

Annual Report 2008/2009



*Cacadu is committed to the fight
against HIV & Aids*



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PART 1

INTRODUCTION AND OVERVIEW

EXECUTIVE MAYOR'S FOREWORD

This annual report gives an extensive overview of the highlights and successes in the performance of the Cacadu District Municipality. It reflects on the many challenges that were faced in the period of review.

As a sphere of Government, our objective is to continually improve our service to impact positively on the lives of the communities in the District. This is indeed a daunting challenge. I can however confidently state that the District Municipality has made tremendous efforts in supporting and building capacity in the nine local municipalities. Two of the municipalities however, viz. Koukamma and Sundays River Valley, experienced political and institutional challenges. Our service delivery in the District Management Area continues to be of a high standard.

The Council performance in infrastructure planning and implementation is highly commendable, and this is evident throughout the District. The District Municipality is continuing to invest in water and sanitation. In the past year the Municipality has successfully implemented a road reconstruction programme to repair flood damage which affected the area.

We have recognized that economic development and investment are crucial, and have achieved good success through the various programmes in creating the environment for increased economic activity at local municipality level. With regards to tourism, we have received an international award from Switzerland for our tourism marketing drive.

I am pleased to state that there is improved stability with regards to primary health care, and this is evident in the improved service. The Provincial Government fortunately recognized that the primary health care funding had to improve substantially, for the service to be properly rendered.

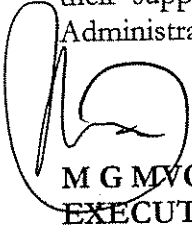
In the period of review, the Council has given serious attention to special programmes and HIV and AIDS. Policies were revised, strategies were developed and there is now a clearer focus on what has to be achieved in the years ahead.

Our communication with Stakeholders is crucial, and during the period of review, we have launched "Cacadu News" to reach all residents of the District. We are however embarking on an initiative to identify all stakeholders in our District, with whom we should interact.

We can pride ourselves on the high level of corporate governance at the institution and the fact that for the third successive year, we have achieved an unqualified audit report. Notwithstanding our limited revenue base, the Council finances are in a healthy position.

All employees have performance plans. This will ideally lead to better performance and achievement of our various targets. Our aim in 2009/10 is to assist all nine municipalities to have effective performance management systems, and for all their employees to have performance plans.

I want to thank the Speaker of Council, members of the Mayoral Committee, and all Councillors for their support in this period of review. I want to also thank the Municipal Manager and the Administration for their efforts in realizing our various targets during the year.



M G MVOKO
EXECUTIVE MAYOR

YEARLY PROGRAM PRIORITIES' STATEMENT

Council has adopted a development facilitation model to guide its business processes. This model has three complementary subsidiary roles -

- Cacadu District Municipality as a district-wide integrated planning authority.
- Cacadu District Municipality as an infrastructure development agent.
- Cacadu District Municipality as a technical and institutional capacity resource to local municipalities.

The Integrated Development Plan is a five year strategic framework to focus the institution in serving its constituents. The first development priority is infrastructure investment. In this regard, Council undertook to ensure that there is adequate service provision in the District Management Area with special reference to water provision, acceptable sanitation and waste management. In addition, the focus also included assisting local municipalities in various areas of integrated planning, which includes infrastructure planning and service delivery mechanisms.

With regards to Support and Capacity Building as the second priority, the various Departments within the District Municipality embarked on initiatives to assist and capacitate local municipalities. These programmes included institutional support, financial support and project implementation.

The third priority for the financial year involved economic development. Here, the District Municipality undertook various initiatives to encourage and facilitate economic development in all municipalities. In addition, the District Municipality's focus also included the development of tourism and marketing of the region.

The fourth priority for the year included a range of community services. Due to the manner in which the various functions are adjusted between the District Municipality and the local municipalities, the District Municipality focuses only on certain services. These include Primary Health Care, Environmental Health, Disaster Management and Fire, as well as Libraries.

One has to note that many of the projects cover several financial years, and progress for the year is measured in terms of the Service Delivery Budget Implementation Plan.

Progress and achievement during the year has been very commendable. In many cases however, the targets for the year have not been fully achieved. This is due to a variety of factors. The District Municipality, in many of the economic development projects for example, manages the funds allocated by the Provincial Government to local municipalities. In many instances the projects were not properly conceived. Other factors include delays in project implementation, as well as non- co-operation from some local municipalities.

The various projects that were incomplete have been rolled over into the 2009/10 financial year, and with the improved performance monitoring, there ought to be significant performance improvements.


D M PILLAY
MUNICIPAL MANAGER

OVERVIEW OF THE MUNICIPALITY

The Cacadu District Municipality (CDM), DC10, is the largest (58 243 km²) of the six (6) District Municipalities in the Eastern Cape Province. The District is situated in the western portion of the Province, bordering the Western Cape, Northern Cape and two other District Municipalities in the Eastern Cape, namely Chris Hani District Municipality and Amathole District Municipality.

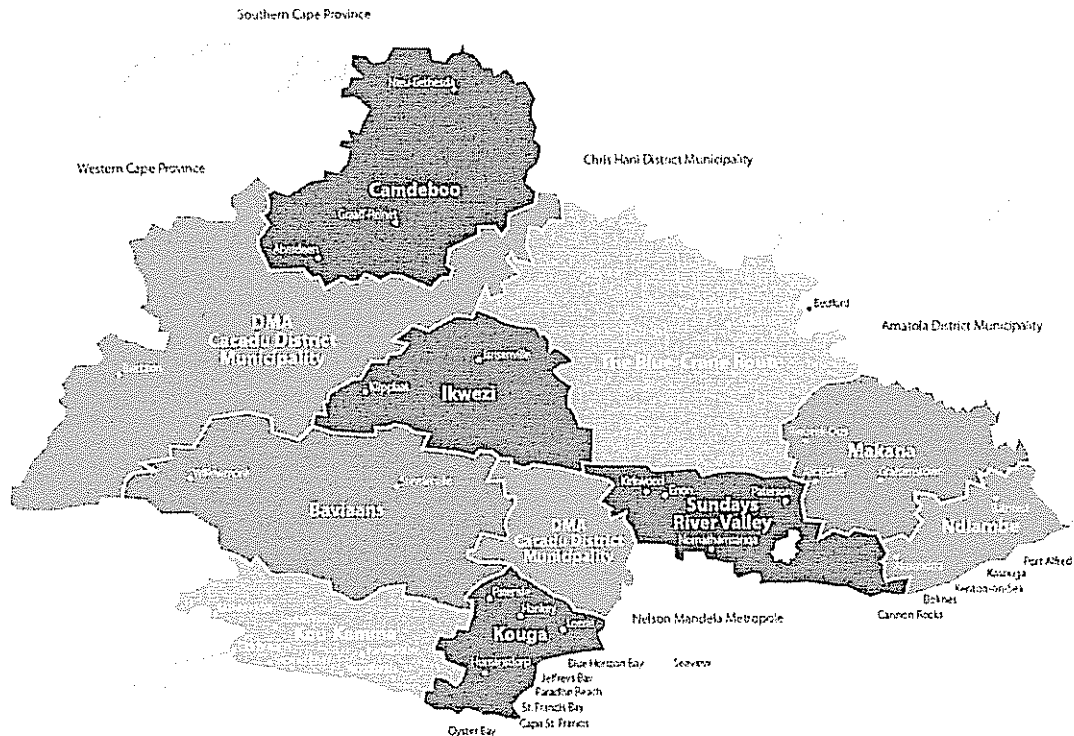
The District consists of nine (9) local municipalities (Category B Municipalities) and four other portions collectively known as the District Management Area (DMA). Two of the four areas are National Parks, namely the Addo National Elephant Park and the Tsitsikamma National Park. These parks are managed by the South African National Parks Board.

The District wholly borders the Nelson Mandela Metropolitan Municipality (NMMM), and consequently, land access to the NMMM is via the CDM. The nine local municipalities in CDM and their respective towns are:

	MUNICIPALITY	MAJOR SETTLEMENTS / TOWNS
EC101	Camdeboo	Graaff-Reinet, Aberdeen, Nieu-Bethesda
EC102	Blue Crane Route	Somerset-East, Cookhouse, Pearston
EC103	Ikhwezi	Jansenville, Klipplaat, Waterford
EC104	Makana	Grahamstown, Alicedale, Riebeeck-East
EC105	Ndlambe	Port Alfred, Kenton-on-Sea, Bushmans River, Alexandria
EC106	Sundays River Valley	Kirkwood, Addo, Paterson
EC107	Baviaans	Willowmore, Steytlerville
EC108	Kouga	Jeffreys Bay, Humansdorp, Hankey, Patensie, St Francis Bay
EC109	Kou-Kamma	Joubertina, Kareedouw, Louterwater
DC10	Cacadu DMA	Rietbron, Wolvfontein, Vondeling, Glenconner, Kleinpoort, Miller

Cacadu District Municipality has the largest number of Category "B" Municipalities in the country.

GEOGRAPHIC AREA



SOCIO-ECONOMIC DISTRICT PROFILE

The Cacadu District constitutes less than 5,3% (census 2001 stats) of the population of the Eastern Cape Province. The district is dominated by a Karoo landmass resulting in low population densities and scattered, small inland towns. There are higher densities along the coast and in urban centers.

The estimation of population numbers within the Cacadu District has been a contentious issue over the past number of years primarily due to the generally held opinion that Census 2001 figures are flawed within the Cacadu District. The Local Municipality apparently most affected by the alleged flaw in the Census 2001 statistics is Makana. This arguably is supported by local knowledge of under enumeration and a broad survey undertaken by the CDM as part of its water and sanitation backlog study that estimated the population within Makana to be approximately double than that of the Census 2001 survey.

The survey undertaken as part of the water and sanitation backlog study varied per Local Municipality. However, as stated before, the most significant variation existed within the Makana Local Municipality. The huge difference in Makana is attributed to the amount of informal settlements that are being established as a result of general urbanisation and farm evictions. These

numbers are a particular concern as they have a direct impact on funding allocations of Government Grant Funding.

The difficulty with the above is that in the absence of a fully fledged, methodologically acceptable census, 2001 Census figures will continue to be utilised by government departments in the determination of grant allocations, etc. As such the CDM has attempted to illustrate a more updated picture of socio-economic issues within the District through the projection of Census 2001 figures utilising the Global Insight database. This does not deter from the fact that population numbers are in all likelihood understated within the Cacadu District.

In 2004, the Urban Economist Group contracted to develop a district economic growth and development strategy, estimated the population to be 438 800. The average growth rate of the Cacadu District is estimated at 2%, which is higher than the Provincial and National growth rates, estimated at 1.4% and 1.3% respectively. As such government funding bodies should bear in mind the figures as illustrated in the table below when determining their respective allocations to Local Municipalities.

Local Municipality	Major Settlements	Comparable Statistics		
		Census (2001)	LM Survey (2005)	Global Insight (2007)
Camdeboo	Graaff-Reinet, Aberdeen, Nieu-Bethesda	44 366	51 601	44 352
Blue Crane	Somerset East, Cookhouse, Pearston	36 384	36 798	36 107
Ikwezi	Jansenville, Klipplaat, Waterford	10 366	9 144	10 423
Makana	Grahamstown, Alicedale, Riebeeck-East	74 527	140 120	74 561
Ndlambe	Port Alfred, Kenton-on-Sea, Bushmans River, Alexandria	55 471	58 927	64 671
SRV	Kirkwood, Addo, Paterson	41 464	61 003	37 384
Baviaans	Willowmore, Steytlerville	15 338	16 522	15 686
Kouga	Jeffreys Bay, Humansdorp, Hankey, Patensie, St Francis	70 482	88 254	80 459
Koukamma	Joubertina, Kareedouw, Louterwater	34 289	45 464	40 674
ECDMA 10	Rietbron, Wolwefontein, Vondeling, Glenconner	6 531	2 192	8 638
TOTAL		389 296	510 025	412 956

The population in the Cacadu District is concentrated in Makana, Kouga and Ndlambe, with more than 50% of residents in the District residing in these Municipalities. The remaining Municipalities all have less than 50 000 inhabitants per Municipality.

Unemployment in the Cacadu District is estimated at 52 036 (20.5%), as per census 2001 figures. Between 1996 and 2001, employment increased slightly by (2 490) whilst the number of the

unemployed increased significantly (6 047). Slow job growth and the increase in the number of job-seekers will lead to a decline in the ability of residents to pay for services and a proportional increase in the need for indigent support and subsidies.

Due to its rural nature the largest proportion of the population in the Cacadu District is employed in the Agriculture sector. There has also been a significant growth in the Tourism sector with resultant employment opportunities.

In the DMA, the majority of the population are farm workers who are seasonally employed. This group of people is mobile and will seasonally migrate in pursuit of work opportunities as far as the Western and Northern Cape.

MAJOR EVENTS WHICH AFFECTED THE WORKING ENVIRONMENT DURING THE YEAR

- Decision taken to hand Primary Health Care agency function back to the Provincial Department of Health due to ongoing underfunding;
- Piloting of standing committees
- Escalation of institutional, financial and service provision problems in Kou-Kamma Municipality
- Review of organizational structure and decision that all future staff appointments be on a permanent employment contract basis
- Roll-out of Performance Management System to all employees of the municipality;
- Provincial Health Department substantially increased the funding allocation for Primary Health Care Services just prior to the end of the financial year.

EXECUTIVE SUMMARY

This report has been compiled in accordance with the guidelines issued by the Department of Local Government and Traditional Affairs. The detailed performance is reflected in the Performance Report which is an annexure to this annual report.

The five Key Performance Areas of National and Provincial Government inform the development priorities of the Cacadu District Municipality.

The nine local municipalities in the Cacadu District are primarily responsible for infrastructure services, due to the fact that these functions have been adjusted to them. The District Municipality is however solely responsible for all infrastructure services in the District Management Area. In this regard, it is gratifying to note that all communities in the DMA have access to water, sanitation and refuse removal.

During the period of review, the District Municipality completed the rehabilitation of the infrastructure in the Koukamma area that was affected by flooding in the previous financial year.

With regards to water, all municipalities in Cacadu are Water Service Authorities. The District Municipality however supports its local municipalities. A Section 78 (3) Assessment was done, whereby the possibility of various external mechanisms needs to be considered. A decision is now awaited from the local municipalities.

Rainwater tanks were installed for all residents in the Rietbron area, and funding was provided to Ikwezi Municipality for the installation of rainwater tanks in Jansenville. This was successfully implemented as well.

Electricity Master Plans were developed for Blue Crane Route, Baviaans and Ikwezi. These municipalities were also assisted with as built drawings as well. On the planning side, the land availability audit was completed. A Portal has also been developed to assist all municipalities with planning and building control support.

With regards to transport, a road accident database tool has been developed to assist the Provincial Government to identify accident hotspots in the District, and thereby influence their roads infrastructure budgets. The upgrading of most public transport facilities, as envisaged, was also completed. The annual update of the Integrated Transport Plan was however not done.

Challenges exist in effecting transfers to all beneficiaries in the various housing developments. The incomplete housing projects were subsequently transferred back to the Province, in line with the request from them.

With regards to support to and capacity building of local municipalities, the District Municipality embarked on several projects.

A review of the Roles and Responsibilities, as well as the Delegations and the Rules of Order commenced for all local municipalities, with the exception of Kouga Municipality (who previously

embarked on this initiative themselves). This project is in various stages of implementation at the respective municipalities.

All municipalities were also assisted to develop a Communication Strategy. In addition, a Skills Audit was conducted in all nine municipalities. This Skills Audit helped the municipalities to compile proper Workplace Skills Plans.

The District Municipality has also embarked on ensuring that Performance Management is institutionalized in all municipalities. With the assistance of GTZ, a German development partner of Cacadu District Municipality, Baviaans, Sundays River Valley, Blue Crane Route, Ndlambe and Ikwezi were assisted in the period of review. These municipalities will continue to be assisted in 2009/10. The other remaining municipalities are also targeted for assistance.

The District Municipality has also been instrumental in ensuring good corporate governance in local municipalities, and has previously facilitated and continues to support the outsourced internal audit function and shared Audit Committee System.

Selected municipalities were assisted with GRAP implementation, and the District Municipality facilitated the appointment of a service provider to assist all local municipalities towards the completion of Asset Registers.

In the area of economic development, the District Municipality has entered into a partnership with Thina Sinako and SEDA to promote economic development in the Cacadu area. The SMME Strategy was adopted. There are presently three SEDA offices in the District, viz., Humansdorp, Graaff-Reinet and Grahamstown, to assist the District Municipality in this regard.

In addition, the District Municipality has a partnership with the CSIR to conduct research into and develop natural fibres, from products in the District. This is a long-term initiative. The initial trials are positive, and the progress is being continually evaluated.

Several of the local municipalities have previously successfully applied to the Provincial Government for funding for economic development projects in their area. These funds were channeled to the District Municipality. During the period of review, where municipalities have presented credible business plans to the District Municipality, these funds have been transferred to them. There are still however many projects where proper business plans have not yet been developed, and this has resulted in the funds not yet been spent.

A successful application has been made to the Development Bank of Southern Africa for funding to investigate catalytic initiatives in the District. The approval has been received, however the implementation will only occur in the next three financial years of the LED initiative programme.

The District Municipality was also responsible to compile or update the Tourism Development Plans of all nine local municipalities. In addition, a District Tourism Master Plan was also completed.

The District Municipality embarked on an extensive marketing campaign promoting the area and its products. A successful campaign known as the "Seven Wonders" received international acclaim.

The Policy on Support to Festivals was adopted, and work has commenced to integrate and transform local tourism organizations in all municipalities.

As indicated earlier, the District Municipality embarks on certain functions that have been adjusted to it or where it has been appointed as an agent. With regards to Primary Health Care, the District Municipality is the agent of the Provincial Government. The District Municipality operates 18 fixed clinics, 11 satellite clinics, as well as 26 mobile clinics.

It is important to note that during the period of review, the District Municipality has upgraded the salaries of the staff in Primary Health Care. This has resulted in stability in the service, with reduced turnover as well as improved motivation. The funding for the service has substantially improved from the R16,7 million received in 2007/08 to R26 million in 2008/09. The Provincial Government has however taken a decision to provincialize (take back) the service. SALGA has supported the decision and Council is awaiting the implementation plan from Province in this regard. At this stage though, it is clear that this process could take 18 to 24 months.

The District Municipality has appointed seven of the local municipalities in its area as its agents to render the environmental health function. The District Municipality continues to provide the service in Ikwezi, Baviaans and the District Management Area. A Section 78 (1) Assessment has commenced to determine the appropriate funding levels for an acceptable service in the District.

The District Municipality has again played a key role in assisting needy communities during times of disaster. The Disaster Risk Management Policy Framework was adopted and a Risk Assessment Plan for all municipalities completed. The Disaster Management Plan will be done in 2009/10.

Fire vehicles and equipment was purchased for certain municipalities. A Section 78 (1) Assessment for all the local municipalities was conducted. This will help the District Municipality and the local municipalities to improve the service to the appropriate levels.

The District Municipality embarked on a programme called "Connect with Cacadu" in terms of which computers with internet and email as well as programmes to provide educational, information and other useful facilities were installed in libraries for use, free of charge, by communities. Fourteen libraries in local municipalities were connected to the system during the year under review, and a further 10 libraries will be connected during 2009/2010 financial year.

Financial Performance 2008/2009

The Municipality is in a very healthy financial situation at this point in time.

Details of the operating results for the year ended 30 June 2009 are reflected on page 60. The total income amounted to R254,9 million which is an increase of R38,9 million over the previous financial year. The increase in revenue is mainly due to:

- the gain on revaluation of investments property
- the increase in investments interest of R20,3 million is due to a change in accounting policy where all interest must be routed through the revenue account before being expensed.

The total expenditure for the financial year ended 30 June 2009 amounted to R227,6 million which is an increase of R27,9 million on the previous financial year. The increase is mainly due to marginal increases in remuneration costs and the new accounting policy in respect of interest reflected as an expense when credited to conditional grant and other accounts. The accumulated surplus for the current financial year amounted to R26,8 million.

Since 2002 Cacadu District Municipality has struggled to perform its legal mandate due the fact that it had its tax base reduced. It is currently totally dependent on national government grants for financing its operating expenditure.

In order to respond to these challenges the municipality has adopted a pragmatic approach to ensure that it is able to continue providing services and add value in the district. Over a number of years it has been able to maintain and increase the balance of its accumulated surplus which is fully funded. It has been possible to maintain service standards through the use of interest on investments to finance operating expenditure.

In respect of the current financial year ended 30 June 2009 the Auditor General has issued an unqualified audit opinion with one matter of emphasis. The matter of emphasis relates to the restatement of corresponding figures for 30 June 2009 as result of changes in accounting policies and errors discovered during the 30 June 2009 financial year.

The Cacadu District Municipality is proud of the fact that is has received unqualified audit reports in three successive financial years. It is working hard to achieve a clean audit report by the end of 2011 financial year.

It is also clear from the Auditor-General's report that the municipality is doing exceptionally well in the area of financial and risk management and internal control.

PART 2

KPA ACHIEVEMENT REPORTS

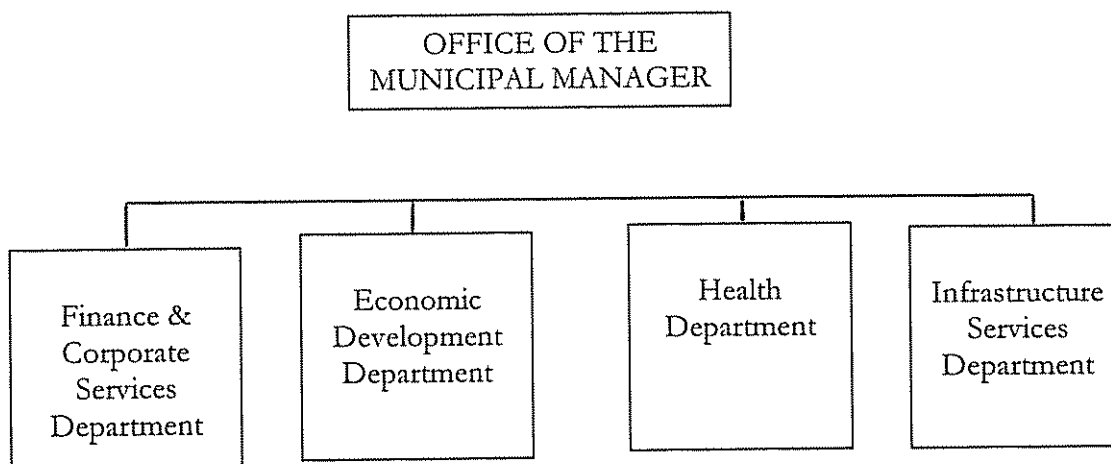
CHAPTER 1 : ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (KPA 1)

PRESENTATION OF THE ORGANISATIONAL STRUCTURE

The total number of approved posts of the Cacadu District Municipality is 282. The total number of vacant posts is 30. The Macro Organisational Structure is attached as an Annexure to the Annual report - see Page 223.

