancies in key positions within the financial services department were instrumental in the non attainment of targets in the financial services department;
- Improper planning implied, in certain instances, that projects were in the performance scorecards without clear funding sources;
- Monitoring and evaluation

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