All five performance agreements and employment contracts (Municipal Manager and four section 57 managers) were submitted to the Department of within the prescribed time.

ADMINISTRATIVE STRUCTURE



MUNICIPAL MANAGER

Mr D M (Ted) Pillay

DIRECTOR : FINANCE AND CORPORATE SERVICES

Mr D de Lange

DIRECTOR : INFRASTRUCTURE SERVICES

Mr L Nama

DIRECTOR : ECONOMIC DEVELOPMENT

Ms M Mama

MANAGER : HEALTH SERVICES

Mrs X Sandi

GRADING OF LOCAL AUTHORITY

Grade 9

STAFF DEVELOPMENT INITIATIVES DURING THE FINANCIAL YEAR**Training courses attended by officials and councilors**

Course	Number benefited
Intro Arc GOS 1	1
Disciplinary Skills Workshop	2
Management Accounting and Finance	1
Procurement, soliciting and evaluation of tender offers	5
Computer training	15
Economic defensive driving	4
CPMD and 4 additional modules	6
CPMD	8
CPLD	1
Civil Designer	8
Report writing	9
Project Management	13

Workplace Skills Plan

A Workplace Skills Plan for 2008/2009 was adopted and implemented.

Human Resource Development Plan

Substantial progress was made with the development of this plan which will be adopted in the 2009/2010 financial year

KEY HR STATISTICS PER FUNCTIONAL AREA

Full time staff complement per functional area

Section 57 and MM

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Municipal Manager	1	1	None
2	Director: Finance and Corporate Services	1	1	None
3	Director: Economic Development	1	1	None
4	Director: Infrastructure Services and Planning	1	1	None

5	Manager : Health Services	1	1	None
	Total	5	5	

Office of the Municipal Manager

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager : Capacity Building	1	1	None
2	Senior PMS Officer	1	1	None
3	Senior Admin Officer	2	2	None
4	Special Programmes Officer	1	0	1
5	HIV and Aids Co-ordinator	1	1	None
6	Personal Assistant	3	3	None
	Total	9	8	1

Water and Sanitation

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager: Water and Sanitation	1	1	None
2	Technician	2	1	1
	Total	3	2	1

Electricity - Not applicable - CDM does not provide electricity

Health

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager:Primary Health Care Services	1	1	None
2	CPN : Administration	1	1	None
3	Clerks Grade 1	2	2	None
4	Typist Clerk	1	1	None
5	Manager : PHC	1	1	None
6	Personal Assistant	1	1	None
7	Senior Typist Clerk	1	1	None
8	Primary Health Care Services Personnel	164	148	16
	Total	172	156	16

Housing

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Housing Co-ordinator	1	1	None

Transport

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager: Roads and Transport	1	1	None
2	Technician	1	0	1
3				
	Total	2	1	1

Finance

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager: Finance	1	1	None
2	Senior Accountants	3	2	1
3	Accountant	1	1	None
4	Assistant Accountant	1	1	None
5	Senior Buyer	1	1	None
6	Finance Senior Clerk	1	1	None
7	Debtors Clerk	1	1	None
8	Creditors Clerk	2	1	1
9	Fleet / Asset Management Clerk	1	1	None
10	Finance Archives Clerk	1	1	None
11	Finance Clerks	2	0	2
12	Personal Assistant	1	1	None
14	Total	16	12	4

Corporate Services

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager: Corporate Services	1	1	None
2	Legal Officer	1	1	None
3	Senior Human Resources Officer	1	1	None
4	Skills Development Facilitator	1	1	None

5	Human Resources Administrator	1	1	None
6	Public Relations Officer	1	1	None
7	Senior Administration Officer	1	1	None
8	Administration Officers	3	3	None
9	Senior Archives Clerk	1	1	None
10	Archives Clerks	3	3	None
11	Print Room Operator	1	1	None
12	Switchboard Operator	1	1[Temp]	None
13	Messenger	1	1	None
14	General Workers [Tea Services]	3	3	None
15	District Management Area: Manager	1	1	None
16	Assistant administration and Librarian	1	1	None
17	General Workers [Cleaning and sanitation]	8	5	3
18	Typist Clerk	1	0	1
	Total	31	27	4

Economic Development

	Approved positions (Ex: Managers/Asst. Managers)	Number of approved posts per position	Filled posts	Vacant posts
1	Manager: Tourism and Marketing	1	1	None
2	Manager: Local Economic Development	1	1	None
3	Manager: Trade and Investment	1	0	1
4	Administration Officer	1	1	None
5	Personal Assistant	1	1	None
6	Tourism Officer	1	1	None
	Total	6	5	1

Planning Unit

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Head : Planning Unit	1	1	None
2	Development Planner	2	2	None
3	GIS Specialist	1	0	1
4	Town Planner	1	0	1
	Total	5	3	2

Project Management

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Project Manager	1	1	None
2	Senior Technician	2	1	1
3	Building Inspector	1	1	None
	Total	4	3	1

Infrastructure Admin Support

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Personal Assistant	1	1	None
2	Senior Clerk	1	1	None
3	Typist	2	2	None
	Total	4	4	None

Municipal Health

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Manager	1	1	None
2	Environmental Health Officer	2	2	None
	Total	3	3	None

Disaster Management and Fire Service

	Approved positions	Number of approved posts per position	Filled posts	Vacant posts
1	Head : Disaster Management	1	1	None
2	Manager : Operations	1	1	None
3	Manager : Communications and Training	1	1	None
4	Satellite Officers	4	3	1
5	Control room operators	4	4	None
6	Fire Officer	1	1	None
7	Reservists	7	7	None
	Total	19	18	1

TECHNICAL STAFF REGISTERED WITH PROFESSIONAL BODIES

A system is being developed to capture this type of information

LEVEL OF EDUCATION AND SKILLS

A system is being developed to capture this type of information

TRENDS ON TOTAL PERSONNEL EXPENDITURE

Years	Total number of staff	Total approved Budget	Personal expenditure (salary and salary related)	Percentage of expenditure
2004-2005	238			
2005-2006	249	R155 933 979	R23 290 009	14.94%
2006-2007	241	R390 340 441	R24 799 959	6.35%
2007-2008	143	R357 338 133	R24 331 377	6.81%

LIST OF PENSION AND MEDICAL AIDS TO WHICH EMPLOYEES BELONG

Names of pension fund	Number of members	Names of medical Aids	Number of members
Cape Joint Retirement Fund	126	Bonitas	42
Cape Joint Provident Fund	5	L.A. Health	16
		Hosmed	3
		SAMWU Med	13
		Key Health	4

SENIOR OFFICIALS' WAGES AND BENEFITS - this information is contained in the Annual Financial Statements

IMPLEMENTATION OF THE PERFORMANCE MANAGEMENT SYSTEM

The Performance Management System (PMS) has been implemented and cascaded to all levels of staff in the organization. Regular performance assessments and reviews are held. The system was automated in March 2009, during the year under review.

ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

	Indicator name	Target set for the year	Achievement level during the year	Achievement percentage during the year	Overall achievement rate including previous years.
1	Vacancy rate for all approved posts	100%	Most vacancies are frozen		
2	Percentage of appointments to strategic positions (Municipal Manager and Section 57 Managers)	100%	100%	100%	100%
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 leadership training course within the financial year	100%	100%	100%	100%
4	Percentage of Managers in Technical Services with a professional qualifications	100%	100%	100%	100%
5	Adoption and implementation of Performance Management System	100%	100%	100%	100%
6	Adoption and implementation of a Human Resource Development Plan including workplace skills plan	HR Development Plan is included in the WSP and submitted to LGSETA each year [100%]	40%	60%	80%

7	Percentage of staff that have gone through a skill audit (including competency profiles) within the past 5 years	100% Skills Audit Competency profiles are being developed for future implementation	80%	60%	80%
8	Percentage of Councillors who attended at least 1 leadership training course within the financial year	100%	80%	80%	100%
9	Percentage of Councillors: - with disability - female - youth	0 7 1			
10	Adoption of the Employment Equity Policy	A five year plan was adopted in 2004 and expires in 31 August 2009. New Plan is under development	New plan to be made ready and approved by 31 November 2009	100% However, achievements on the revised plan should be ongoing and depend on the changing environment	100%

MAJOR CHALLENGES AND REMEDIAL ACTIONS IN REGARD TO HUMAN RESOURCE AND ORGANIZATIONAL MANAGEMENT

- A need for capacitating existing staff with leadership skills;
- Additional resources – technological tools , personnel etc;
- Empowerment and accountability;
- Introduction of incentives scheme bonuses for high achievers;
- Review of the job descriptions to avoid and eliminate overlapping of responsibilities;
- Revise Performance contracts to be in line with the changing environment , legislation, and additional Council new role.

CHAPTER 2: BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)

WATER SERVICES

Water services delivery strategy and main role-players:

Includes water services development planning for the entire District, the implementation of Source Development, Bulk Water Supply and water reticulation infrastructure projects for various local municipalities and in the District Management Area.

The function is administered by the Department: Infrastructure Services and includes:

- Development Planning
- Assist local municipalities to develop the required Water Service Authority and Water Services Provider Capacity.
- Investigation into the Water Services Provider function in DMA, Kou-Kamma, Kouga, Bavians, Ikwezi, Blue Crane Route, Ndlambe areas. (Section 78 (G) Assessment)
- Water supply services in the District Management Area.

Strategic objective

To provide every household within the District with access to at least a basic level of service and strive to provide an appropriate level of service.

Key issues for 2008/2009

- Assist with the preparation of CIP for each Local Municipality.
- Completion of the Section 78 (3) Assessment in the Cacadu Region
- Maintenance backlogs assessment in Blue Crane Route Municipality
- Augmentation of Bulk Water Supply in Rietbron, Glen Conner & Kleinpoort.

Levels and standards in water services:

The planning and co-ordination is done by 1 Engineer. The water supply services in the DMA are administered by 1 DMA Manager, 1 Operator and 4 Workers who are also involved in the provision of other municipal services such as roads and streets, refuse removal etc. in the DMA.

Grants Received:

DWAF: R1,4m (Section 78(iii))
 MIG: R3,738m (Bulk Water Supply)
 DLG & TA: R0,5m (Section 78(iii))

The bulk of the funding was used for the upgrading of the Rietbron, Glenconner & Kleinpoort bulk service. The rest of the funds were used for the Section 78(iii) assessment in the Cacadu region.

Annual performance as per key performance indicators in water services

No	Indicator name	Total number of household/customer expected to benefit	Previous years achievement level
1	Percentage of households with access to potable water	100%	100%
2	Percentage of indigent households with access to basic free potable water	100%	100%
3	Percentage of clinics with access to potable water	100%	100%
4	Percentage of schools with access to potable water	100%	100%
5	Percentage of households using buckets	0%	0%

Number of households reached: 412

Major challenges in water services and remedial actions

Major challenges include drought conditions.

ELECTRICITY SERVICES

Electricity services delivery strategy and main role-players

The Cacadu District Municipality is only responsible for energy supply to the DMA.

Level and standards in electricity services

The settlement of Rietbron is fully serviced. The level of service within the respective railway settlements are as follows:

Glenconner has twelve (12) houses far apart from one another with the furthest house situated 500m away from densely populated area. There is Eskom supply point near the area which is approximately 50m to four houses near it, 300m away from seven houses and 600m to the house at the entrance to the area from Jansenville route.

It is therefore possible to supply the houses with Eskom supply. The cost estimate for electrifying the houses is R135 000 and R75 000 for upgrading the existing transformer.

Wolwefontein has ten (10) houses lined up next to one another. There is an existing electricity line (approximately 200m) from which the houses can be connected to. However this line is on the other side of the railway line. It will therefore be required that before installation way-leave applications are made with Spoornet for the line to cross the rail. The installations are estimated to be R95 625 for electrical service connection to all ten houses and R112 500 for upgrading and connecting to the existing transformer.

Miller has eight (8) houses and one (1) school. The houses, as with other areas, are also placed far apart which makes it difficult and costly to electrify from the nearest Eskom supply. The nearest Eskom supply is to a farm which is approximately 1.5km to the furthest house and the farm is on the other side of the railway line where most of the houses are situated. The cost estimate for electrifying the houses and the school from Eskom supply is R130 000 and R200 000 for upgrading the existing line and a new transformer.

Kleinpoort has nine (9) houses with three (3) houses situated on the side of Jansenville route and other six (6) across the railway line. The three houses are approximately 100m from the Post Office with existing Eskom supply to it and the other houses are approximately 300m from the Post Office. It will be feasible to electrify the houses using Eskom supply as it is near both areas. The cost estimate R95 000 for houses connection and R60 000 for connecting onto and upgrading of transformer. The cost estimate for solar power supply is R491 518 or R876 268 and R40 000 for annual maintenance.

Vondeling has five houses which are 100m to 400m apart from each other. The nearest existing Eskom line is approximately 35km from this area on the way to Willowmore. Since the area is far from the existing supply it will be costly to bring power to the area. The cost estimate is R56 250 for house connections and R624 375 to bring power to the area.

SANITATION

Sanitation services delivery strategy and main role-players

Includes all activities related to sanitation services development planning for the District as well as bucket eradication projects.

The sanitation function of the municipality is administered by the Department: Infrastructure Services and includes development planning and sanitation services in the District Management Area.

The Strategic Objective of this function is to provide every poor household with a basic level of service.

Level and standards in sanitation services

Number and cost of all personnel associated with the sanitation function: 1 Engineer

The sanitation services in the DMA are administered by a 1 DMA Manager, 1 Operator and 4 Workers, who are also involved in the provision of other municipal services such as roads and streets, refuse removal etc.

In the entire District, 51% of households have a full waterborne sanitation system.

Grants received: None

Annual performance as per key performance indicators in sanitation services

No	Indicator name	Total number of household/customer expected to benefit	Previous years achievement level
1	Percentage of households with access to sanitation services	100%	100%
2	Percentage of indigent households with access to free basic sanitation services	100%	100%
3	Percentage of clinics with access to sanitation services	100%	100%

Number of households reached: 412

Major challenges in sanitation services and remedial actions

Water shortages.

ROAD CONSTRUCTION AND MAINTENANCE

The District Municipality is not responsible for road maintenance.

WASTE MANAGEMENT

Waste management services delivery strategy and main role-players

Includes all activities related to refuse removal, solid waste disposal and street cleaning.

The solid waste function of the Municipality is administered by the Department: Infrastructure Services & Planning and the Finance & Corporate Services Department and includes:

- Household refuse removal services in Rietbron.
- Provision of solid waste disposal sites serving all communities in the DMA.

- Assisting local municipalities with the provision of solid waste disposal sites in their areas of jurisdiction.

The strategic objective of this function is to provide every household with a basic level of service.

Key issues for 2008/2009 - Completion of a District wide waste management plan.

Level and standards in waste management services

The personnel associated with the solid waste disposal function are:

1 x Municipal Health Officer	1 x DMA Manager
4 x Workers	1 x Operator

The above officials are also involved in the provision of other municipal services such as water, roads, sanitation, etc.

Number of households receiving regular refuses removal services: 334

Frequency of service: Weekly

Annual performance as per key performance indicators in waste management services

No	Indicator name	Total number of household/customer expected to benefit	Previous years achievement level
1	Percentage of households with access to refuse removal services	81%	81%
2	Percentage of DM with waste management plan	100%	100%
3	Percentage of municipal landfills in compliance with Environmental conservation Act	N/A	N/A

Number of households reached at Rietbron: 334

Number of households reached at nodal points
e.g. Glenconner, Kleinpoort, Wolwefontein,
Miller & Vondeling: 78 (only waste cells provided)

Major challenges in waste management services and remedial actions:

Geographic spread of the area.

HOUSING AND TOWN PLANNING

Housing and town planning services delivery strategy and main role-players

The role of the municipality is to administer and implement projects on behalf of local municipalities. The functions are as follows: enter into land availability agreement and service agreements; submit township applications and general plans for approval; open township registers; submit housing applications for Housing Board (HB) approval; allocate sites terms of HB approvals; approve engineering plans, award engineering contracts; and construction of services; construction of top structures and transfer of ownership.

Local municipalities are autonomous bodies with respect to land use planning. The District Municipality has however entered into an agreement with the Baviaans Local Municipality to practice aspects of land use management on their behalf.

Main Players

District Municipality – Planning & Implementation
DHLGTA - Project Approval and Funding

Level and standards in Housing and town planning services - N/A

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

Major challenges in housing and town planning services and remedial actions - Sector Department blockages

SPATIAL PLANNING

Preparation and approval process of SDF:

The CDM's SDF is reviewed annually and prepared in-house. Aspects relevant to the latest review include the District wide Area Based Plan and Land Availability Audit.

Land use management:

Local municipalities are autonomous bodies with respect to land use planning. The District Municipality has however entered into an agreement with the Baviaans Local Municipality to practice aspects of land use management on their behalf.

Major challenges in spatial planning services and remedial actions

Provincial sector departments do not refer to the respective SDF's when devising their implementation framework for capital expenditure.

INDIGENT POLICY IMPLEMENTATION

Preparation and approval process of the indigent policy

The Municipality has an approved Indigent Policy, which came into effect July 2006. The Policy is reviewed annually.

The Policy provides for the following Free Basic services for (persons who qualify):

- Water: 100% subsidy up to 6 kl per household per month
- Electricity: 100% subsidy up to 50 kWh per household per month
- Property Rates: 100% rebate (effective 1 July 2009)

Implementation of the policy

The Indigent Policy requires that persons apply to the Municipality to register on the indigent database. The database was updated and implemented 1 July 2009.

OVERALL SERVICE DELIVERY BACKLOGS

NOTE: The reference on pages 5 and 6 to flawed population figures is also relevant here.

	Access to water											
	Water on site			Community Stand			Borehole/tank		Natural water/dam		Water vendor/other	
	Census 2001	RSS 2006	%	Census 2001	RSS 2006	%	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006
Eastern Cape	37.4	41.8	25.3	25.1	4.0	3.8	31.4	28	1.9	1.4		
Cacadu DC	74.7	85.8	17.9	10.0	3.1	1.4	2.8	1.4	1.5	1.3		
Camdeboo	91.0	98.4	8.2	1.6	0.2	0.0	0.2	0.0	0.4	0.0		
Blue Crane	76.8	100.0	13.4	0.0	3.2	0.0	4.4	0.0	2.2	0.0		
Ikvezi	91.0	83.1	7.6	0.0	0.5	12.9	0.2	0.0	0.7	4.0		
Makana	76.2	76.5	19.0	16.5	2.3	2.5	1.7	1.6	0.9	2.9		
Ndlambe	62.1	69.2	27.3	19.7	5.6	0.7	3.1	8.3	1.8	2.2		
Sunday's River Valley	61.8	86.6	17.6	13.4	9.4	0.0	7.4	0.0	3.8	0.0		
Baviaans	86.1	90.6	8.9	0.0	2.0	7.2	2.6	0.0	0.5	2.1		
Kouga	75.2	83.6	22.4	15.3	0.4	0.0	0.8	0.0	1.1	1.1		
Kou-Kamma	77.0	93.8	12.5	6.2	3.9	0.0	5.3	0.0	1.3	0.0		
ECDMA10	73.0	79.4	24.3	8.3	1.6	8.2	0.9	4.1	0.1	0.0		

Source : Population Census 2001 & Rapid Services Survey 2006

Access to Sanitation

	Flush toilet (connected to sewerage system)		Flush toilet (with septic tank)		Chemical toilet		Pit latrine with ventilation (VIP)		Pit latrine without ventilation		Bucket latrine		None	
	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Eastern Cape	30.9	31.1	2.2	1.3	2.0	0.6	5.6	7.2	23.1	33.9	5.6	4.0	30.6	21.8
Cacadu DC	40.3	67.8	11.1	3.5	0.8	0.0	5.3	0.1	16.2	4.9	14.3	14.5	12.0	9.3
Camdeboo	68.7	85.8	7.0	0.8	0.1	0.0	4.3	0.0	3.2	9.4	11.2	0.6	5.5	3.4
Blue Crane	47.1	74.2	4.1	0.0	2.5	0.0	1.4	0.0	8.0	0.0	20.1	25.8	16.7	0.0
Ikwezi	17.7	66.7	11.4	0.0	0.1	0.0	4.8	0.0	2.8	11.6	48.8	21.7	14.5	0.0
Makana	34.1	57.1	2.9	1.6	0.2	0.0	7.9	0.0	13.6	2.9	29.7	17.5	11.6	20.8
Ndlambe	24.3	44.7	27.3	4.7	0.5	0.0	5.8	0.7	28.0	0.7	0.6	17.0	13.6	32.2
Sunday's River Valley	24.0	58.8	4.8	0.0	1.6	0.0	8.7	0.0	40.7	28.5	6.5	12.7	13.7	0.0
Baviaans	30.3	34.8	21.7	14.5	0.4	0.0	5.8	0.0	11.4	0.0	19.0	47.5	11.3	3.2
Kouga	51.8	75.2	10.8	7.9	0.7	0.0	2.5	0.0	9.8	1.5	13.3	11.8	11.0	3.5
Kou-Kamma	50.6	88.8	12.3	5.0	1.3	0.0	5.1	0.0	15.5	0.0	5.5	6.2	9.8	0.0
ECDMA10	13.9	29.4	21.6	20.0	0.1	1.4	17.3	8.3	18.3	22.7	4.1	1.4	24.7	16.7

Source : Population Census 2001 & Rapid Services Survey 2006

CHAPTER 3: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

BRIEF PRESENTATION OF LED STRATEGY/PLAN

During the Cacadu District Municipality 2005/06 Integrated Development Plan review process, it became increasingly apparent that the district as a whole needs an integrated approach towards economic development. The district adopted an approach of moving away from planning for isolated local economic development projects and thus developing a district-wide economic growth and development strategy (EGDS). The EGDS was completed in May 2006, in collaboration with stakeholders from national, provincial and local government. Key elements of the EGDS include the following:

Economic Vision

“a growing and diversified district economy optimizing all available resources to enhance the quality of life in our communities”

Strategic Objectives

- To leverage available resources to achieve investment in economic infrastructure in partnership with relevant stakeholders.
- To achieve year-on-year economic growth by developing strategic sectors in the district
- To develop and enhance technical and life skills in line with labour market demands of the district, its strategic sectors and the region at large
- To build appropriate internal and external institutional capacity necessary to improve integration, alignment and coordination of economic development programmes
- To establish and sustain partnerships and regional linkages aimed at promoting economic development

Pillars

The economic vision and objectives guided the formulation of strategic development pillars. Five main pillars have identified for stimulating sustainable economic growth and development in CDM. These pillars are:

- Economic Infrastructure;
- Sector Development;
- Human Resources and Skills Development;
- Institutional Development; and
- Regional Linkages

a. LED unit / Department

The municipality has set up a Department of Economic Development, of which LED is one of the functions. The entire department is set up as follows:

- Head of the Department
- Project Manager: LED
- Project Manager: Tourism Development and Marketing

- LED Advisor (a two year contract of a specialist in Agriculture, supported by German Development Corporation, ending March 2011);
- Tourism and Marketing Officer
- LED Administrator
- Personal Assistant to the Director

b. Status of co-operation with other municipal services / departments

- Joint IDP formulation and reviews
- Weekly management meetings;
- Monthly deliberations on the SDBIP
- Quarterly LED and Infrastructure Forum meetings

c. Level of LED budget expenditure compared to LED approved budget

Complete

PROGRESS TOWARDS ACHIEVING THE LED KEY OBJECTIVES

a. Exploit comparative and competitive advantage for industrial activities

Cacadu has entered into an agreement with the DBSA Development Fund to be a pilot on the LED Initiative (LEDI). The LEDI funds large capital catalytic economic infrastructure projects, as well as developing and implementing regional economic turnaround strategies.

Briefly, the LEDi seeks to find a way:

- To ensure that the economies of our areas act as spaces of inclusion not exclusion, of economic integration and not growing marginalization and inequity
- Of spreading opportunity through maximizing the economic potential of areas outside the dominant cores, through fostering local space economies that drive shared growth
- To take advantage of high-impact, quick-win investment opportunities that could have a catalytic ripple effect on economic growth
- Exploiting and benefiting from comparative and competitive advantages

Key elements of the LEDi include the following:

I. Agri-Innovation Intervention

a. Fibre Innovation Hub

- i. Finalising business plans and funding for pineapple beneficiation
- ii. Agave Americana Business Plan
- iii. Readiness assessment of other fibres in the district

b. Renewable energy project development

- i. Audit of all renewable energy initiatives in region
- ii. Hydro-electric scheme feasibility study in Blue Crane

c. Agro-tourism route development

- i. Preparation of agro-route strategy based on tourism plans
- ii. Facilitation of pilot agro-route partnership

II. Economic Growth and Development Strategy Review

a. Growth and development plan

- i. Revision of growth and development plan
- ii. Economic modelling
- iii. Institutional Review and OD Strategy

b. Infrastructure investment and financial plan

- i. Local Municipal infrastructure assessments
- ii. Municipal Service Finance Model

III. Technical Support Team

- a. Process facilitator
- b. Programme Manager
- c. Stakeholder manager

b. Intensify Enterprise support, business development and Support Social investment program

Cacadu District Municipality received financial support from the Provincial Department of Local Government and Traditional Affairs to develop an SMME Development Strategy. The draft strategy has been completed, awaiting adoption by Council.

A detailed evaluation of SMME Institutional and service support in Cacadu reveals the following:

1. Uneven distribution of SMME services [*Makana* and *Ndlambe* – have up to 70% more SMME support services and pilot projects than in other localities like *Camdeboo* and *Kou-Kamma*]
2. Services provided are effective and useful for some who can access them, but the issue is these services are not provided on a scale large enough nor at a rate fast enough to have a noticeable impact on SMME growth and development.
3. An SMME service delivery gap exists in terms of sector-specific support for agriculture, tourism and small-scale manufacturing
4. This gap is further exacerbated by the ineligibility of most potential entrepreneurs because they are too poor and too historically disadvantaged to meet the stringent criteria of the limited existing support services
5. The existing financial institutions do not provide the right kind, right priced, and right amount of financial assistance to the SMMEs in Cacadu – insufficient micro-financing appetite to meet the demands of local entrepreneurs
6. Fragmented and generally uncoordinated approach to SMME Development making it very difficult for intended beneficiaries to know where to go for the appropriate service
7. Rural areas in some localities have non-existent SMME support services
8. The absence of an integrated SMME support programme across the district adds to the disjointed approach in the developing the sector

c. SMME Strategic Objectives

In order to achieve the stated SMME vision for the area, the CDM and its partners ought to commit themselves to the following strategic goals and objectives:

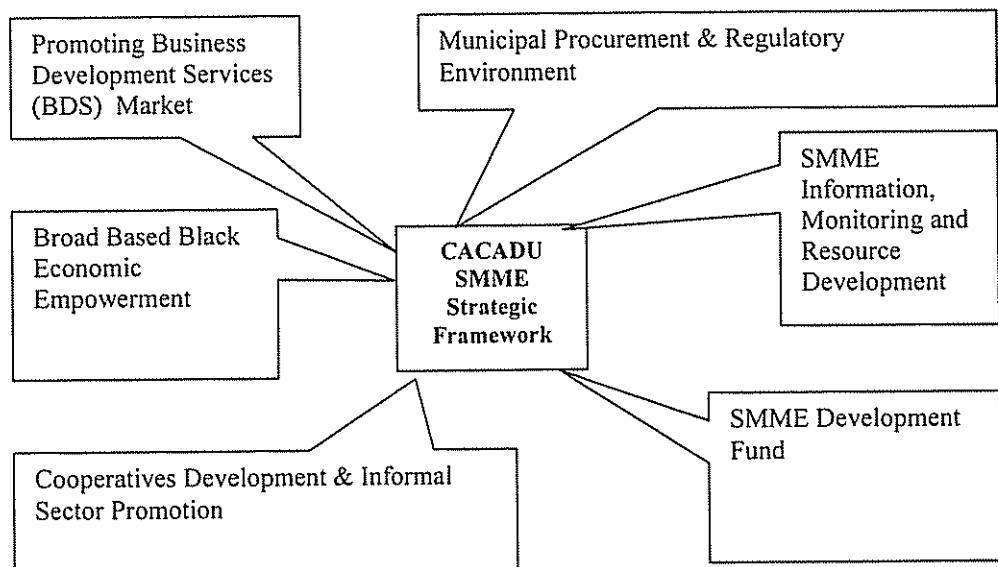
1. To improve access to market-driven and sustainable business development support services for the informal, micro, small and medium-sized enterprises in both urban and rural areas.
2. To strengthen the planning, coordination and institutional capacity for SMME support in the district thus ensuring the creation of an enabling and conducive environment for SMMEs.
3. To establish effective and functional partnerships with key provincial and national institutions, as well as escalating the promotion of the economic opportunities across the district.
4. To diversify the existing SMME development base through agriculture, environmental management, tourism and manufacturing development.
5. To increase women, youth and black participation in the entrepreneurial and SMME development sector of the District and its economy.
6. To increase the number of start-ups, and the number of existing enterprises that accelerate beyond survivalist stage.

These strategic objectives set out a performance measure for this SMME Strategy and are generally congruent with those set-out in the Provincial Growth and Development Plan of the Eastern Cape, which seeks to increase the number of start-ups and boost the growth prospects of existing enterprises in the district.

Strategic Pillars for SMME Development in Cacadu

The *strategic pillars* define an area of priority focus. It has a collective economic force that can generate sufficient economic energy and momentum to create a series of sustainable opportunities to achieve short, medium and long-term objectives of any strategy.

The pillars are:



ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Overall achievement rate including previous years.
1	Percentage of LED Budget spent.	18 993 197	5 209 214	27,4%	30,5%
2	Number of LED stakeholder forum held	4	3	75%	Only set up in this financial year
3	Percentage of SMME that have benefited from a SMME support program	352	64	15	20%
4	Percentage of unemployed people with employment opportunity	N/A	N/A	N/A	N/A

CHALLENGES REGARDING LED STRATEGY IMPLEMENTATION

Successful implementation of the LED Strategy largely depends on capacity of the LED Departments at local municipalities. The District Municipality received LED grants from provincial departments and these must then be transferred to local municipalities. Transferring of these grants has been a challenge due to absence of feasibility studies and/or business plans.

During May 2009, Cacadu commissioned an assessment of the status of LED in the entire district. Outcomes of this assessment highlighted at least some of these challenges:

- a) Seven (7) out of nine (9) local municipalities have LED strategies.
- b) Although all local municipalities have indicated to have an existing economic profile, there is a need to improve the quality and extent of socio-economic intelligence that can support planning and decision-making at both strategy and project levels.
- c) LED awareness and understanding in all local municipalities needs to be further deepened with the view to shift 'old mindsets' and align local approach to the national perspective of the LED policy guidelines.

- d) None of the municipalities seem to have credible project management systems.
- e) The majority of local municipalities do not have functional LED forums to ensure effective LED coordination and stakeholder participation.
- f) None of the local municipalities have LED monitoring and evaluation systems to ensure continuous improvement and learning.
- g) The majority of LMs continue to heavily rely on under-capacitated LED Units which lack appropriate staffing levels, systems and resources to better facilitate LED. Most LED Units are staffed by single persons who also double as IDP and/or Tourism coordinators.
- h) The focus of existing “LED” projects in the district leans more towards poverty alleviation in nature. The majority of LMs do not have well screened and assessed and prioritised LED projects that can have a meaningful impact on economic growth and job creation.
- i) There are presently no guidelines on how to identify, define, assess and prioritise flagship and catalytic initiative that could have a meaningful impact at different levels.

These challenges will then form basis/agenda/core programme of the LED District Support Team, planned to roll out in the New Year.

- Facilitate improved LED leadership and stakeholder participation at both district and local municipal levels
- Support the establishment of functional LED forums and private-public dialogue platforms;
- Strengthen and advocate for improved municipal leadership participation and commitment to local LED processes;
- Improve monitoring and evaluation systems and processes critical to ensure continuous feedback and learning from district and local LED processes.
- Improve the role, capacities and systems of the LED Unit thus enabling them to better facilitate LED processes at both LM and DM level;
- Improve the participation of local communities and stakeholders in LED by deepening LED understanding, shifting existing mindsets and thus ensuring a generic consensus in line with the national LED guidelines is achieved at both LM and DM levels;
- Improve the quality of socio-economic intelligence to bolster planning as well as investment decision-making;

- Strengthen existing LED strategies by:
 - Improving the quality of data used as well as analysis;
 - Improving the analysis of sectors, industries and localities;
 - Factoring in respective comparative and competitive advantages;
 - Refining strategy focus areas to ensure alignment between LM and DM strategies
 - Develop and providing appropriate guidelines that will assist with effective implementation, resourcing and monitoring of LED strategies.

CHAPTER 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

AUDITED FINANCIAL STATEMENTS (AFS)

The Audited Financial Statements for 2008/2009 financial year appear on page 39 to page 111.

BUDGET TO ACTUAL COMPARISON

Included in AFS as above

GRANTS AND TRANSFERS' SPENDING

Included in AFS as above

MEETING OF DONORS' REQUIREMENTS IN RESPECT OF CONDITIONAL GRANTS

All conditions were met.

LONG TERM CONTRACTS ENTERED INTO BY THE MUNICIPALITY

Long term contracts are those contracts that extend over a period of more than 12 months. Cacadu District Municipality entered into the following long term contracts during the year under review:

SERVICE PROVIDER	DESCRIPTION	DURATION OF CONTRACT
KPMG	Internal auditing	5 years
Gestetner	Copier	2 years
Panasonic	Copier	3 years
ABSA	Banking	5 years

ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN FINANCIAL VIABILITY

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage of expenditure on capital budget	R7 501	R3 743	50%
2	Salary budget as a percentage of the total operational budget	R39 740	R31 860	81%
3	Total actual trade creditors as a percentage of total actual revenue	R0	R0	0%
4	Total municipal own revenue as a percentage of the total actual budget	R267 740	R228 518	85%
5	Rate of municipal consumer debt reduction	R0	R982	100%
6	Percentage of MIG budget appropriately spent	R7 638	R6 275	82%
7	Percentage of MSIG budget appropriately spent	R2 173	R1 632	75%

AUDIT COMMITTEE FUNCTIONALITY

See report by Audit Committee attached as an Annexure on pages 224 to 226.

ARREARS IN PROPERTY RATES AND SERVICE CHARGES

Rates: Ageing

0-90 days	2 018
+90 days	15 480
	<u>17 498</u>

Services: Ageing

0-90 days	49 022
+90 days	169 447
	<u>218 469</u>

ANTI CORRUPTION STRATEGY

Council approved the Anti Corruption Strategy and Fraud Prevention Plan on 29 August 2007.

The members of the Anti –Fraud and Corruption Committee are:

- Chairperson of the Audit Committee or any other member of the Audit Committee should the chairperson not be available;
- Internal Auditor;
- Municipal Manager; and
- Departmental Heads

The Council also approved the Whistle Blowing Policy and guideline for Fraud and Corruption investigation.

The awareness campaign was launched in January 2009 and more awareness interventions are planned.

No cases of fraud or corruption were reported during the 2008/2009 financial year.

ANNUAL
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STATEMENTS
2008/2009

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1.1.1 Reporting Entity

The Cacadu District Municipality and Joint Venture consist of the consolidation between the Cacadu District Municipality and its portion of the Kouga Development Agency which were established in joint venture with the Kouga Municipality as a multi- jurisdictional service utility in terms of the Local Government Systems Act, 2000 .

1.1.2 Basis of preparation

(a) Statement of compliance

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance.

These accounting policies are consistent with the previous period, except for the changes set out in note 22: Changes in accounting policy .

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

The entity has elected to early adopt the following requirement(s) in GRAP:

Standard no.	Standard title	GRAP, GAMAP and/or SA GAAP requirement(s), exempted in terms of General notice 552 of 2007, that have been early adopted
GRAP 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)	<ul style="list-style-type: none"> ▪ The entire standard

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for Land and Buildings, which are revalued.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009****(c) Basis of Consolidation**

The consolidation of the annual financial statements for the joint venture was done by applying the equity method as allowed by GRAP 8.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the notes to the financial statements.

(d) Offsetting

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

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

1.3 GOING CONCERN ASSUMPTION

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

1.4. PROPERTY, PLANT AND EQUIPMENT (PPE)**1.4.1. Recognition**

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009****1.4.2. Initial recognition**

Property, Plant and Equipment are initially recorded at cost.

The "initial measurement" of property, plant and equipment, upon its "initial recognition" refers to property, plant and equipment's value when the current basis of accounting was first adopted, i.e. 1 July 2005. The "cost" of property, plant and equipment upon "initial recognition" is either its cost or fair value at initial recognition. The "cost" of land and buildings on 1 July 2005 would constitute its fair value on that date as no cost is available. The "cost" of other assets would be its carrying amount (cost less accumulated depreciation) as at that date on the assumption that the carrying amount represents the asset's fair value at 1 July 2005 if the asset was acquired prior to this date.

Where the cost of an item of property, plant and equipment was acquired in exchange for, a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets it was measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents transferred.

The cost of assets acquired in an exchange of similar assets, are measured at the carrying value of the asset given up and no profit or loss is recognized.

1.4.3. Subsequent measurement.

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

CDM adopted the cost model for all classes of PPE except for Land and Buildings for which the Fair value method has been adopted.

Land and buildings will be re-valued every five years commencing from 1 July 2007. Should the need arise, the valuations would be performed more regularly.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to a revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in surplus or deficit. However, the decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

The revaluation surplus included in net assets in respect of an item of property, plant and equipment will be transferred directly to accumulated surpluses or deficits when the asset is derecognised.

Any subsequent expenditure to any asset that increases the value of the asset is seen as an improvement and will be capitalised during the year in which such expenditure is incurred. Replacement costs or repairs that does not increase the value of any asset, will be expensed in the year such expenditure is incurred.

1.4.4 Depreciation

When components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and are depreciated according to their different useful lives.

The depreciation charge for each year is recognized in surplus and deficit unless it is included in the carrying amount of another asset.

Assets held under finance leases are depreciated over the lower of the term of the lease period or the life expectancy of the asset.

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

	Years
Buildings	50
Specialised vehicles	5-20
Electricity	5-30
Motor vehicles	5-10
Water	5-20
Office equipment	2-10
Sewerage	15-20
Furniture and fittings	7-15
Bins and containers	5-10
Specialised plant and equipment	5-15
Computer equipment	2-10

The residual value and the useful life of each asset are reviewed annually.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009****1.4.5. Impairment**

The entity assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.4.6. Derecognition

The carrying amount of an item of property, plant and equipment shall be derecognised:

- (a) on disposal, or
- (b) when no future economic benefits or service potential are expected from its use or disposal.

1.4.7. Gains or losses

The gains and losses arising from the de-recognition of property, plant and equipment (difference between carrying amount less any revaluation surpluses and net disposal proceeds) are included in surplus or deficit.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009****1.5 INVESTMENT PROPERTY****1.5.1. Initial recognition**

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

1.5.2. Subsequent measurement - Fair Value model

Investment property is subsequently measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

Re-valuation will take place every five years commencing from 1 July 2007. Should the need arise, the valuations would be performed more regularly.

1.5.3. Depreciation

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

	Years
Buildings	50

The depreciation charge for each year is recognized in surplus and deficit.

1.5.4. Impairment

The entity assesses at each statement of financial position date whether there is any indication that an investment property may be impaired. If any such indication exists, the entity estimates the recoverable amount of this property.

If there is any indication that an investment property may be impaired, the recoverable amount is estimated for the property. If it is not possible to estimate the

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

recoverable amount of the property, the recoverable amount of the cash-generating unit of properties to which the property belongs is determined.

The recoverable amount of an investment property or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an investment property is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued investment property is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units.

Any reversal of an impairment loss of a revalued investment property is treated as a revaluation increase.

1.5.5. Derecognition

An investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

1.5.6. Gains or losses

The gains and losses arising from the de-recognition of investment properties (difference between carrying amount less any revaluation surpluses and net disposal proceeds) are included in surplus or deficit.

1.6. HERITAGE ASSETS

Heritage assets are assets which have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

1.6.1 Initial recognition

A heritage is measured at its cost unless it is acquired through a non-exchange transaction which will be measured at its fair value as at the date of acquisition.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1.6.2. Subsequent measurement – Cost model

All heritage assets excluding land and properties will subsequently be measured at cost less any accumulated impairment losses.

1.6.3. Subsequent measurement – Fair value model

Subsequent measurement for land and properties classified as heritage assets is at fair value.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is being credited directly to the revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

1.6.4. Depreciation.

Heritage assets are not depreciated.

1.6.5. Impairment

CDM assess at each reporting date whether there is an indication that a heritage assets may be impaired. Such impairment is recognised in surplus and deficit.

1.6.6. Derecognition

The carrying amount of a heritage asset should be derecognised:

- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

1.6.7. Gain or loss on disposal

The gain or loss arising from the derecognition of a heritage asset should be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009****1.7. RESERVES**

Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to the Revaluation Reserve. As revalued buildings are depreciated, the revaluation surplus is realised through a transfer of an equivalent amount from the revaluation reserve to the accumulated surplus. On disposal, the net revaluation surplus is transferred to the accumulated surplus while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

1.8. PROVISIONS

A provision is recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate shall be the effective interest rate. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

If the municipality has an onerous contract, the present obligation under the contract shall be recognized and measured as a provision.

1.9. EMPLOYEE BENEFITS

1.9.1. Defined Contributions

Payments to defined contribution retirement benefit plans are charged to the Statement of financial performance as they fall due. Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the scheme is equivalent to those arising in a defined contribution retirement benefit plan.

The Council provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current conditions of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

30% of the medical aid membership fee, and the Council for the remaining 70%. The medical aid contributions are charged to the Statement of financial performance as they fall due.

The retirement benefits are calculated in accordance with the rules of the funds. Full actuarial valuations are performed on a regular basis on defined benefits contribution plans, unless exemption to do so has been obtained from the Registrar of Pension Funds.

1.9.2 Defined Benefits

The municipality's net obligation in respect of defined benefit retirement and post retirement plans are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of any plan assets are deducted. The actuarial valuation is performed by an independent qualified actuary on a regular basis using the projected unit credit method. When the calculation results in a benefit to the municipality, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. The actuarial gain is transacted in full in the statement of financial performance and not calculated and accounted for according to the "corridor" method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in the statement of financial performance on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the statement of financial performance.

1.9.3 Accrued Leave Pay

The leave pay accrual is calculated taking into account the actual number of days accrued and the remuneration as at 30 June.

1.9.4 Other short term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009****1.10. LEASES****1.10.1 Municipality as the lessee**

Leases in terms of which the municipality assumes substantially all the risks and rewards of ownership are classified as finance leases and where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases.

Upon initial recognition the finance leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments and the corresponding liabilities are raised. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred

Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial performance on a straight-line basis over the period of the lease.

1.10.2 Municipality as the lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

1.11. INVESTMENTS

The Municipality classifies its investments as loans and receivables.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables, receivable within 12 months are included in cash and cash equivalents in the Statement of Financial Position.

Investments are initially measured at fair value and subsequently at amortised cost if material.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009****1.12. INVENTORIES**

Unsold properties are valued at the lower of cost and net realisable value. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

1.13. TRADE AND OTHER RECEIVABLES

Accounts receivable are classified as "Loans and Receivables" and are initially recognized at fair value. Subsequent measurement is at amortised value if material. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

1.14. TRADE AND OTHER PAYABLES

Trade and other payables are classified as "Liabilities at amortised cost" and are initially recognized at the fair value of the present obligation of a past event. Subsequent measurement is at amortised value if material.

1.15. REVENUE RECOGNITION

Revenue comprises the cost of the consideration received or receivable for the sale of goods and services in the ordinary course of the Municipality's activities. Revenue is measured at the fair value of the consideration received or receivable net of value added tax, estimated returns, rebates and discounts and after eliminated revenue within departments of the Entity. Revenue is recognised as follows:

1.15.1 Revenue from Exchange Transactions

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when consumed. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when consumed and accrued accordingly.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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

Interest and rentals are recognised on a time proportion basis.

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

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

Income collected on behalf of "principals" is recognised on a monthly basis once the income collected on behalf of the principal has been quantified. The income recognised is in terms of the agency agreement.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

All other revenue is recognised as it accrues.

1.15.2 Revenue from non-exchange transactions

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

Revenue from Regional Levies, both those based on turnover as well as those based on remuneration, is recognised on the payment due basis.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, at the cost of the consideration received or receivable.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property,

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the entity has not met the condition, a liability is recognised.

Contributed property, plant and equipment is recognised when ownership of the items of property, plant and equipment is transferred to the municipality.

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

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

1.16. VALUE ADDED TAX

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors and claimed from SARS once payment is made to a creditor.

The net VAT is either classified as "Loans and receivables" or "Financial liabilities at amortised cost".

1.16.1 Measurement

Initial measurement is at cost Subsequent measurement is at amortised cost if material.

1.16.2 Derecognition

VAT is derecognised when the net payment is paid or received from SARS whichever is applicable when the VAT return is presented.

1.17. SEGMENTAL INFORMATION

The principal segments have been identified on a primary basis by classification of the revenue and expenditure and on a secondary basis by the classification of service of operations. The secondary basis is representative of the internal structure for both budgeting and management purposes.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009****1.18. GRANTS-IN-AID**

The Council transfers money, from time to time to, individuals, organisations and other sectors of government in accordance with the Municipal Finance Management Act.

When making these transfers, CDM does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as an expense in the period that the events giving rise to the transfer occurred.

1.19. CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents are classified as “Loans and Receivables” and are initially measured at cost. Subsequent measurement is at face value or if material at amortised value.

Investments are derecognised when withdrawn.

1.20. UNAUTHORISED EXPENDITURE

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

1.21. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
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Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and detailed further in the notes to the financial statement, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.22. FRUITLESS AND WASTEFUL EXPENDITURE

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

1.23. COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 has been provided in an annexure to these financial statements.

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

1.24. BORROWING COSTS

Borrowing costs are recognised as incurred and expensed in the Statement of Financial Performance.

1.25. UNUTILISED CONDITIONAL GRANTS**1.25.1 Initial recognition**

Unutilised conditional grants are reflected on the Statement of Financial Position as a Short-term Portion of Deferred Income. They represent unspent government grants, subsidies and contributions from the public. The following conditions are set for the creation and utilisation of these creditors:

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

- The grant received are initially recognised as cost as deferred income.
- Whenever an item of property, plant and equipment is funded from a Grant, an amount equal to the purchase price is transferred from the Deferred income account to the operating account on the Statement of Financial Performance as revenue.
- Whenever operational expenditure is funded from a Grant an amount equal to the expenditure is transferred from the Deferred income account Grant to the operating account on the Statement of Financial Performance as revenue to offset the expenditure which was expensed through the operating account.
- The cash which backs the unspent portion is invested until utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If the grant conditions indicate that interest is payable to donors then interest earned on unutilised conditional grants is allocated to the funds and is not recognised in the Statement of Financial Performance.
- The unspent grant is classified as “Financial liabilities at amortised cost”.

1.25.2. Subsequent measurement

Deferred income unspent grants are subsequently measured at amortised cost if material.

1.25.3 Derecognition

Deferred income unspent grants are derecognised when the balance was expended per the conditions as set for a grant.

1.26. EFFECTIVE INTEREST RATE

The entity uses the prime interest rate less .5% to discount future cash flows.

1.27. FINANCIAL INSTRUMENTS

The entity classifies financial assets and financial liabilities into the following categories:

- Financial assets: Loans and receivables
- Financial liabilities: at amortised cost

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009****1.27.1. Initial recognition and measurement**

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in profit or loss.

1.27.2. Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

1.27.3. Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the entity establishes fair value by using face value or if material, valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs.

1.27.4. Impairment of financial assets

At each end of the reporting period the entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

Impairment losses are recognised in surplus or deficit.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available for sale.

1.27.5. Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit, and
- For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

1.27.6. Derecognition**1.27.6.1. Financial assets**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the entity has transferred its rights to receive cash flows from the asset and either
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the entity has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the entity's continuing involvement in the asset.

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1.27.6.2. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

CACADU DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009

	Note	2009 R	2008 R
Net Assets		251,905,615	211,046,630
Revaluation Reserve	1	59,700,104	43,923,916
Accumulated Surplus	2	192,205,511	167,122,714
Non-current Liabilities		46,956,048	44,314,122
Long-term Liabilities	3 8	42,195	-
Post employment medical benefit	4 8	46,913,853	44,314,122
Current Liabilities		223,751,807	213,610,999
Short-term Portion of Deferred Income	3b 8	191,772,385	178,338,242
Short-term Portion of Long Term Liabilities	3a 8	52,392	122,679
Short-term portion of Post employment medical benefit	4 8	2,916,602	2,795,895
Trade and other payables from exchange transactions	5 8	20,386,661	25,720,144
Provisions	10 8	150,716	-
Bank Overdraft	14	8,473,051	6,634,039
TOTAL NET ASSETS AND LIABILITIES		<u>522,613,470</u>	<u>468,971,751</u>
ASSETS			
Non-current Assets		86,606,836	59,726,959
Property, Plant and Equipment	6 8	72,972,770	55,830,833
Investment Properties	7 8	13,579,500	3,583,000
Investment in joint venture	14	-	210,179
Long-term Receivables	9 8	54,566	102,947
Current Assets		436,006,634	409,244,792
Short-term Portion of Long-term Receivables	9 8	17,971	15,660
Trade and other receivables from exchange transactions	11 8	67,067	130,758
Other receivables from non-exchange transactions	11 8	1,767,488	7,056,022
VAT	12	17,754,480	13,852,366
Deposits paid	13 8	21,310	16,120
Cash and Cash Equivalents	14 8	416,378,318	388,173,866
TOTAL ASSETS		<u>522,613,470</u>	<u>468,971,751</u>

(Note : The Statement of Financial Position has been prepared in accordance with GRAP 1)

CACADU DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

	Note	Actual	
		2009	2008
		R	R
REVENUE			
Rental	16	863,853	855,266
Investment Interest	16	42,737,659	22,437,022
Other Interest	16	223,693	185,382
Income for agency services	16	27,193	26,994
Government grants and subsidies	16 15	196,173,123	186,246,670
Tariffs and Charges	16	227,562	205,861
Property Rates	16	30,869	28,488
Fair Value Gain on Revaluation of Investment Property	7	9,996,500	-
Other revenue	16	4,651,569	1,981,596
Total revenue		254,932,021	211,967,279
OTHER INCOME			
Gains on disposal of property, plant and equipment		-	1,092,380
Actuarial Gain on Valuation of post employment medical benefit		-	2,969,953
Total other income		-	4,062,333
Total Income		254,932,021	216,029,612
EXPENDITURE			
Employee related costs	17.1	27,388,171	24,297,105
Remuneration of Councillors	17.2	4,472,291	3,841,746
Contribution to bad debt provision		1,555,518	7,930,583
Bad debts written off		1,423,769	-
Collection costs		119,130	156,550
Depreciation	6	2,455,438	3,056,861
Impairment loss		283,035	-
Repairs and maintenance		1,033,339	650,826
Finance cost	19	152,155	112,739
Bulk Purchases	20	12,621	13,238
Contracted services		3,115,212	2,514,672
Conditional Grant expenditure	21	127,037,879	125,990,896
Other Grants and Subsidies paid	21	9,168,194	5,783,000
General expenses-other		43,028,766	19,746,221
Discounting of post employment medical benefit.	4	5,472,548	4,494,833
Loss on disposal of property, plant and equipment		923,769	1,106,965
Cross subsidisation		-	44,756
Total Expenditure		227,641,835	199,740,991
Portion of surplus / (deficit) in the joint venture.		(485,180)	23,778
Surplus for the year		26,805,006	16,312,399
Refer to Appendix E(1) for explanations of variances			

(Note: the income statement has been prepared in accordance with GRAP 1 and the budget formats)

CACADU DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Note	Revaluation Reserve	Accumulated Surplus	Total
		R	R	R
Previously stated balance at 1 July 2007		49,585,807	122,689,655	172,275,462
Adjustment to investment in the joint venture	23.2		(61,651)	(61,651)
Net effect of adjustments	23	-	16,822,327	16,822,327
Restated balance at 1 July 2007		49,585,807	139,450,331	189,036,138
2008		(5,661,891)	22,404,306	16,742,415
Surplus for the year		-	16,312,399	16,312,399
Total of other transactions on net assets for 2008		(5,661,891)	6,091,907	430,016
Transfer for purchase of asset		-	85,566	85,566
Disposal of property transfers		(1,668,854)	1,668,854	-
Revaluation Reserve on Investment Properties transferred to				
Accumulated surplus		(3,583,000)	3,583,000	-
Assets previous not included on Asset Register now included		-	344,450	344,450
Offsetting of depreciation.		(410,037)	410,037	-
Previously stated balance at 30 June 2008		43,923,916	161,854,637	205,778,553
Restatement of prior year errors.	23	-	5,268,078	5,268,078
Restated balance at 30 June 2008		43,923,916	167,122,715	211,046,631
2009		15,776,188	25,082,795	40,858,983
Surplus for the year		-	26,805,006	26,805,006
Total of other transactions on net assets for 2009		15,776,188	(1,722,211)	14,053,977
Transfer for purchase of asset		-	(1,140,850)	(1,140,850)
Revaluations		15,776,188	-	15,776,188
Transferred to Health		-	(581,361)	(581,361)
Balance at 30 June 2009		59,700,104	192,205,510	251,905,614

CACADU DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	NOTES	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from regional services levies, government grants and subsidies and other income		215,154,466	172,976,626
Cash paid to suppliers and employees		(223,671,609)	(163,316,140)
Cash generated from/(utilised by) operations	24	(8,517,143)	9,660,486
Investment interest		42,961,352	22,622,403
Finance cost		(152,155)	(112,739)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		34,292,054	32,170,150
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment.	6	(5,610,732)	(3,957,886)
Proceeds on disposal of property, plant and equipment.		582,743	3,410,504
Decreases in long term receivables.		46,070	149,366
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(4,981,919)	(398,016)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance leases repaid		(28,093)	(548,405)
Increase/(Decrease) in deferred income		-	104,701,497
Outflow from post employment medical benefit.		(2,916,602)	(2,795,894)
NET CASH INFLOW/(OUTFLOWS) FROM FINANCING ACTIVITIES		(2,944,695)	101,357,198
NET INCREASE IN CASH AND CASH EQUIVALENTS		26,365,440	133,129,332
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		381,539,827	248,410,495
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	14	407,905,267	381,539,827
		(26,365,440)	(133,129,332)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
1 REVALUATION RESERVE		
Land and buildings were valued at 30 June 2009 using the income capitalisation, comparable sales of sectional title office developments and comparable sales methods by Suid Kaap Waardeerders, a registered and independent valuator.		
The revaluation surplus is reconciled as follows:		
Balance at beginning of the year	43,923,916	49,585,807
Balance on assets disposed of adjusted to surplus.	-	(1,668,854)
	<u>43,923,916</u>	<u>47,916,953</u>
Revaluation during the year	15,776,188	-
Adjustments	-	(3,583,000)
Off-set depreciation	-	(410,037)
Balance at the end of the year	<u><u>59,700,104</u></u>	<u><u>43,923,916</u></u>
2 ACCUMULATED SURPLUS		
<i>The Accumulated surplus is reserved for the following purpose:</i>		
General	192,205,511	167,122,714
Total	<u><u>192,205,511</u></u>	<u><u>167,122,714</u></u>
<i>The Accumulated surplus available cash is ring fenced for the following purposes:</i>		
General	138,199,748	103,496,113
Capital financing	-	48,626,601
Allowance for impairment	12,920,677	-
Restructuring grant funds allocated to surplus	15,000,000	15,000,000
Total accumulated funds invested	<u><u>166,120,425</u></u>	<u><u>167,122,714</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
3 LONG-TERM LIABILITIES		
3a Finance leases		
Finance leases	94,587	122,679
Less: Short -Term Portion transferred to current liabilities	(52,392)	(122,679)
	<u>42,195</u>	<u>-</u>

As no inherent interest rate to the contract could be determined the incremental borrowing rate equal to the prime rate applicable at inception date was applied and is currently repayable in monthly instalments of R7 958 per month.

The totals of the present value of the future minimum lease payments at the balance sheet date are :

Within one year	52,392	122,679
Later than one year, but not later than five years	<u>42,195</u>	<u>-</u>
	<u>94,587</u>	<u>122,679</u>

The discounting rate was based on prime rate at the date of inception

All finance leases have a 0% escalation.

The contract with Sharp for a photostat machine has no renewal period and is rented month by month after the end of the contract until a 30 day notice period is given for collection.

The Gestetner and Panasonic contracts both (for photostat machines) have a 90 days notice period for termination of the contract. The renewal policy for Gestetner is on a month to month basis and for Panasonic on an annual basis.

Detailed information is available on Appendix A.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
3b Deferred income		
Conditional Grants from Government	180,358,705	175,382,701
National Government Grants	96,166,447	134,884,198
Provincial Grants and subsidies	84,192,258	40,498,503
Conditional Third party Grants from Government	11,413,680	2,912,677
Provincial Grants and subsidies - 3rd party	9,443,846	2,499,564
Other	1,969,834	413,113
Other donations	-	42,864
Total Conditional Grants and Subsidies	191,772,385	178,338,242
Less : Short-term portion transferred to current liabilities	191,772,385	178,338,242
Total Deferred income	-	-
A complete list of all conditions are available at the Cacadu District Municipality during office hours.		
See Appendix F for a reconciliation of grants from National/Provincial Government. These amounts are fully invested until utilised.		
Total Long-term liabilities	42,195	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
4 POST EMPLOYMENT MEDICAL BENEFIT		
Provision for Post Employment Medical Benefit	49,830,455	47,110,017
Short term portion of Provision for Post Employment Medical Benefit	<u>(2,916,602)</u>	<u>(2,795,895)</u>
Total Non-Current Provisions	<u>46,913,853</u>	<u>44,314,122</u>

The District Municipality's net obligation in respect of post employment medical benefits was calculated by Jacques Malan Consultants and Actuaries as at 30 June 2008. The provision was established for the purpose of generating interest that is utilised to fund the yearly medical scheme commitments in respect of post employment medical benefits. The expected future outflows are dependent upon the life expectancy of existing members and their spouses. 190 People are currently covered by the fund. (2008: 194)

Valuation Method**Pre Retirement Benefit**

The total value of the death in service benefit was calculated by discounting the future subsidies payable to dependants on the death of an employee. The expected increase in medical aid premiums and expected mortality for adults were taken into account.

Post Retirement Benefits

The post retirement value is the discounted value of the benefits which become payable after the retirement of the member. This benefit accrues over the working lifetime of the employee. The value shown is the portion of the total value that has accrued up to the valuation date, assuming that the liability accrues uniformly over the member's working lifetime.

Accrued defined benefit obligation

The accrued liability was calculated by taking a pro-rata portion of the total calculated value. This portion is based on the past service of members relative to their prospective total service.

Current Service Cost

The Current Service Cost is based on the liability that is expected to accrue over the year preceding the valuation date.

Valuation Assumptions

Rate of Interest

Medical Aid Inflation Rate

8.68% p.a.

Investment Return

10.18% p.a.

The investment return assumption has been based on the yield on the R186 South African government bond as at 30 June 2008 plus a risk premium of 1.25%.

Mortality Rates

Mortality for pre retirement benefits has been based on the SA 72-77 mortality table rated down three years for females and on the PA (90) ult. mortality table for post retirement benefits.

Normal Retirement Age

The Normal Retirement Ages for the Municipality are 65 years for male employees and 60 years for female employees. An average retirement age of 63 years for male employees and 58 years for female employees has been assumed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R

Spouse Dependents

It was assumed that 95% of current single male and female employees would be married at retirement. It was assumed that all employees who are currently married will be married at retirement. It was also assumed that a current employee is married if they have one or more adult dependents and that one of the adult dependents is the continuation member's spouse.

Gender

Where the gender of the members was unavailable, it was assumed that the members are female, as this is considered to be more prudent.

Child dependents

It was assumed that child dependents complete their studies on average at the age of 21 years.

Withdrawals

Withdrawals from employment were taken into account according to the following

Age	Males	Females
20	10%	10%
30	7%	7%
40	3%	3%
50+	0%	0%

Medical Aid Contributions at Retirement

It is assumed that 90% of the members will remain members of the medical aid scheme after retirement and that members would be in the same contribution category in all future years as on the valuation date.

The above assumptions are consistent with the assumptions used in the previous valuation done at 30 June 2005.

Post Employment Medical Benefits

The movement in the post employment medical benefit is reconciled as follows:-

Balance at beginning of year	47,110,017	48,241,644
Expected benefit Payments	(2,916,602)	(2,795,895)
Reflected on the statement of financial performance:		
Current service cost - included in general expenses	164,492	139,388
Discounting of post employment medical benefit (interest costs)	5,472,548	4,494,833
Actuarial (Gain)/loss	-	(2,969,953)
Balance at end of year	49,830,455	47,110,017

The estimated expected timing of resulting outflows of post employment medical benefits are:

Within one year	3,388,100	3,537,600
Later than one year, not later than five years	17,399,782	18,167,548
Later than five years	29,042,573	25,404,869
Balance at end of year	49,830,455	47,110,017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
The present value of the defined benefit obligation for the current annual period compared to the previous four annual periods are as follows:		
Financial Period 2008/09	49,830,455	
Financial Period 2007/08	47,110,017	
Financial Period 2006/07	48,241,644	
Financial Period 2005/06	49,461,662	
Financial Period 2004/05	50,869,282	
Accumulative Actuarial (Gain) / Loss		
Balance beginning of the year	(8,909,859)	(5,939,906)
Projected during the year	-	(2,969,953)
Accumulated balance at the end of the year	<u>(8,909,859)</u>	<u>(8,909,859)</u>

There was no actuarial gain/loss for 2008/2009

5 TRADE AND OTHER PAYABLES

Trade and other payables from exchange transactions.

Classified as financial liabilities at amortised cost		
Trade creditors	215,288	162,838
Sundry creditors	144,764	116,608
Accruals	10,917,328	15,604,792
Employee costs	387,120	222,754
Total financial liabilities	<u>11,664,500</u>	<u>16,106,992</u>
Other accruals and payables		
Payments in advance- RSC Levies	1,841	5,765
Payments in advance- Other	9,214	4,828
Payments in advance - Rietbron rates	17,213	-
Payments in advance - Rietbron rates interest	245	-
Payments in advance- Service debtors	5,288	4,626
Payments in advance - Surety deposits	-	14,461
Payments in advance	33,801	29,680 *
Unidentified deposits	41,407	46,585
Accrued leave	1,845,924	1,476,447 *
Infrastructure projects from Levies	6,801,029	8,060,440 *
Total other accruals and payables	<u>8,722,161</u>	<u>9,613,152</u>
Total trade and other payables from exchange transactions	<u>20,386,661</u>	<u>25,720,144</u>
Total Trade and other Payables	<u>20,386,661</u>	<u>25,720,144</u>

* Not financial liabilities

Normal terms of payment is 30 days and no amortisation was calculated.

The carrying amount of financial liabilities approximates their fair value due to their short-term nature except as hereunder.

The sundry creditors reconciliation included long outstanding reconciling items that dates back as far as 2005. These reconciling items have been taken to accumulated surplus to the value of R27 346.

Infrastructure projects from Levies were reduced with a prior year correction to the amount of R 1 574 366.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

6 PROPERTY, PLANT AND EQUIPMENT	Infra- structure R	Community R	Other R	Leased assets R	Total R
2008/09					
<u>Restated carrying value at 30 June 2008</u>	216,748	8,367,730	47,161,052	85,303	55,830,833
Asset value	443,147	8,367,730	61,683,853	296,707	70,791,437
Cost	443,147	19	25,752,313	296,707	26,492,186
Revaluation	-	8,367,711	40,111,593	-	48,479,304
Change in accounting policy transfer to Investment properties	-	-	(3,583,000)	-	(3,583,000)
Prior year errors	-	-	(597,053)	-	(597,053)
Accumulated Depreciation	(226,399)	-	(14,522,801)	(211,404)	(14,960,604)
- Based on cost	(226,399)	-	(13,550,413)	(211,404)	(13,988,216)
- Based on revaluation	-	-	(972,388)	-	(972,388)
<u>Additions</u>	-	-	5,564,684	46,051	5,610,735
Cost	-	-	5,564,684	46,051	5,610,735
<u>Depreciation for the year</u>	(40,409)	-	(2,357,371)	(57,658)	(2,455,438)
- Based on cost	(40,409)	-	(2,357,371)	(57,658)	(2,455,438)
- Based on revaluation	-	-	-	-	-
<u>Carrying value of disposals</u>	-	-	(1,506,512)	-	(1,506,512)
Asset value	-	-	(4,405,081)	-	(4,405,081)
Revaluations	-	-	-	-	-
Cost	-	-	(4,405,081)	-	(4,405,081)
Accumulated depreciation	-	-	2,898,569	-	2,898,569
- Based on cost	-	-	2,898,569	-	2,898,569
- Based on revaluation	-	-	-	-	-
<u>Revaluation at 30 June 2009</u>	-	4,216,770	11,559,417	-	15,776,187
Elimination of accumulated depreciation against gross carrying amount of assets	-	-	1,018,579	-	1,018,579
Revaluation at 30 June 2009	-	4,216,770	10,540,838	-	14,757,608
Impairment based on cost	-	-	(283,035)	-	(283,035)
<u>Carrying value at 30 June 2009</u>	176,339	12,584,500	60,138,235	73,696	72,972,770
Asset value	443,147	12,584,500	73,147,450	342,758	86,517,855
Cost	443,147	19	27,050,407	342,758	27,836,331
Revaluation	-	12,584,481	46,097,043	-	58,681,524
Accumulated Depreciation	(266,808)	-	(13,009,215)	(269,062)	(13,545,085)
- Based on cost	(266,808)	-	(13,009,215)	(269,062)	(13,545,085)
- Based on revaluation	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Carrying amount of property, plant and equipment retired from active use amounts to R1 076 773.79. These items of PPE might be disposed of in 2009/10.

The prior period error of R619 945 consist of a property in Alexandria reflected in the financial statements in prior years that was previously sold, but incorrectly reflected as an asset. Also included in the amount is capitalised assets resulting from finance lease transactions that was not capitalised at date of inception of lease.

Land and buildings were valued at 30 June 2009 on the basis of willing buyer and willing seller by Suid Kaap Waardeerders, a registered and independent valuator. A register is available for inspection at the Cacadu District Municipality Head office in Govan Mbeki Avenue, Port Elizabeth.

Assets acquired through finance leases are included in the total property plant and equipment figure. The cost of these finance leases are R342 757.87 (2008 = R296 707.20), Accumulated Depreciation of R269 062.10 (2008 = R211 403.88) and a carrying value of R73 695 (2008 = R85 303.32).

The carrying value of properties are measured at fair value as these properties were taken on at fair value and not at cost. The carrying value of these properties if measured under the cost model could not be calculated.

Refer appendix B for more detail

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2007/08	Infra- structure R	Community R	Other R	Leased Assets R	Total R
Restated Carrying value at 30 June 2007	254,257	8,367,730	52,198,985	141,523	60,962,495
Asset value	443,147	8,367,730	63,879,151	296,707	72,986,735
Cost	443,147	19	16,511,037	296,707	17,250,910
Adjustment for Primary health care Revaluation	-	8,367,711	5,511,383	-	5,511,383
Accumulated Depreciation	(188,890)	-	41,856,731	(155,184)	(12,024,240)
- Based on cost	(188,890)	-	(7,198,288)	(155,184)	(7,542,362)
Adjustment for Primary health care - Based on revaluation	-	-	(3,843,243)	-	(3,843,243)
	-	-	(638,635)	-	(638,635)
Additions	-	-	3,957,886	-	3,957,886
Cost	-	-	3,957,886	-	3,957,886
Depreciation	(37,509)	-	(2,963,132)	(56,220)	(3,056,861)
-Cost	(37,509)	-	(2,553,095)	(56,220)	(2,646,824)
-Revaluation	-	-	(410,037)	-	(410,037)
Carrying value of disposals/transfer to inventory	-	-	(1,852,634)	-	(1,852,634)
Asset value	-	-	(2,141,842)	-	(2,141,842)
Revaluation transfer to current asset	-	-	(1,745,138)	-	(1,745,138)
Cost	-	-	(396,704)	-	(396,704)
Accumulated Depreciation	-	-	289,208	-	289,208
Accumulated Depreciation - cost	-	-	212,924	-	212,924
Accumulated Depreciation - revaluation	-	-	76,284	-	76,284
Revaluation at 30 June 2008	-	-	-	-	-
Adjustments made at 30 June 2008	-	-	(4,180,053)	-	(4,180,053)
Change in accounting policy transfer to Investment properties	-	-	(3,583,000)	-	(3,583,000)
Prior year errors	-	-	(597,053)	-	(597,053)
Carrying value at 30 June 2008	216,748	8,367,730	47,161,052	85,303	55,830,833
Asset value	443,147	8,367,730	61,683,853	296,707	70,791,437
Cost	443,147	19	25,752,313	296,707	26,492,186
Revaluation	-	8,367,711	40,111,593	-	48,479,304
Change in accounting policy transfer to Investment properties	-	-	(3,583,000)	-	(3,583,000)
Prior year errors	-	-	(597,053)	-	(597,053)
Accumulated Depreciation	(226,399)	-	(14,522,801)	(211,404)	(14,960,604)
- Based on cost	(226,399)	-	(13,550,413)	(211,404)	(13,988,216)
- Based on revaluation	-	-	(972,388)	-	(972,388)

Carrying amount of property, plant and equipment retired from active use amounts to R37 463. These items of PPE might be disposed of in 2008/09.

The change in accounting estimate, as a result of the revision of useful lives and residual values, amounted to R180 873

Refer Appendixes B and C for more detail on property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

7 INVESTMENT PROPERTY

	Property rented out	Property held for capital appreciation	Total
(Carried at fair value)	R	R	R
2008/09			
Balance 30 June 2008	-	-	-
Change in accounting policy (note 22)		3,583,000	3,583,000
Restated balance 30 June 2008	-	3,583,000	3,583,000
Acquisitions	-	-	-
Fair value gain on Revaluation of Investment Property adjustment	-	9,996,500	9,996,500
Fair value of disposals	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-
Transfers	-	-	-
Other movements	-	-	-
Balance 30 June 2009	-	13,579,500	13,579,500

Investment Property were valued at 30 June 2009 on the basis of willing buyer and willing seller by Suid Kaap Waardeerders, a registered and independent valuator. A register is available for inspection at the Cacadu District Municipality Head office in Govan Mbeki Avenue, Port Elizabeth.

CACADU DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

8 FINANCIAL INSTRUMENTS

Financial instruments are classified into the following categories:

Financial assets: Loans and receivables

Financial liabilities: At amortised cost

The classification of financial instruments is determined at initial recognition based on the purpose for which the financial assets are acquired or liabilities assumed.

2009

	Loans and receivables R	Non financial assets R	Total R
Assets			
Property, Plant and Equipment	-	72,972,770	72,972,770
Investment Properties	-	13,579,500	13,579,500
Long-term Receivables	54,566	-	54,566
Short-term Portion of Long-term Receivables	17,971	-	17,971
Trade and other receivables from exchange transactions	67,067	-	67,067
Other receivables from non-exchange transactions	1,764,677	2,811	1,767,488
Deposits	21,310	-	21,310
Vat	-	17,754,480	17,754,480
Cash and Cash Equivalents	416,378,318	-	416,378,318
	<u>418,303,909</u>	<u>104,309,561</u>	<u>522,613,470</u>
	Measured at amortised cost R	Non financial liabilities R	Total R
Liabilities			
Long-term Liabilities	42,195	-	42,195
Post employment medical benefit	-	46,913,853	46,913,853
Short-term Portion of Deferred Income	191,772,385	-	191,772,385
Short-term Portion of Long Term Liabilities	52,392	-	52,392
Short-term Portion of the Post Employment Medical Benefit	2,916,602	-	2,916,602
Trade and other payables from exchange transactions	11,664,500	8,722,161	20,386,661
Provisions	-	150,716	150,716
Bank Overdraft	8,473,051	-	8,473,051
	<u>214,921,125</u>	<u>55,786,730</u>	<u>270,707,855</u>
Net assets		251,905,615	251,905,615
	<u>203,382,784</u>	<u>(203,382,784)</u>	<u>-</u>

CACADU DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2008

	Loans and receivables R	Non financial assets R	Total R
Assets			
Property, Plant and Equipment	-	55,830,833	55,830,833
Investment Properties	-	3,583,000	3,583,000
investment in joint venture	210,179	-	210,179
Long-term Receivables	102,947	-	102,947
Short-term Portion of Long-term Receivables	15,660	-	15,660
Trade and other receivables from exchange transactions	130,758	-	130,758
Other receivables from non-exchange transactions	6,408,022	648,000	7,056,022
Deposits	16,120	-	16,120
VAT receivable	-	13,852,366	13,852,366
Cash and Cash Equivalents	388,173,866	-	388,173,866
	<u>395,057,552</u>	<u>73,914,199</u>	<u>468,971,751</u>

	Measured at amortised cost R	Non financial liabilities R	Total R
Liabilities			
Post employment medical benefit	-	44,314,122	44,314,122
Short-term Portion of Deferred Income	178,338,242	-	178,338,242
Short-term Portion of Long Term Liabilities	122,679	-	122,679
Short-term Portion of the Post Employment Medical Benefit	2,795,895	-	2,795,895
Trade and other payables from exchange transactions	16,153,577	9,566,567	25,720,144
Bank Overdraft	6,634,039	-	6,634,039
	<u>204,044,432</u>	<u>53,880,689</u>	<u>257,925,121</u>

Net assets		211,046,630	211,046,630
	<u>191,013,120</u>	<u>(191,013,120)</u>	<u>-</u>

	2009 R	2008 R
Loans and receivables at amortised cost		
Opening balance	395,057,552	259,478,437
Net other movements	23,246,357	135,579,115
Closing balance	<u>418,303,909</u>	<u>395,057,552</u>
Financial liabilities at amortised cost		
Opening balance	204,044,432	66,513,570
Net other movements	10,876,693	137,530,862
Closing balance	<u>214,921,125</u>	<u>204,044,432</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
9 LONG-TERM RECEIVABLES		
Loans to Kouga Local Municipality	50,020	65,679
Staff loans	22,517	52,928
	<u>72,537</u>	<u>118,607</u>
Less : Short-term portion transferred to current assets	<u>(17,971)</u>	<u>(15,660)</u>
Total Long-term Receivables	<u><u>54,566</u></u>	<u><u>102,947</u></u>
Classified as a financial asset: Loans and receivables and subsequently measured at amortised cost		
The loan to Kouga Local Municipality is unsecured, bears interest at 14.25 % per annum and is repayable in 30 payments every six months.		
Staff loans relates to study loans paid on behalf of employees for tertiary institutions in furthering their development. These loans are repaid monthly based on agreements with the applicable staff		
10 PROVISIONS		
Performance Bonus	-	-
Contribution	150,716	-
Balance at the end of the year	<u><u>150,716</u></u>	<u><u>-</u></u>
11 TRADE AND OTHER RECEIVABLES		
Trade and other receivables from exchange transactions		
Rates	17,498	53,883
Services	218,469	1,164,439
Rental	1,882	7,886
Salaries and Wages	47,687	68,989
Accrued Rent	32,087	12,871
Total trade and other receivables from exchange transactions	<u>317,623</u>	<u>1,308,068</u>
Less: Allowance for doubtful debts	<u>(250,556)</u>	<u>(1,177,310)</u>
Net total trade and other receivables from exchange transactions	<u><u>67,067</u></u>	<u><u>130,758</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
Trade and other receivables from non exchange transactions including taxes and transfers		
Levies	1,504,098	2,155,097
Sundry Debtors	49,007	7,592
Department of Housing (Housing Schemes)	8,026,342	8,608,281
Nelson Mandela Metropolitan debtors bank deposits	8,989	75,313
Nelson Mandela Metropolitan Municipality (Algoa House)	-	2,360,000
PPE purchased prepaid	-	648,000 *
General	4,846,362	3,389,588
Pre payments	2,811	-
Total non exchange trade and receivables	<u>14,437,609</u>	<u>17,243,871</u>
Less: Allowance for doubtful debts	<u>(12,670,121)</u>	<u>(10,187,849)</u>
Net total non exchange other receivables	<u><u>1,767,488</u></u>	<u><u>7,056,022</u></u>
 Allowance for doubtful debts		
Balance at beginning of year	11,365,159	3,694,239
Restatement of the allowance for doubtful debts	<u>1,555,518</u>	<u>7,670,920</u>
Balance end of year	<u><u>12,920,677</u></u>	<u><u>11,365,159</u></u>
Transferred Trade and other receivables from exchange transactions	(250,556)	(1,177,310)
Transferred to Trade and other receivables from non exchange transactions including taxes and transfers	<u>(12,670,121)</u>	<u>(10,187,849)</u>
	<u><u>-</u></u>	<u><u>-</u></u>
 * Not a financial asset		
Levies: Ageing		
61 - 90 Days	70,421	391,332
+ 90 Days	<u>1,433,677</u>	<u>1,763,765</u>
Total	<u><u>1,504,098</u></u>	<u><u>2,155,097</u></u>
 Services: Ageing		
0 - 90 Days	49,022	75,209
+ 90 Days	<u>169,447</u>	<u>1,089,230</u>
Total	<u><u>218,469</u></u>	<u><u>1,164,439</u></u>
 Rates : Ageing		
0 - 90 Days	2,018	27,105
+ 90 Days	<u>15,480</u>	<u>26,778</u>
Total	<u><u>17,498</u></u>	<u><u>53,883</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<u>Trade and other receivables neither past due nor impaired</u>		
Current	375,773	2,462,493
<u>Trade and other receivables past due but not impaired</u>		
Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2009, R1 458 782 (2008: R 4 724 287) were past due but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
1 month past due	1,168,535	4,499,505
2 months past due	89,755	141,066
3 months past due	200,492	83,716
	1,458,782	4,724,287
<u>Total trade and other receivables from exchange and non exchange transactions not impaired</u>	<u>1,834,555</u>	<u>7,186,780</u>

Trade and other receivables impaired

As of 30 June 2009, trade and other receivables of R12 920 677 (2008: R 11 365 159) were impaired and provided for.

The ageing of these receivables is as follows:

3 to 6 months	150,616	198,294
Over 6 months	12,770,061	11,166,865

Classified as a financial asset: Loans and receivables and subsequently measured at amortised cost

No discounting was performed due to the short term nature of the receivables. For those receivables that are outside the normal terms, allowance for impairment was made. Impairment was based on a collective assessment.

The fair value of trade and other receivables approximates their carrying amounts.

The RSC Levies are collected by the Nelson Mandela Bay Municipality on a contractual basis.

According to legislation passed during 2004/2005, the collection of RSC levies has been abolished effective 1 July 2006.

Terms of payment for accounts raised are determined in the credit control policy. This policy is exercised with caution when applied to parastatal organisations.

Restatement of 2008 balances:

Rental and Levies have been increased by R154 187. (See note 23)

General debtors have been increased by R32 865 (See note 23)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
12 VAT		
VAT receivable	17,908,692	13,948,042
VAT payable	<u>(154,212)</u>	<u>(95,676)</u>
Net VAT	<u>17,754,480</u>	<u>13,852,366</u>

All VAT returns have been submitted by the due date throughout the year.

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

Included in the VAT receivable amount is an amount of R14 752 576. This relates to a VAT claim processed during the last month of the financial year on flood damage grant funding.

VAT was increased due to a prior year error to the amount of R3 013 891. Refer note 23

No discounting was performed.

13 DEPOSITS PAID		
Deposits - Electricity	5,000	5,000
Deposits - Parking	9,000	1,620
Deposits - Rietbron Electricity	500	-
Deposit: Parking Grace street	810	500
Deposits - Post Office	<u>6,000</u>	<u>9,000</u>
	<u>21,310</u>	<u>16,120</u>

14 CASH AND CASH EQUIVALENTS

The Municipality has the following bank account:

Current Account (Primary Bank Account)

ABSA Limited
32 Govan Mbeki Avenue
Port Elizabeth
Account Number : 1640 000 062 (Current Account)

Cashbook balance at the beginning of the year	<u>(6,634,039)</u>	<u>3,872,478</u>
Cashbook balance (overdraft) at the end of the year	<u>(8,473,051)</u>	<u>(6,634,039)</u>
Bank statement balance at the beginning of the year	<u>7,212,625</u>	<u>12,435,889</u>
Bank statement balance at the end of the year	<u>5,127,839</u>	<u>7,212,625</u>
Short -term investments		
Short-term Deposits		
Cashbook balance at beginning of year	<u>388,119,270</u>	<u>244,534,917</u>
Cashbook balance at end of the year	<u>416,370,218</u>	<u>388,119,270</u>
Bank statement balance at beginning of the year	<u>388,119,270</u>	<u>244,534,917</u>
Bank statement balance at end of the year	<u>416,370,218</u>	<u>388,119,270</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
Disclosed in the Statement of Financial Position as follows:-		
Cash Book overdraft	(8,473,051)	(6,634,039)
Call Account Deposits	416,370,218	388,165,766
Petty cash	8,100	8,100
	416,378,318	388,173,866
Net Cash and cash equivalents	407,905,267	381,539,827
Balance at the end of the year	407,905,267	381,539,827
Balance at the beginning of the year	381,539,827	248,410,495
Net Increase/(Decrease) in cash and cash equivalents	26,365,440	133,129,332

The opening bank balance was increased by R46 496 as a correction of error. Refer to note 23.

Investment in the joint venture

Opening balance	210,179	(61,651)
50 % surplus / (deficit) of KDA allocated	(210,179)	271,831
Closing balance.	-	210,179

Short -term investments

Interest on investments accrued	3,370,218	3,165,766
Short -term Deposits	406,000,000	375,000,000
Short -term Deposits	409,370,218	378,165,766
Call Account Deposits	7,000,000	10,000,000
Total cash investments	416,370,218	388,165,766

Cash and cash equivalents are classified as a financial asset: Loans and receivables subsequently measured at amortised cost.

No discounting was performed due to the short term nature of the cash turnover and the fact that all investments earned interest.

The fair value of cash and cash equivalents approximates their carrying amounts.

No cash deposits were ceded as collateral.

The return on investments for 2009 fluctuated between 7.5% and 12.83% (2008: 8.9% and 12.83%).

Allocation of external investments

Surplus cash is invested until used for specific purposes. Investments are allocated on the following basis:-

Post employment medical benefit	49,830,455	47,110,017
Conditional Grants and Receipts (Deferred income)	191,772,385	178,338,242
Infrastructure projects from Levies	6,801,029	9,634,806
Accrued leave pay	1,845,924	1,476,447
Accumulated surplus	166,120,425	151,606,254
Total	416,370,218	388,165,766

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
15 GOVERNMENT GRANTS AND SUBSIDIES		
Government Grants		
Equitable share	57,438,471	48,719,015
Total Government Grants	<u>57,438,471</u>	<u>48,719,015</u>
Provincial Subsidies		
Contribution to Retirement benefits- (Roads pensioners)	3,015,904	2,957,718
Environmental Health	4,526,388	4,270,178
Total Provincial Subsidies	<u>7,542,292</u>	<u>7,227,896</u>
Total Government Grants and Subsidies received	<u>64,980,763</u>	<u>55,946,911</u>
National/Provincial Government Grant funding (expenditure reimbursement)	105,705,293	104,633,931
PHB Debtor	535,369	3,688,049
Sundries	112,632	-
Direct Transfers -		
- Ambulance	(304,158)	-
- Free Basic Services	(1,000)	-
- Primary Health Care	26,414,124	19,814,839
- Transferred to Health	(1,442,075)	-
Capital Projects financed from grants	172,175	2,162,940
Total National/Provincial Government Grants (expenditure reimbursements)	<u>131,192,360</u>	<u>130,299,759</u>
TOTAL GOVERNMENT GRANTS AND SUBSIDIES (Excl VAT)	<u>196,173,123</u>	<u>186,246,670</u>

Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic and administrative services to the DMA and Rietbron. The balance is used to supplement the Municipality's revenue as discretionary revenue is insufficient.

DORA

Based on the allocations set out in the Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

National Treasury: Circular 48

The municipality has received confirmation from National Treasury that no unspent grant money would need to be repaid in respect of the previous financial periods.

Refer appendix F for additional information.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
16 TOTAL REVENUE:		
Revenue from exchange transactions		
Tariffs and Charges	227,562	205,861
Property Rates	30,869	28,488
Rental	863,853	855,266
Investment Interest	42,737,659	22,437,022
Other Interest	223,693	185,382
Income for agency services	27,193	26,994
Total revenue from exchange transactions (Excl VAT)	<u>44,110,829</u>	<u>23,739,013</u>
Revenue from non - exchange transactions		
Government grants and subsidies	196,173,123	186,246,670
Other revenue	4,651,569	1,981,596
Total revenue from non exchange transactions (Excl VAT)	<u>200,824,692</u>	<u>188,228,266</u>
Other revenue:		
Finance charges to funding	-	309,400
Bad debts recovered	2,068,136	-
Contribution from Skill Development Fund	174,825	131,406
Printing Costs Recovered	589,203	-
Infrastructure projects funded from Infrastructure Contingency Fund (ICF)	1,143,251	1,376,693
Insurance claims	-	16,783
Other	676,154	147,314
Total Other Revenue (Excl VAT)	<u>4,651,569</u>	<u>1,981,596</u>
17 EMPLOYEE RELATED COSTS		
17.1 Employee Related Costs		
Salaries and wages	22,873,953	19,357,255
Social contributions	4,514,218	4,939,850
	<u>27,388,171</u>	<u>24,297,105</u>
Remuneration of the Municipal Manager		
Annual Remuneration	729,161	645,058
Car Allowance	156,000	156,000
Performance Bonus	-	120,939
Total short-term employee benefits	<u>885,161</u>	<u>921,997</u>
Remuneration of the Director Finance and Corporate Service		
Annual Remuneration	627,693	550,018
Car Allowance	144,000	144,000
Performance Bonus	35,217	115,424
Total short-term employee benefits	<u>806,910</u>	<u>809,442</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
Remuneration of the Manager of Health		
Annual Remuneration	410,578	400,274
Car Allowance	96,000	96,000
Performance Bonus	-	77,850
Total short-term employee benefits	<u>506,578</u>	<u>574,124</u>
Remuneration of the Director Planning and Infrastructure Development		
Annual Remuneration	667,411	592,816
Car Allowance	100,000	100,000
Performance Bonus	-	117,246
Total short-term employee benefits	<u>767,411</u>	<u>810,062</u>
Remuneration of the Director Economic Development		
Annual Remuneration	646,533	268,620
Car Allowance	140,004	70,002
Total short- term employee benefits	<u>786,537</u>	<u>338,622</u>
New Department created. Director employed from 02/01/2008.		
17.2 Remuneration of Councillors		
Executive Mayor	654,177	518,230
Speaker	465,243	402,600
Mayoral Committee members	2,112,541	1,915,338
Councillors	1,240,330	1,005,578
Total Councillors' Remuneration	<u>4,472,291</u>	<u>3,841,746</u>
	<u>4,472,291</u>	<u>3,841,746</u>

In-kind Benefits

The Executive Mayor is full-time and with the Mayoral Committee Members is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has use of a Council owned vehicle for official duties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
18 KEY MANAGEMENT PERSONNEL		
The following are persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director of Cacadu District Municipality:		
Executive Mayor		
Speaker		
Mayoral Committee members		
Councillors		
Municipal Manager		
Director: Planning and Infrastructure Development		
Director: Economic Development		
Director: Finance and Corporate Services		
Manager: Health Services		
Their short-term employee benefits are disclosed in note 17.		
19 FINANCE COST		
Finance leases	<u>152,155</u>	<u>112,739</u>
Total interest on External Borrowings	<u>152,155</u>	<u>112,739</u>
20 BULK PURCHASES		
Water purchases -DMA	<u>12,621</u>	<u>13,238</u>
21 CONDITIONAL GRANTS EXPENDITURE AND OTHER GRANTS AND SUBSIDIES PAID		
Expenditure charged against conditional grants		
Disclosed in the Statement of financial performance:		
Under Conditional Grant expenditure	127,037,879	125,990,896
Under Salaries and wages	438,144	278,595
Under General Expenses	28,193	750,921
Under Salaries, maintenance and general (Disaster management operating expenses)	1,000,000	1,000,000
Total Conditional Grants and Subsidies paid	<u>128,504,216</u>	<u>128,020,412</u>
For more detail refer Appendix F.		
Grants and subsidies paid from own and unconditional grant funding:		
Sundries	3,003,230	178,495
Kouga Development Agency (KDA)	275,000	250,000
Environmental Health Subsidies	5,889,964	5,354,505
Total allocations and grants from own funding.	<u>9,168,194</u>	<u>5,783,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009
R2008
R

22 CHANGE IN ACCOUNTING POLICY

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

IFRS7 Financial Instruments Disclosure
 IPSAS20 Related Party Disclosures
 IPSAS21 Impairment of Non-Cash Generating Assets
 IAS32 Financial Instruments: Disclosure and Presentation
 IAS36 Impairments
 IAS39 Financial Instruments: Recognition and Measurement
 GRAP4 Foreign Exchange Transactions
 GRAP5 Borrowing Costs
 GRAP 8 Joint ventures
 GRAP9 Revenue from Exchange Transactions
 GRAP12 Inventories
 GRAP13 Leases
 GRAP16 Investment Property
 GRAP17 Property, Plant & Equipment
 GRAP19 Provisions, Contingent Liabilities and Contingent Assets
 GRAP100 Non-Curent Assets Held for Sale
 GRAP101 Agriculture
 GRAP102 Intangible Assets
 DIRECTIVE 4 Review of useful life on Property, Plant and Equipment

IFRS 7 : Financial instruments disclosures

IFRS 7 introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the municipality's financial instruments.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

The adoption of this standard has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

Refer to the individual Receivable and payable note as well as note 36 - Risk management. A summary of the financial instruments are provided in note 8 - Financial instruments.

GRAP 4: The Effects of Changes in Foreign Exchange Rates

The initial application of GRAP 4 will have no impact on the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009
R2008
R**GRAP 5: Borrowing Costs**

The initial application of GRAP 5 will have no impact on the annual financial statements.

GRAP 8: Interests in Joint Ventures

GRAP 8 incorporates guidance adopted from SIC13 on Non-monetary Contributions by ventures issued by the IASB i.e. provisions for accounting for non-monetary contributions to a jointly controlled entity in exchange for an equity interest in the jointly controlled entity that is accounted for using either the equity method or proportionate consolidation. (Par.57-62).

CDM entered in a joint venture with Kouga municipality with the establishment of the Kouga development agency.

The effect of this joint venture will be disclosed in the consolidated statements of CDM.

GRAP 9: Revenue from Exchange Transactions

The definition of revenue in terms of GRAP 9 incorporates the concept of service potential. Revenue is the gross inflow of economic benefits or service potential when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Entities may derive revenue from exchange or non-exchange transactions.

An exchange transaction is one in which the entity receives resources or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

Non-exchange revenue transaction is a transaction where an entity receives value from another entity without directly giving approximately equal value in exchange.

An entity recognises revenue when it is probable that economic benefits or service potential will flow to the entity, and the entity can measure the benefits reliably.

GRAP 9 clarifies that this Standard only applies to revenue from exchange transactions.

Other than terminology difference no effect on initial adoption of Standard of GRAP 9.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements

The adoption of this standard has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements

During the 2008/09 financial year the following exemptions, exempted in terms of General notice 552 of 2007, up to 30 June 2008 were reintroduced:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009
R2008
R**GRAP 13: Leases**

GRAP 13 incorporates additional guidance on the concept of substance and legal form of a transaction, to illustrate the difference between lease and other contracts and on operating lease incentives.

In certain circumstances, legislation may prohibit the entering into certain types of lease agreements. If the municipality has contravened these legislative requirements, the municipality is still required to apply the requirements of GRAP 13.

Other than the abovementioned requirements, there is no other impact on the initial adoption of GRAP13.

Finance leases are disclosed in note 3a.

GRAP 14: Events after the reporting date

An event, which could be favourable or unfavourable, that occurs between the reporting date and the date the annual financial statements are authorised for issue.

GRAP 14 requires the date of authorisation for issue is the date on which the annual financial statements have received approval from management to be issued to the executive authority or municipal council.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality shall adjust the amounts recognised in its annual financial statements to reflect adjusting events after the reporting date.

The municipality shall not adjust the amounts recognised in its annual financial statements to reflect non-adjusting events after the reporting date.

The effective date of the standard is for years beginning on or after 01 July 2008.

The municipality has adopted the standard for the first time in the 2009 annual financial statements.

IPSAS 21: Impairment of Non-Cash Generating Assets

The method of measurement of value in use of a non-cash generating asset under this Standard is different to that applied to a cash generating asset.

Asset should be measured by reference to the present value of the remaining service potential of the asset.

This Standard does not require entities to apply an impairment test to property, plant and equipment carried at revalued amounts.

The municipality has adopted the standard for the first time in the 2009 annual financial statements

Non-cash generating asset impairment mainly consists of movable assets that are redundant or broken and are part of the amount as disclosed on note 6 regarding assets that are retired from active use.

The impact of the standard is not material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
GRAP 3 -Accounting policies, changes in accounting estimates and errors		
Exemption - Identification and impact of GRAP standards that have been issued but are not yet effective (GRAP 3.30 – 31)		
Refer note 44 where each standard not yet effective and its impact on CDM is discussed.		
GAMAP 9 - Revenue		
Exemption- The entire standard as far as it relates to measurement at fair value.		
GAMAP 9 was largely replaced by GRAP 9 - Revenue from exchange transactions but the portion relating to the exemption, namely the discounting of the value of extended credit past the normal credit terms, are the same for GRAP 9.		
The municipality impaired its receivables which are not subject to normal terms. Therefore no discounting was considered necessary.		
GRAP 16		
GRAP 16 was introduced at 1 July 2008 retrospectively. CDM accepted the exemptions up to 30 June 2008 regarding the disclosure of investment properties. Investment properties, consisting mostly of rental properties and agricultural farming properties, have been identified. The following transactions occurred.		
Carrying value of Property, Plant and Equipment as reported on at 30 June 2008		55,830,833
Prior year adjustments.		(597,053)
Transferred to Investment Properties		<u>(3,583,000)</u>
Adjusted PPE after GRAP 16 was introduced.		<u><u>51,650,780</u></u>
Carrying value of Property, Plant and Equipment as at 30 June 2009 before GRAP 16 was applied	86,552,270	
Transferred to Investment Properties 2008	(3,583,000)	
Transferred to Investment Properties	<u>(9,996,500)</u>	
Adjusted PPE after GRAP 16 was introduced	<u><u>72,972,770</u></u>	<u><u>-</u></u>
Carrying value of Investment Properties as reported on at 30 June 2008		
Transferred from PPE		<u>3,583,000</u>
Adjusted Investment Property account after GRAP 16 was introduced		<u><u>3,583,000</u></u>
Adjusted Investment Property account at 30 June 2008	3,583,000	
Transferred from PPE in 2009	<u>9,996,500</u>	
Carrying value of Investment Properties at 30 June 2009	<u><u>13,579,500</u></u>	

Refer note 6 and note 7 for further information.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009
R2008
R**IAS 39 - Financial Instruments measurement**

Financial instruments are initially measured at cost. The classification for all financial assets are Loans and receivable and financial liabilities at amortised cost. Due to reasons as disclosed on the notes to these instruments there was no effect on the financial statements except for additional disclosures.

GRAP 17-Property plant and equipment

GAMAP 17 Exemption:- Impairment of non- cash generating assets

GAMAP 17 has been replaced by GRAP 17 as from 1 July 2008. The principles of impairment has been applied as per IPSAS 21- Impairment of non cash generating assets and IAS 36- Impairment of cash generating assets.

IAS 36 (AC 128) - Impairment of assets

Exemption:- Entire standard.

The only cash generating assets that CDM controls are properties that generate a rental and these properties were tested for impairment. No impairment was calculated for 2008/2009.

GAMAP 12 - Inventories

Exemption:- - The entire standard to the extent that it relates to water stock that was not purchased by the municipality

The only waterstock will be at Rietbron but is not material enough to warrant disclosure.

The municipality has in terms of directive 4 taken advantage of the following transitional provisions in respect of GRAP 17: A review of useful life of items of Property, Plant and Equipment recognised in the annual financial statements; Review of the depreciation method applied to Property, Plant and Equipment recognized in the annual financial statements; Impairment of non-cash generating assets and the Impairment of cash generating assets.

23 RESTATEMENT OF PRIOR YEAR ERRORS

The following prior year errors were identified during the current year and are adjusted as follows:

Adjustments to surplus opening balance 2007:

Levies adjusted - Levies were abolished and amounts recovered relates to prior years	112,536
Straight line rental income	41,651
Primary health care- Adjustment of vehicles not capitalised in prior years	1,668,140
Deferred income grants- Restructuring portion ring fenced for relocation of head office adjusted	15,000,000
Net effect of adjustments on the Accumulated surplus account	<u>16,822,327</u>
PPE: Primary health care- Adjustment of vehicles values not capitalised in prior years	5,511,383
Accumulated depreciation: Primary health care- Adjustment of vehicles accumulated depreciation to 30/06/2007 not capitalised in prior years	(3,843,243)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
Adjustments to surplus opening balance 2008:		
During the year under review it was discovered that:		
- Sundry creditors - Long outstanding items on reconciliation cleared against surplus.		27,346
- Fixed asset corrections - Opening balance correction - Alexandria property not the property of CDM and capitalise finance lease items.		(597,053)
- Medical aid correction - Prior Year Reconciling Item corrected.		400
- Prior year expenditure correction - printing & stationary - Expenditure incurred in prior year but recorded in current year.		(3,951)
- Prior year expenditure correction - SALGA subscriptions - prior year subscriptions paid in current year and not provided for in the prior year.		(13,144)
- Interest incorrectly allocated prior years - free basic services - Interest recorded against grant funding, reversed to income.		63,014
- Sundry debtors general- Rates and services received in current year relating to prior year income.		(9,641)
- VAT - corrections i.r.o prior years - Vat claims received during current year relating to prior year claims and VAT claimable on flood damage funds not previously claimed.		3,013,891
Primary health care- Grant income and expenditure adjustments to CDM not previously recorded.		
- Government grants and subsidies		16,702,498
- Conditional Grant expenditure		(16,702,498)
- Government grants and subsidies		3,112,341
- Conditional Grant expenditure		(3,112,341)
- PPE: additions for 2008		120,588
- PPE: depreciation for the year		(533,447)
- Leases capitalised - opening balance restated as was not capitalised in prior year.		177,910
- Vehicle written off - Vehicle written off in prior year, but the entry was only posted in current year.		(56,700)
- Insurance proceeds - Proceeds received from insurance in current year relating to prior year claim not provided for.		87,433
- Correction on Gain of sale - Gain made on the sale of assets in the prior year but only posted in the current year - not provided.		(53,957)
- Conditional grant adjustment - Recognition of grant funding through income due to conditions met in previous period, but only recorded in current year.		1,050,348
- Creditors Infrastructure balances transferred on projects that is no longer to be carried out. Conditions met in previous years, but only recognised in current year.		1,574,366
- UIF correction - Reconciling item corrected in current year relating to prior year.		177
- Net effect on the Accumulated surplus account.		<u>4,847,580</u>

The net effect of the restatements were as follows:

2007	
Debtors (Net decrease)	154,187
PPE	1,668,140
Increase in Deferred income - Unspent grants	15,000,000
Net effect of adjustments on accumulated surplus account	<u>16,822,327</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
2008		
Comparatives		
Creditors		1,601,712
Deferred income - Unspent grants		1,050,348
Bank (Net increase)		46,496
Property, Plant and Equipment		(1,009,912)
VAT		3,013,891
Debtors (Net decrease)		(32,865)
Long term liabilities		177,910
Net Increase of accumulated surplus		<u>4,847,580</u>
Total net increase in Accumulated surplus		<u><u>21,669,907</u></u>

The comparative and current amounts have been appropriately restated. The effect of the errors on the statement of financial performance are as follows:

	2008 Restated	2008 As Previously stated
Revenue	216,029,612	196,205,716
Rental	855,266	855,266
Investment Interest	22,437,022	22,374,008
Other Interest	185,382	185,382
Income for agency services	26,994	26,994
Government grants and subsidies	186,246,670	166,431,831
Tariffs and Charges	205,861	205,861
Property Rates	28,488	28,488
Other revenue	1,981,596	1,981,596
Actuarial gain on valuation of post retirement benefits	2,969,953	2,969,953
Gains on disposal of property, plant and equipment	1,092,380	1,146,337
Expenditure	199,989,043	179,744,649
Employee related costs	24,330,977	24,331,377
Remuneration of Councillors	3,805,926	3,805,926
Contribution to bad debt provision	7,930,583	7,930,583
Collection costs	156,550	156,550
Depreciation	3,056,861	2,523,414
Repairs and maintenance	650,826	650,826
Finance Costs	112,739	112,739
Bulk services	13,238	13,238
Contracted services	2,514,672	2,514,672
Conditional Grant expenditure	125,990,896	106,296,645
Other Grants and Subsidies paid	6,033,000	6,033,000
General expenses-other	19,746,221	19,729,126
Discounting of post retirement benefit obligation	4,494,833	4,494,833
Loss on disposal of property, plant and equipment	1,106,965	1,106,965
Cross subsidisation	44,756	44,756
Surplus for the year	<u>16,040,569</u>	<u>16,461,067</u>

The effect of the above errors on the accumulated surplus account is as follows:

Net effect of changes on Statement of Financial Performance: 2008	(420,498)
Net effect of changes on Statement of Changes in Net Assets: 2008	5,268,078
Net effect of changes on Statement of Changes in Net Assets: 2007	<u>16,822,327</u>
Net changes to accumulated surplus account	<u><u>21,669,907</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
23.2 RESTATEMENT OF JOINT VENTURE.		
The joint venture with Kouga municipality, The Kouga Development Agency has been restated as follows, applying the equity method as per GRAP 8 on a 50% basis:		
2007		
<i>Adjustment for the accumulated loss of KDA as at 30 June 2007</i>		61,651
Accumulated surplus (-123 302 * 50%)		<u>(61,651)</u>
Investment in Joint venture		
<i>Adjustment for the contributions in services from CDM to KDA up to 30 June 2007</i>		
Interentity transaction adjustments to 30 June 2007 were not reallocated as this will only entail debits and credits to the accumulated surplus account.		
2008		
<i>Adjustment for the surplus of KDA for 2008</i>		(271,831)
Portion of surplus of joint venture (543 661 surplus for 2008 *.5)		<u>271,831</u>
Investment in Joint venture		
<i>Adjustment for the contributions in services from CDM to KDA for 2008</i>		(33,872)
Employee related costs (67744 *.5)		35,820
Employee related costs (71639 *.5)		<u>1,948</u>
Portion of surplus of joint venture		
<i>Adjustment for the contributions from CDM to KDA for 2008</i>		(250,000)
Other Grants and Subsidies paid (500000 *.5)		<u>250,000</u>
Portion of surplus of joint venture		
2009		
<i>Adjustment for the deficit of KDA for 2009</i>		
Portion of deficit of joint venture (-524 087*.5)-51864*	210,180	
Investment in Joint venture	<u>(210,180)</u>	
<i>Adjustment for the contributions from CDM to KDA for 2009</i>		
Other Grants and Subsidies paid (550000*.5)	(275,000)	
Portion of deficit of joint venture	<u>275,000</u>	
* The amount of 51864 could not be recognized as allocation would have resulted in the investment account to be negative.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
24 CASH GENERATED FROM / (UTILISED BY) OPERATIONS		
Surplus for the year	26,805,006	16,312,399
Adjustment for:-		
Portion of joint venture		
Depreciation	2,455,438	3,056,861
Impairment	283,035	-
Bad debt written off.	1,423,769	-
FV Gain on Investment Property	(9,996,500)	-
Loss on disposal of property, plant and equipment	923,769	1,106,965
Gain on disposal of property, plant and equipment	-	(1,146,337)
Gain on Actuarial valuation for post employment medical benefits	-	(2,969,953)
Discounting of post employment medical benefit obligation	5,472,548	4,494,833
Service cost	164,492	139,388
Contributions	150,716	7,930,583
Contribution to health	(581,361)	-
Investment income	(42,961,352)	(22,559,390)
Finance cost	152,155	112,739
Operating surplus before working capital changes:	(15,708,285)	6,478,088
(Increase)/Decrease in Accounts Receivable	26,341	(6,012,029)
(Increase)/Decrease in Deposits	(5,190)	1,600
Decrease in investment in joint venture	210,179	(264,192)
Increase/(Decrease) in Deferred Income	13,434,146	-
Increase/(Decrease) in Accounts Payable	(6,474,333)	9,457,019
Working capital changes	7,191,143	3,182,398
Cash generated/(utilised) by operations	(8,517,142)	9,660,486
CASH AND CASH EQUIVALENTS		
Bank	(8,473,051)	(6,634,039)
Short term investments	416,370,218	388,165,766
Cash	8,100	8,100
	407,905,267	381,539,827

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
25 EXTERNAL LOANS RECONCILIATION		
Cacadu District Municipality has external loans in the form of finance leases. Refer Appendix A		
26 CONTINGENT LIABILITY		
A possible liability exists in respect of group life insurance claims that have been rejected by the insurers. This litigation process is still on going.	-	450,000
A possible liability exists in respect of an obligation in terms of a development and construction contract. The pleadings in the case have not yet closed	476,632	-
A possible liability exists in respect of damages claimed for the loss of insurance payouts by a former employee due to late submission of claim documentation.	145,000	-
A possible liability exists in respect of duplicate VAT invoices being claimed in previous financial years based on a SARS audit. The findings of this audit is not finalised and it is uncertain as to what the final amount would be.	1,700,249	1,700,249
	<u>2,321,881</u>	<u>2,150,249</u>
27 CONTINGENT ASSETS		
A possible asset in respect of Input VAT claimable, subject to a SARS investigation, existed at year-end. At year-end, the result of the SARS investigation was not known. As a result, it was not virtually certain that the amount would be received.	-	2,198,485
A possible asset exists in respect of a claim in terms of defective workmanship and overpayment for work done.	<u>2,000,000</u>	<u>-</u>
28 UNAUTHORISED EXPENDITURE		
No unauthorised expenditure was incurred in the current and previous financial years.		
29 IRREGULAR, FRUITLESS AND WASTEFULL EXPENDITURE		
No irregular, fruitless or wasteful expenditure was incurred in the current and previous financial years.		
30 ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT		
30.1 Contributions to SALGA		
Opening balance	-	-
Council subscriptions	291,920	157,511
Amount paid - current year	(291,920)	(157,511)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
30.2 Audit fees		
Opening balance	-	67,744
Current year audit fee	1,132,108	1,254,985
Amount paid - current year	(1,132,108)	(1,254,985)
Amount paid - previous years	-	(67,744)
Balance due (included in debtors)	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
30.3 PAYE and UIF		
Opening balance	9,714	6,292
Current year payroll deductions	7,678,656	6,384,672
Amount paid - current year	(7,678,294)	(6,374,958)
Amount paid - previous years	(9,714)	(6,292)
Balance unpaid (included in debtors)	<u><u>362</u></u>	<u><u>9,714</u></u>

The balance represents PAYE and UIF paid to SARS on behalf of employees.

30.4 Pension and Medical Aid Deductions

Opening balance	(50,391)	(50,491)
Current year payroll deductions and Council Contributions	2,911,501	2,516,436
Amount paid - current year	(2,911,601)	(2,516,336)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	<u><u>(50,491)</u></u>	<u><u>(50,391)</u></u>

31 CAPITAL COMMITMENTS

No capital commitments existed during the year.

32 OPERATING COMMITMENTS

Operating leases - as lessee (expense): Photostat and facsimile machines

Minimum future lease payments due		
-within one year	-	170,362
-second to fifth year inclusive	-	-
Total	<u><u>-</u></u>	<u><u>170,362</u></u>

All operating lease contracts have expired within the current financial year and due payments are not material to disclose.

Photostat machines classified under operating leases during the prior year, have been restated and capitalised as finance leases. Comparatives have been restated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
33 POST EMPLOYMENT BENEFIT INFORMATION		
33.1 Post- Employment Medical Benefit		
Provision is made for post-employment medical benefits in the form of health care plans for eligible employees and pensioners. Refer note 4		
33.2 Retirement Fund Benefits		
Employees and Council contribute to the Cape Joint Retirement Funds on the basis of a fixed contribution which is charged against income as incurred.		
34 IN-KIND DONATIONS AND ASSISTANCE		
No in-kind donations and assistance were made during the year		
35 AGENCY FUNCTIONS		
The District Municipality provides Primary Health Care services on an agency basis on behalf of the Eastern Cape Health department. During the financial year the council has resolved to terminate the agreement. The process has been initiated, but it is considered to be a lengthy process. The hand over is considered to be at an undetermined future date.		
36 RISK MANAGEMENT		
36.1 Liquidity risk		
Liquidity risk is the risk that the Municipality will not have sufficient funds available to cover future commitments. The Municipality manages liquidity through an ongoing review of future commitments and credit facilities.		
Stringent cash management procedures are in place. These include cash flow forecasting.		
The following table details the entity's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the entity can be required to pay. The table includes both estimated interest and principal cash flows.		
Trade payables		
1-3 months	11,664,500	16,106,992
> 3 months	-	-
Other payables		
1-3 months	-	76,265
> 3 months	200,340,023	185,065,280
	<u>212,004,523</u>	<u>201,248,537</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009
R2008
R**36.2 Interest rate risk**

The current account and the call account expose the municipality to interest rate risk. Deposits attract interest at a rate that varies according to the prime banking rate.

The municipality manages this interest rate risk by ensuring that all surplus funds are invested in fixed rate instruments and by maintaining the minimum possible balance in the current account.

The interest rates on the fixed deposits are fixed, but varies from investment to investment.

Should the prime rate vary by 1% in either direction, the effect on the cash balance would be R4.1 mil in each way.

36.3 Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and debtors. The Municipality only deposits cash with banks which have an equity above R 10 billion with a good credit rating.

The most significant concentration of credit risk lies with the outstanding RSC levy and the Department of Housing (Housing Scheme) receivables. Refer note 11.

Management believes that the Allowance for impairment adequately addresses the credit risk involved.

37 ACTUAL OPERATING EXPENDITURE VERSUS BUDGETED OPERATING EXPENDITURE

Refer to Appendix E (1) for the comparison of actual operating expenditure against budgeted operating expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009
R2008
R

38 ACTUAL CAPITAL EXPENDITURE VERSUS BUDGETED CAPITAL EXPENDITURE

Refer to Appendix E (2) for the comparison of actual capital expenditure against budgeted capital expenditure.

39 EVENTS AFTER THE REPORTING DATE

None

40 COMPLIANCE WITH CHAPTER 11 OF THE MUNICIPAL FINANCE MANAGEMENT ACT

The Municipality has adopted a Supply Chain Management policy with effect from 1 January 2006 in accordance with the Act and applicable regulations. However, the Municipality has experienced difficulties in populating a comprehensive supplier database which is due to a poor response from potential suppliers. As a result the application of the regulations have not been fully implemented.

41 RELATED PARTIES

Kouga Development Agency

The Kouga Development Agency (KDA) was established as a multi- jurisdictional service utility in terms of the Local Government Systems Act, 2000 in 2004 as a joint venture between the Cacadu District Municipality and the Kouga Local Municipality .

KDA, funded by the parent municipalities and the Industrial Development Corporation, aims to leverage public and private resources for development around opportunities which offer investment, employment, economic and development potential in the Kouga area.

CDM has made a contribution of R550 000 during the current financial year (2008: R500 000) towards the operating costs of KDA.

No other transaction was entered into with KDA.

Post employment medical aid benefit plan

The municipality, as part of the conditions of service of employees, keep on contributing its portion of the contributing members to medical aid funds at the retirement of these employees for as long as this member is alive and contributing his or her portion.

The medical aid schemes involved are as follows:

- Bonitas
- Hosmed / Key Health
- L A Health
- Samwumed

Transactions with these schemes amounted to R2 911 501 (2008: R2 516 436)

Councillors and employees

Councillors and employees have declared that they do not have any interest or gain in or from any transaction entered into with CDM by any organisation or business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009
R2008
R

42 KEY SOURCES OF ESTIMATION UNCERTAINTIES

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

43 SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of CDM's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

In the process of applying the municipality's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements

Bridging funding for housing projects is judged to be virtually irrecoverable from the Department of Provincial Housing due to problems locating and obtaining "happy letters" from participants in these projects. The amount of R8 026 342 (2008: R8 608 281) was included in the provision for bad debts.

RSC levy debtors are judged to be 75 % irrecoverable due to legislative problems in recovering the outstanding amounts and the abolition of the Act. Therefore provision was made for R1 433 677, (2008: R1 499 315) on the allowance for doubtful debts.

It is judged that service receivables from Rietbron are virtually irrecoverable due to the unemployment and poverty of the community R161 519 (2008: R 1 117 309) was provided for and included in the allowance for doubtful debts.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009
R2008
R**Post Employment Medical Benefit**

The cost of post employment medical benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, medical aid inflation rate, future salary increases, mortality rates and future medical aid premiums, future subsidies payable to dependants, working life time of employees, gender and spouse assumptions and child dependence and withdrawals. Such estimates are subject to significant uncertainty relating actuarial assumptions. The net employee liability at 30 June 2009 is R49 830 455 (2008: R47 110 017). Further details are given in Note 4.

The effective interest rate for discounting was estimated at 0.5% below prime.

Useful lives

The estimates and associated assumptions are based on the historical experience and management's estimation of conditions. Limited changes were made to the useful lives of property, plant and equipment, as management mainly assessed that the estimated useful lives in the prior years, are still appropriate.

Residual values

Residual values of property, plant and equipment are based on the nature of the assets, quotes obtained from suppliers and management's estimation of condition. No changes were made to the useful lives of property, plant and equipment, as management assessed that the estimated residual values determined in the prior year, remained appropriate.

44 STANDARDS OF GRAP ISSUED BUT NOT YET EFFECTIVE

The following standards have been issued but are not yet effective:

- GRAP 18: Segment reporting
- GRAP 21: Impairment of non cash generating assets
- GRAP 23: Revenue from Non exchange transactions (Taxes and Transfers)
- GRAP 24: Presentation of budget information in the financial statements
- GRAP 26: Impairment of cash generating assets
- GRAP 103: Heritage assets

GRAP 18: Segment reporting

As CDM is mainly in a supporting function to the municipalities within its jurisdiction the application of this standard is not expected to have a major impact on the accounting procedures and disclosures.

GRAP 21: Impairment of non cash generating assets

A major portion of CDM's assets are non cash generating of nature and application of this standard will have an effect on the presentation of assets. But as there are no real major changes to applying IPSAS 21 the impact is not anticipated to be severe.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009
R2008
R**GRAP 23: Revenue from Non exchange transactions (Taxes and Transfers)**

A major portion of CDM's revenue consists of grants (transfers) and this standard has been practically adopted and applied as far as it relates to grants. No problems are anticipated when introducing this standard.

GRAP 24: Presentation of budget information in the financial statements

The effect on the financial statements of introducing this standard do not seem to be serious as most of the standard is already applied or the information readily available.

GRAP 26: Impairment of cash generating assets

The biggest problem here would seem to be the identification of such assets as the definition differs from IAS 36 and GRAP 26. The application does not differ greatly from IAS 36.

GRAP 103: Heritage assets

Currently no heritage assets were identified for CDM

APPENDIX A

CACADU DISTRICT MUNICIPALITY AND JOINT VENTURE: SCHEDULE OF FINANCE LEASES AS AT 30 JUNE 2009

EXTERNAL LOANS	LOAN NUMBER	REDEEMABLE DATE	BALANCE AT 30/06/2008	NEW LEASE CONTRACTS	PAYMENTS MADE DURING THE YEAR	FINANCE CHARGES FOR THE YEAR	REDEEMED WRITTEN OFF DURING THE PERIOD	BALANCE AT 30/06/2009	NET BOOK VALUE OF FINANCE LEASES	SHORT TERM PORTION	PRESENT VALUE OF FUTURE MIN PAYMENTS - WITHIN 2 - 5
LEASE LIABILITY			R	R	R	R	R	R	R	R	
Vehicle finance lease - DHN 456 EC	1	2009/04/03	32,569	-	44,859	12,290	-	-	-	-	-
Vehicle finance lease - DHM 454 EC	2	2009/04/03	32,569	-	44,859	12,290	-	-	-	-	-
Vehicle finance lease - DHF 730 EC	3	2009/02/27	29,463	-	41,830	12,367	-	-	-	-	-
Vehicle finance lease - DHD 277 EC	4	2009/02/24	30,290	-	55,643	25,353	-	-	-	-	-
Vehicle finance lease - DHD 723 EC	5	2009/02/23	22,641	-	32,091	9,450	-	-	-	-	-
Vehicle finance lease - DHM 433 EC	6	2009/04/03	32,569	-	44,880	12,311	-	-	-	-	-
Vehicle finance lease - DHD 245 EC	7	2009/02/23	30,290	-	38,686	8,396	-	-	-	-	-
Vehicle finance lease - DHN 631 EC	8	2009/02/20	34,159	-	47,940	13,781	-	-	-	-	-
Vehicle finance lease - DHD 254 EC	9	2009/02/24	29,360	-	38,368	9,008	-	-	-	-	-
Vehicle finance lease - DHD 725 EC	10	2009/02/24	26,678	-	43,357	16,680	-	-	-	-	-
Sub total - Vehicle finance leases			300,589	-	432,513	131,925	-	-	-	-	-
Photostat Machine - Gestetner	11	2009/09/30	68,919	-	64,486	10,116	-	14,549	22,469	14,549	-
Photostat Machine - Panasonic	12	2012/04/30	-	46,051	3,070	482	-	43,463	44,612	13,559	29,904
Photostat Machine - Panasonic	13	2011/09/30	26,670	-	12,490	5,206	-	19,386	3,757	18,793	593
Photostat Machine - Sharp	14	2012/02/28	22,418	-	9,655	4,426	-	17,189	2,857	5,490	11,699
			418,596	46,051	522,214	152,155	-	94,587	73,695	52,391	42,196

APPENDIX B

CACADU DISTRICT MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES AS AT 30 JUNE 2009

CLASSIFICATION	COST							ACCUMULATED DEPRECIATION				CARRYING VALUE	BUDGET ADDITIONS 2009	
	OPENING BALANCE	REVALUATION	ADDITIONS	IMPAIRMENT	DISPOSALS	CLOSING BALANCE	OPENING BALANCE	DEPRECIATION FOR THE YEAR	ELIMINATION OF ACC DEPR	DISPOSALS	CLOSING BALANCE			
INFRASTRUCTURE														
Electricity infrastructure	280,254	-	-	-	-	280,254	145,930	24,663	-	-	170,593	109,661	-	-
Land	162,893	-	-	-	-	162,893	80,469	15,746	-	-	96,215	66,678	-	-
Water	443,147	-	-	-	-	443,147	226,399	40,409	-	-	266,808	176,339	-	-
COMMUNITY														
Land	8,367,730	4,216,770	-	-	-	12,584,500	-	-	-	-	-	12,584,500	-	-
	8,367,730	4,216,770	-	-	-	12,584,500	-	-	-	-	-	12,584,500	-	-
OTHER														
Bins and containers	10,820	-	-	-	-	10,820	9,017	721	-	-	9,738	1,082	-	300,000
Buildings	24,780,204	(1,193,392)	-	(72,867)	-	23,586,812	1,042,881	25,020	(1,018,579)	-	49,322	23,537,490	-	423,000
Computer equipment	5,666,374	-	340,784	(72,867)	(1,806,914)	4,127,377	4,265,317	625,985	(1,722,874)	-	3,168,428	958,949	-	344,500
Furniture and fittings	1,424,745	-	152,962	(79,492)	(161,365)	1,336,850	366,109	131,895	(68,148)	-	429,856	906,994	-	-
Land	18,432,570	21,730,730	-	-	-	40,163,300	-	-	-	-	7,136,677	40,163,300	-	-
Motor vehicles	11,458,482	-	4,229,647	(112,802)	(2,113,482)	13,461,845	6,879,075	1,098,319	(840,717)	-	807,390	6,325,168	-	3,060,000
Office equipment	1,132,090	-	174,506	(16,368)	(106,884)	1,183,344	707,891	186,462	(86,963)	-	1,094,701	375,954	-	373,000
Specialised plant and equipment	1,835,097	-	177,947	(1,506)	(212,436)	1,799,102	1,054,205	217,861	(177,365)	-	266,912	704,401	-	2,100,000
Specialist vehicles	526,471	-	488,838	-	(4,000)	1,011,309	198,306	71,108	-	-	266,912	744,397	-	-
	65,266,853	20,537,338	5,564,684	(283,035)	(4,405,081)	86,680,759	14,522,801	2,357,371	(1,018,579)	(2,898,569)	12,963,024	73,717,735	-	6,600,500
LEASED ASSETS														
Specialised plant and equipment	296,707	-	46,051	-	-	342,758	211,404	57,658	-	-	269,062	73,696	-	-
	296,707	-	46,051	-	-	342,758	211,404	57,658	-	-	269,062	73,696	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	74,374,437	24,754,108	5,610,735	(283,035)	(4,405,081)	100,051,164	14,960,604	2,455,438	(1,018,579)	(2,898,569)	13,498,894	86,552,270	6,600,500	6,600,500
Add Back:														
Accumulated Depreciation *		1,018,579				1,018,579					1,018,579			
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	74,374,437	25,772,687	5,610,735	(283,035)	(4,405,081)	101,069,743	14,960,604	2,455,438	-	(2,898,569)	14,517,473	86,552,270	6,600,500	6,600,500
SUMMARISED:														
INVESTMENT PROPERTY	3,583,000	9,996,500				13,579,500						13,579,500		
PPE	70,791,437	15,776,187	5,610,735	(283,035)	(4,405,081)	87,490,243	14,960,604	2,455,438	-	(2,898,569)	14,517,473	72,972,770		
	74,374,437	25,772,687	5,610,735	(283,035)	(4,405,081)	101,069,743	14,960,604	2,455,438	-	(2,898,569)	14,517,473	86,552,270		

* Revaluation accounting entries were treated in accordance with GRAP 17, Para 45 (b), by eliminating the Accumulated Depreciation against the Gross Carrying Amount of the assets.

APPENDIX C
 CACADU DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
 30 JUNE 2009

FUNCTIONAL AREA CLASSIFICATION	COST				ACCUMULATED DEPRECIATION				CARRYING VALUE		
	OPENING BALANCE	REVALUATION	ADDITIONS	IMPAIRMENT	DISPOSALS	CLOSING BALANCE	DEPRECIATION FOR THE YEAR	ELIMINATION OF ACC DEPR		DISPOSALS	CLOSING BALANCE
Executive and Council	2,395,812	-	924,909	-	(503,723)	2,816,998	1,141,589	394,141	(277,216)	1,258,513	1,558,485
Finance and Administration	58,815,707	24,754,108	805,123	(283,035)	(1,967,859)	82,124,044	5,291,599	544,023	(1,923,399)	3,553,645	78,570,399
Planning and Development	2,354,506	-	148,918	-	(134,258)	2,369,166	1,142,047	344,636	(26,531)	1,460,152	909,014
Health	6,156,925	-	1,867,968	-	(524,954)	7,499,939	4,539,431	535,774	(241,918)	4,833,287	2,666,652
Housing	61,321	-	1,353	-	-	62,674	39,081	9,573	-	48,655	14,019
Public safety	3,867,324	-	1,862,463	-	(1,274,287)	4,455,500	1,761,862	562,652	(429,505)	1,895,009	2,560,491
Road Transport	266,003	-	-	-	-	266,003	156,553	19,845	-	176,398	89,606
Water	191,586	-	-	-	-	191,586	95,262	20,131	-	115,393	76,193
Electricity	265,254	-	-	-	-	265,254	133,179	24,663	-	157,842	107,412
Total	74,374,437	24,754,108	5,610,734	(283,035)	(4,405,081)	100,051,164	14,960,604	2,455,438	(2,898,569)	13,498,894	86,552,270
Accumulated Depreciation •	0	1,018,579.00	-	(283,035)	(4,405,081)	1,018,579	-	-	(2,898,569)	1,018,579	86,552,270
Total	74,374,437	25,772,687	5,610,734	(283,035)	(4,405,081)	101,069,743	14,960,604	2,455,438	-	14,517,473	13,579,500
Investment Property included in the totals :	3,583,000	9,996,500	-	-	-	-	-	-	-	-	13,579,500

• Revaluation accounting entries were treated in accordance with GRAP 17, Para 45 (b), by eliminating the Accumulated Depreciation against the Gross Carrying Amount of the assets.

APPENDIX E(1)
CACADU DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED
30 JUNE 2009

REVENUE	Actual 2009	Budget 2009	Variance R	Variance %	Explanation of Significant Variances Greater than 10% versus Budget
Regional Services Levy- Turnover	-	240,000	240,000	100	RSC Levies abolished
Regional Services Levy- Remuneration	-	120,000	120,000	100	RSC Levies abolished
Rental	863,853	820,000	(43,853)	-5	n/a
Investment Interest	42,737,659	21,826,052	(20,911,607)	-49	Reserves and interest rates higher than expected during the year
Other Interest	223,693	111,000	(112,693)	-50	Interest in outstanding levy debt higher than expected
Income for agency services	27,193	28,000	807	3	n/a
Government grants and subsidies	196,173,123	217,150,152	20,977,029	11	Slow project expenditure
Tariffs and Charges	227,562	250,600	23,038	10	n/a
Property Rates	30,869	30,000	(869)	-3	n/a
FV Gain on Revaluation of Investment Property	9,996,500	-	(9,996,500)	-100	Not budgeted for as not expected
Other income	4,651,569	27,164,465	22,512,896	484	Contribution from a surplus not utilised and budgeted contributions from creditor funds not utilised
Total Income	254,932,021	267,740,269	12,808,248	-5	
EXPENDITURE					
Employee related costs	27,388,171	34,916,800	7,528,629	27	Vacant positions not filled
Remuneration of Councilors	4,472,291	4,553,299	81,008	2	n/a
Contribution to bad debt provision	1,555,518	1,232,710	(322,808)	-21	Higher than expected amount provided for RSC levies, not written off.
Bad debts written off	1,423,769	1,600,000	176,231	12	Lower than expected debts written off
Collection costs	119,130	100,000	(19,130)	-16	Linked to collection rate of RSC Levies
Depreciation	2,455,438	2,104,300	(351,138)	-14	Recalculation of depreciation based on revised useful live of assets
Impairment loss	285,035	-	(283,035)	-100	Budgeted as part of the depreciation charge.
Repairs and maintenance	1,033,339	2,894,200	1,860,861	180	Repairs to office buildings lower than expected
Finance cost	152,155	916,500	764,345	502	Finance charges on leased vehicles budget under General Exp - leases
Bulk Purchases	12,621	25,000	12,379	98	Less than expected water purchased (drought).
Contracted services	3,115,212	4,021,000	905,788	29	Savings
Conditional Grant expenditure	127,037,879	149,813,252	22,775,373	18	Slow expenditure on projects
Other Grants and Subsidies paid	9,168,194	9,629,900	461,706	5	n/a
General expenses-other	43,028,766	55,933,308	12,904,542	30	Savings in general expenditure and slow expenditure on self funded projects
Discounting of post retirement benefit obligation	5,472,548	-	(5,472,548)	-100	Unplanned cost. Not included in budget
Loss on disposal of property, plant and equipment	923,769	-	(923,769)	-100	Unplanned cost. Not included in budget
Total Expenditure	227,641,835	267,740,269	40,098,434	18	
Portion of joint venture	(485,180)		485,180		
NET SURPLUS/(DEFICIT) FOR THE YEAR	26,805,006		(27,290,186)		

APPENDIX E(2)
CACADU DISTRICT MUNICIPALITY: CAPITAL EXPENDITURE ACTUAL VERSUS BUDGET FOR THE YEAR ENDED
30 JUNE 2009

	2009 Total Additions R	2009 Budget R	2009 Variance R	2009 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
OTHER ASSETS					
Buildings	-	300,000	300,000	100.00%	
Office Building	-	300,000	300,000	100.00%	Provision for cemeteries not utilised.
Computer equipment	340,784	423,000	82,216	24.13%	
Computer Hardware	340,784	423,000	82,216	24.13%	Computer equipment that was in good condition was not replaced during the year under review despite having been budgeted for.
Furniture and fittings	152,962	344,500	191,538	125.22%	
Office Machines	-	-	-	-	
Chairs	108,782	162,000	53,218	48.92%	Disaster Management received chairs donated by Provincial Government.
Tables/Desks	30,131	168,400	138,269	458.89%	Furniture and Fittings budgeted for by Disaster Management were donated by Provincial Government.
Miscellaneous	14,049	14,100	51	0.36%	A gate was installed for security purposes.
Motor vehicle	4,229,647	3,060,000	-1,169,647	-27.65%	
Motor Vehicles	4,229,647	3,060,000	-1,169,647	-27.65%	Three mobile clinics were obtained at a lower than estimated tender price. Primary health care vehicles purchased.
Office equipment	174,506	373,000	198,494	113.75%	
Office Machines	174,506	373,000	198,494	113.75%	Equipment for water testing and PA Systems was not required in the financial year.
Miscellaneous	-	-	-	-	
Specialised plant and equipment	223,998	2,100,000	1,876,002	837.51%	
Miscellaneous	223,998	2,100,000	1,876,002	837.51%	A generator for Standard Bank building was not purchased as well as a back-up generator for Disaster Management.
Specialised vehicles	488,838	900,000	411,162	84.11%	
Miscellaneous	488,838	900,000	411,162	84.11%	A water truck could not be delivered before the year end by the supplier.
Grand Total	5,610,735	7,500,500	1,889,765	33.68%	

CACADU DISTRICT MUNICIPALITY

APPENDIX F

CONDITIONAL GRANTS AND RECEIPTS AS AT 30 JUNE 2009

DESCRIPTION	UNSPENT BALANCE 30 June 2008	CONTRIBUTIONS/ ADJUSTMENTS	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30 June 2009	CONDITIONS COMPLIED WITH
CAPACITY BUILDING FOR COUNCIL	184,341	-	-	-	126,941	-	-	57,400	Yes
GOAT FARMING AT IKHWEZI LM	231,109	-	-	-	-	-	(2,000,000)	2,231,109	Yes
LIBRARIES - MUNICIPALITIES	5,116,290	-	-	-	3,259,057	-	-	1,857,234	Yes
MAYOR'S SPECIAL PROJECTS	42,864	-	-	-	15,574	-	27,290	-	Yes
DISASTER MANAGEMENT	6,965,348	-	5,455,000	-	3,315,208	-	-	9,105,140	Yes
FINANCE MANAGEMENT GRANT	623,981	-	750,000	-	611,983	24,045	-	737,953	Yes
IDP - CACADU	271,814	-	-	-	271,814	-	-	-	Yes
MUNICIPAL SYSTEM IMPROVEMENT GRANT	1,510,233	-	735,000	-	1,484,312	148,131	-	612,791	Yes
IDP SUPPORT GRANT FOR LM'S AND DM'S	3,723,088	-	1,197,000	-	3,676,479	-	-	1,243,609	Yes
RESTRUCTURING GRANT	4,132,380	-	-	-	2,076,228	-	-	2,056,152	Yes
STEYTLERVILLE SPORT FIELD	320,157	-	-	-	23,548	-	-	296,609	Yes
AMBULANCE SUBSIDY	304,158	-	-	-	304,158	-	-	-	Yes
IDP/LDO	511,088	-	-	-	511,087	-	-	-	Yes
HOUSING PROJECTS	842,928	-	-	-	350,120	-	785,158	842,928	Yes
HONEYBUSH TEA	163,073	-	1,135,278	-	-	-	-	163,073	Yes
PEOPLES HOUSING PROJECT	9,312,973	-	-	1,080,487	309,216	-	(203,219)	10,287,463	Yes
RURAL ACCESS ROADS	100,000	-	-	-	99,162	-	900,000	838	Yes
TOURISM PLANS - DEAT	1,217,810	-	-	-	313,669	-	11,135	4,142	Yes
THORNHAM - WATER SUPPLY	11,135	-	-	-	-	-	-	-	Yes
MUNICIPAL GRANT LED	878,626	-	-	-	152,614	-	-	726,011	Yes
YOUTH CENTRE - SOMERSET EAST	271,541	-	-	-	-	-	-	271,541	Yes
IKWEZI - HARDWOOD FARM	230,092	-	-	-	-	-	-	230,092	Yes
INDLAMBE DISABILITY SPECIAL PROJECTS	45,830	-	-	-	41,501	-	-	4,329	Yes
PASSENGER TRANSPORT PLANS AND FACILITIES	2,446,049	-	-	-	656,551	-	-	1,789,498	Yes
ELECTION ELECTIONS	117,430	-	6,000	-	-	-	123,430	-	Yes
PILOT HOUSING PROJECT - ADDO	796,254	-	-	-	-	-	-	796,254	Yes
PILOT HOUSING PROJECT THORNHILL	29,414	-	-	-	-	-	29,414	-	Yes
DISTRICT WIDE PROJECTS - EX TRC	307,476	-	-	-	-	-	307,476	-	Yes
LAND SURVEY PROJECTS	742,451	-	-	-	401,850	-	-	340,601	Yes
SPATIAL PLANNING PROJECTS	350,560	-	-	-	90,000	-	-	260,560	Yes
MULTIANNNUAL ACTION PLANS - MAAP	3,710,678	-	-	-	336,621	-	-	3,374,056	Yes
MIG	4,550,731	-	5,891,000	-	6,275,486	-	-	4,166,245	Yes
PUBLIC WORKS PROJECTS	1,072,885	-	-	-	51,134	-	-	1,021,751	Yes
DISABILITY EMPOWERMENT PROGRAM	6,352	-	-	-	-	-	6,352	-	Yes
BUILDING FOR SPORT AND RECREATION	252,369	-	-	-	26,524	-	-	225,845	Yes
VALUATION PROJECTS	109,549	-	-	-	109,549	-	-	-	Yes
BLUE CRANE ROUTE: MUNICIPAL FINANCE IT	4,552	-	-	-	4,552	-	-	-	Yes
BLUE CRANE ROUTE: MUNICIPAL FINANCE AFS	38,564	-	-	-	38,564	-	-	-	Yes
BLUE CRANE ROUTE: MUNICIPAL FINANCE MENTOR	43,938	-	-	-	43,938	-	-	-	Yes
LED STRATEGY SIMME	801,869	-	-	-	192,270	-	-	609,599	Yes

CACADU DISTRICT MUNICIPALITY

APPENDIX F

CONDITIONAL GRANTS AND RECEIPTS AS AT 30 JUNE 2009

DESCRIPTION	UNSPENT BALANCE 30 June 2008	CONTRIBUTIONS/ADJUSTMENTS	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30 June 2009	CONDITIONS COMPLIED WITH
FLOOD DAMAGE ROADS	117,167,052	-	-	9,130,130	70,903,986	-	(965,680,000)	56,358,877	Yes
SRV - HAWKERS FACILITIES	227,139	-	-	-	226,385	-	-	754	Yes
KOUKAMMA - WOODLAND FLOWER PROJECT	564,749	-	-	-	-	-	-	564,749	Yes
CMTP - LAND AVAILABILITY AUDIT	89,210	-	-	-	-	-	89,210	-	Yes
RAIN HARVESTING	286,204	-	-	-	-	-	-	286,204	Yes
FREE BASIC STRATEGY - LM'S	1,000	-	-	-	1,000	-	-	-	Yes
LED FUNDING	2,999,845	-	3,200,000	-	270,430	-	2,000,000	3,929,414	Yes
LED INSTITUTIONAL CAPACITY SUP	434,387	-	-	-	-	-	434,387	-	Yes
MUNICIPAL ADMINISTRATION: WATER	467,572	-	-	-	467,571	-	-	-	Yes
MUNICIPAL ADMINISTRATION: DEVELOPMENT	500,000	-	-	-	-	-	-	500,000	Yes
MUNICIPAL ADMINISTRATION: HEALTH	280,000	-	-	-	-	-	-	280,000	Yes
MUNICIPAL PERFORMANCE MANAGEMENT	803,616	-	700,000	-	267,413	-	-	1,236,204	Yes
DBSA: CACADU CEMETERY MANAGEMENT	223,902	-	-	-	-	-	-	223,902	Yes
DROUGHT RELIEF	501,588	-	-	-	158,916	-	-	342,672	Yes
DWAF (SECTION 78(3))	1,400,000	-	-	-	1,022,741	-	-	377,259	Yes
DBSA: LAND AUDIT	-	-	435,138	-	-	-	-	435,138	Yes
CAPACITY DEV (KOUGA LED STRATE	-	-	450,000	-	-	-	-	450,000	Yes
CDM-STRATEGY DEV (REDTAPE REDU	-	-	418,000	-	157,456	-	-	260,544	Yes
GIS SUPPORT TO CDM BY DWAF	-	-	324,000	-	239,630	-	-	84,370	Yes
MIG:KOUKAMMA	-	-	88,502,000	-	5,681,615	-	-	82,820,385	Yes
TOURISM PLANS - DLG&TA	-	-	-	-	897,962	-	(900,000)	2,038	Yes
TOURISM PLANS - DBSA	-	-	547,533	-	240,480	-	-	307,052	Yes
TOTAL	178,338,242	-	109,745,949	10,210,617	105,705,293	172,175	644,953	191,772,385	

Deduct: Direct Transfers included above but do not form part of expenditure

- Ambulance (304,158)
- Free Basic Services (1,000)
- Primary health 24,546,156
- Transferred to Health (1,442,075)

128,504,216 note 21

- Add: Capital Expenditure 172,175
- Add: Housing projects 535,369
- Add: Sundries 112,632
- Total to Revenue 129,324,393**

CACABU DISTRICT MUNICIPALITY

APPENDIX F1

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MEFMA, 56 OF 2003 AS AT 30 JUNE 2009

Name of Grant	Name of Origin of state	2008/2009 Quarterly Receipts			June	2008/2009 Quarterly Expenditure			2008/2009 Grants and Subsidies Delayed/withheld				Reason for delay/ withholding funds	Comply to DORA Y/N	Reason non Compliance	
		Sept	Dec	Mar		Sept	Dec	Mar	June	Sept	Dec	Mar				June
Free Basic Strategy	Provincial Government															
IDP - Cacabu	Provincial Government	1,200,000				23,626	88,406	243,907	64,014							
LED Funding	Provincial Government					29,629	449,146	15,214	-238,507							
Municipal Administration:Water	Provincial Government							-11,203	2,229,809							
Capacity Building for Councillors	Provincial Government							9,177	117,764							
Tourism Plans - DEAT	National Government						759,778	215,531	238,360							
Tourism Plans - DLG and TA	Provincial Government								897,902							
Tourism Plans - DDSA	Other			402,433	145,100				240,480							
Finance Management Grant	National Government	750,000				42,996	413,549	95,748	83,735							
DWAF Section 78(3)D	National Government						124,970	897,771								
Municipal System Improvement Grant	National Government	735,000				341,115	533,841	185,643	571,743							
Restructuring Grant	National Government					143,326	-192,495	206,171	16,919,226							
Election Expenses	Provincial Government				6,000											
Multi Annual Action Plan - MAAP	National Government		1,850,000	1,888,000		496,629	609,932	1,283,054	47,624							
MIG	National Government				88,502,000				3,885,871							
MIG - Xpu Kamma	National Government					26,524			5,681,615							
Building for Sport and Recreation	National Government					10,085,108	22,281,339	20,816,188	8,698,835							
Flood Damaged Roads	National Government								99,162							
Rural Access Roads	Provincial Government								3,000							
Mayor's Special Projects	Provincial Government	2,000,000						12,574	158,916							
Goat Farming at Ikwezi	Provincial Government								948,339							
Drought Relief	Provincial Government								2,381,390							
Libraries - Municipalities	Provincial Government								139,709							
Disaster Management	Provincial Government								208,557							
Municipal Performance Management	Provincial Government	700,000				990,325	1,074,748	335,645	948,339							
IDP Support Grant for LMs and DIMs	Provincial Government	1,197,000			5,455,000	38,526	195,125	700,167	2,381,390							
Steylerville Sport Field	National Government								127,704							
Ambulance Subsidy	Provincial Government								325,886							
IDP/LDO	Provincial Government								23,548							
Inter-Governmental Relations	National Government	870	18,850	1,112,868	2,750	119,892	124,506	138,587	-78,827							
Housing Projects	Provincial Government								50,765							
Honeybush Tea	Provincial Government								35,166							
People Housing Projects	Provincial Government								56,020							
Municipal Grant LED	Provincial Government								171,414							
Passenger Transport Plans and Facilities	Provincial Government								-70,537							
Land Survey Projects	Provincial Government								141,469							
Spatial Planning Projects	Provincial Government								147,000							
Valuation Projects	Provincial Government								60,000							
LED Strategy SHME	Provincial Government								29,061							
Reddome Disability Special Projects	Provincial Government								69,654							
Public Works Projects	Provincial Government								1,500							
Blue Crane Route Municipality - Finance IT	Provincial Government								4,552							
Blue Crane Route Municipality - Finance Mentor	Provincial Government								43,938							
Blue Crane Route Municipality - Finance AFS	Provincial Government								38,564							
SNV - Hawkers Facilities	Provincial Government								63,450							
Capacity Development (Koupa LED Strategy)	Provincial Government		450,000			134,395	21,970		6,620							
CDM-Strategy Development (Red Tape Rebut)	Provincial Government		418,000						157,456							
DBSA Land Audit	Other	435,138														
GIS Support to CDM by DWAF	National Government								82,393							
Totals		7,018,008	2,736,850	3,643,241	96,347,850	15,032,122	28,827,739	26,337,913	45,090,679	115,288,453						

109,745,949

Direct transfers not effecting Expenditure:

- LED Funding Transfers
- Restr Grant Transfer to Surplus
- Inter-Gov Ref Transfer to Surplus
- Housing Transfer to Debtors
- Transferred to Tourism Plans DLG&TA
- Strategy Free Basic Services -Surplus

Actual Expenditure

96,518,627

APPENDIX G
SUMMARY OF INVESTMENTS HELD DURING THE 2008/09 FINANCIAL YEAR

FINANCIAL INSTITUTION	ACCOUNT NUMBER	AMOUNT	PERIOD MONTHS	% INT RATE	DATE INVESTED	DATE MATURING	INVEST/MATURE 2008/2009	BALANCE 30 JUNE 2009
STANDARD BANK	088430537114	15,000,000	8	10.95%	19-Nov-07	19-Jul-08	15,000,000	
FIRST RAND BANK	71176810285	8,000,000	4	11.21%	20-Mar-08	21-Jul-08	8,000,000	
FIRST RAND BANK	71173914121	10,000,000	5	11.12%	28-Feb-08	28-Jul-08	10,000,000	
STANDARD BANK	088430537109	8,000,000	12	10.35%	23-Aug-07	21-Aug-08	8,000,000	
NEDCOR BANK	7881501480000079	16,000,000	6	11.25%	26-Feb-08	26-Aug-08	16,000,000	
STANDARD BANK	088430537115	6,000,000	9	11.15%	04-Dec-07	04-Sep-08	6,000,000	
ABSA GROUP	2067420673	18,000,000	10	10.85%	19-Nov-07	19-Sep-08	18,000,000	
ABSA GROUP	2067724487	17,000,000	7	11.15%	26-Feb-08	26-Sep-08	17,000,000	
FIRST RAND BANK	71164484571	6,000,000	10	11.13%	04-Dec-07	04-Oct-08	6,000,000	
FIRST RAND BANK	71178318310	3,000,000	6	11.20%	04-Apr-08	04-Oct-08	3,000,000	
FIRST RAND BANK	71185358325	4,000,000	4	12.60%	06-Jun-08	06-Oct-08	4,000,000	
STANDARD BANK	088430537121	4,000,000	5	12.45%	06-Jun-08	06-Nov-08	4,000,000	
NEDCOR BANK	7881501480000083	27,000,000	5	12.58%	06-Jun-08	13-Nov-08	27,000,000	
NEDCOR BANK	7881501480000077	16,000,000	12	11.00%	19-Nov-07	17-Nov-08	16,000,000	
ABSA GROUP	2068061111	30,000,000	6	12.70%	06-Jun-08	08-Dec-08	30,000,000	
FIRST RAND BANK	71183446320	24,000,000	7	12.07%	21-May-08	22-Dec-08	24,000,000	
STANDARD BANK	088430537118	22,000,000	10	11.50%	19-Mar-08	19-Jan-09	22,000,000	
ABSA GROUP	2067799179	18,000,000	11	11.50%	25-Mar-08	19-Feb-09	18,000,000	
STANDARD BANK	088430537117	15,000,000	12	11.30%	26-Feb-08	24-Feb-09	15,000,000	
ABSA GROUP	2067841209	16,000,000	11	11.50%	03-Apr-08	03-Mar-09	16,000,000	
STANDARD BANK	088430537119	14,000,000	11	11.51%	03-Apr-08	03-Mar-09	14,000,000	
NEDCOR BANK	7881501480000080	10,000,000	12	11.56%	19-Mar-08	18-Mar-09	10,000,000	
NEDCOR BANK	7881501480000081	12,000,000	12	11.60%	03-Apr-08	02-Apr-09	12,000,000	
FIRST RAND BANK	71192212978	12,000,000	8	12.26%	04-Aug-08	03-Apr-09	12,000,000	
ABSA GROUP	2068588193	12,000,000	6	12.08%	23-Oct-08	23-Apr-09	12,000,000	
ABSA GROUP	2068006618	10,000,000	12	12.50%	21-May-08	20-May-09	10,000,000	
NEDCOR BANK	7881501480000082	11,000,000	12	12.55%	21-May-08	20-May-09	11,000,000	
STANDARD BANK	088430537120	18,000,000	12	12.55%	21-May-08	20-May-09	18,000,000	
FIRST RAND BANK	71187264132	17,000,000	11	12.83%	25-Jun-08	25-May-09	17,000,000	
FIRST RAND BANK	71198073663	3,000,000	8	11.88%	25-Sep-08	25-May-09	3,000,000	
ABSA GROUP	2068489113	6,000,000	8	11.85%	23-Sep-08	29-May-09	6,000,000	
NEDCOR BANK	7881501480000089	19,000,000	2	8.90%	03-Apr-09	03-Jun-09	19,000,000	
ABSA GROUP	2068958582	8,000,000	6	10.54%	23-Dec-08	23-Jun-09	8,000,000	
NEDCOR BANK	7881501480000085	14,000,000	9	11.90%	23-Sep-08	23-Jun-09	14,000,000	
NEDCOR BANK	7881501480000084	3,000,000	11	12.15%	04-Aug-08	30-Jun-09	3,000,000	
FIRST RAND BANK	71220880423	9,000,000	3	8.69%	02-Apr-09	02-Jul-09		9,000,000

APPENDIX G
SUMMARY OF INVESTMENTS HELD DURING THE 2008/09 FINANCIAL YEAR

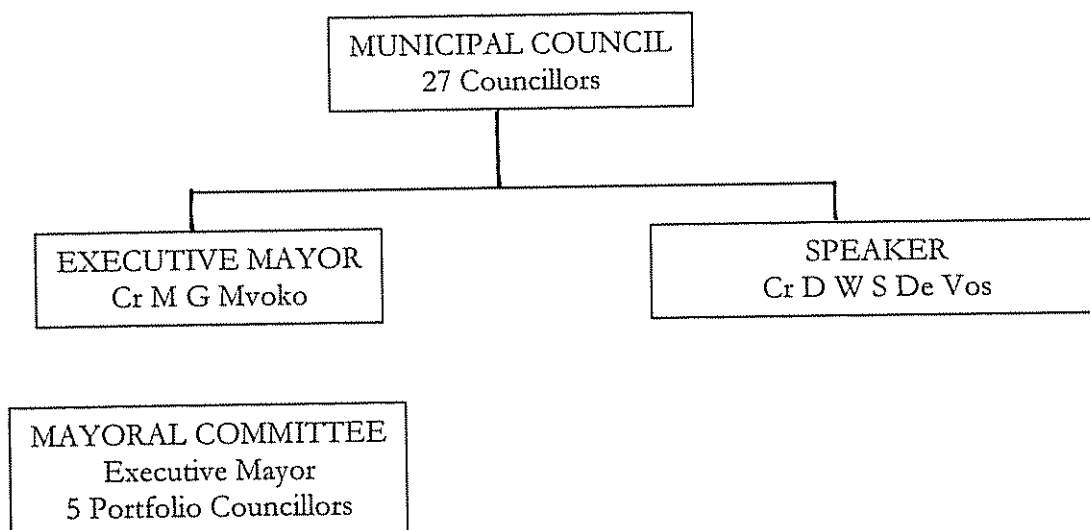
FINANCIAL INSTITUTION	ACCOUNT NUMBER	AMOUNT	PERIOD MNTHS	% INT RATE	DATE INVESTED	DATE MATURING	INVEST/MATURE 2008/2009	BALANCE 30 JUNE 2009
INVESTEC	DA867206	10,000,000	3	8.79%	02-Apr-09	02-Jul-09		10,000,000
STANDARD BANK	088430537123	17,000,000	10	11.84%	23-Sep-08	23-Jul-09		17,000,000
FIRST RAND BANK	71173914121	5,000,000	6	10.32%	27-Jan-09	27-Jul-09		5,000,000
STANDARD BANK	088430537125	5,000,000	6	10.25%	27-Jan-09	27-Jul-09		5,000,000
STANDARD BANK	088430537124	15,000,000	12	12.20%	05-Aug-08	03-Aug-09		15,000,000
ABSA GROUP	2068958451	10,000,000	8	10.05%	23-Dec-08	24-Aug-09		10,000,000
ABSA GROUP	2068909444	13,000,000	7	8.95%	11-Feb-09	11-Sep-09		13,000,000
FIRST RAND BANK	71214140271	12,000,000	7	8.90%	11-Feb-09	11-Sep-09		12,000,000
STANDARD BANK	088430537126	15,000,000	7	8.85%	11-Feb-09	11-Sep-09		15,000,000
FIRST RAND BANK	71201472603	13,000,000	11	12.21%	23-Oct-08	23-Sep-09		13,000,000
FIRST RAND BANK	71208232373	6,000,000	9	10.22%	23-Dec-08	23-Sep-09		6,000,000
INVESTEC	DA867207	10,000,000	6	8.30%	02-Apr-09	02-Oct-09		10,000,000
STANDARD BANK	088430537127	14,000,000	7	8.55%	04-Mar-09	04-Oct-09		14,000,000
INVESTEC	DA865649	4,000,000	7	8.66%	04-Mar-09	05-Oct-09		4,000,000
FIRST RAND BANK	71226405019	18,000,000	5	7.55%	25-May-09	26-Oct-09		18,000,000
ABSA GROUP	2069044619	13,000,000	7	8.00%	02-Apr-09	02-Nov-09		13,000,000
FIRST RAND BANK	71178318310	14,000,000	12	10.38%	25-Nov-08	24-Nov-09		14,000,000
NEDCOR BANK	7881501480000086	39,000,000	12	10.39%	25-Nov-08	24-Nov-09		39,000,000
FIRST RAND BANK	71230113666	5,000,000	5	7.60%	29-Jun-09	30-Nov-09		5,000,000
NEDCOR BANK	7881501480000092	32,000,000	5	7.60%	29-Jun-09	30-Nov-09		32,000,000
NEDCOR BANK	7881501480000090	10,000,000	8	8.05%	03-Apr-09	02-Dec-09		10,000,000
INVESTEC	DA865209	14,000,000	8	8.06%	03-Apr-09	03-Dec-09		14,000,000
ABSA GROUP	2068965618	19,000,000	10	8.25%	04-Mar-09	04-Jan-10		19,000,000
ABSA GROUP	2069044588	10,000,000	10	7.85%	02-Apr-09	02-Feb-10		10,000,000
ABSA GROUP	2069176036	8,000,000	10	7.55%	25-May-09	25-Mar-10		8,000,000
STANDARD BANK	088430537129	18,000,000	10	7.50%	25-May-09	25-Mar-10		18,000,000
STANDARD BANK	088430537128	25,000,000	12	8.00%	02-Apr-09	01-Apr-10		25,000,000
ABSA GROUP	2069276834	17,000,000	11	8.00%	29-Jun-09	28-May-10		17,000,000
STANDARD BANK	088430537130	6,000,000	12	8.00%	29-Jun-09	28-Jun-10		6,000,000
								406,000,000

CHAPTER 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION – (KPA 5)

OVERVIEW OF THE EXECUTIVE AND COUNCIL FUNCTIONS AND ACHIEVEMENTS

The function of Executive and Council within the Municipality is administered by the Office of the Executive Mayor and Municipal Manager.

All decisions are taken by the Council, the Executive Mayor in consultation with the Mayoral Committee, or senior officials in terms of authority delegated by legislation and/or the delegations of authority adopted by the Council on 1 December 2004, and revised on 28 November 2007.



PORTFOLIO COUNCILLORS AND MEMBERS OF MAYORAL COMMITTEE

Economic Development	Cr P Kate
Infrastructure	Cr P Faxi
Corporate Services	Cr H Plaatjies
Finance	Cr N Pieters
Health Services	Cr K Kekana
Office of the Executive Mayor and Municipal Manager	Executive Mayor Cr M G Mvoko

MEMBERS OF THE COUNCIL AS AT 30 JUNE 2009

Mr D J Bezuidenhout
 Mr J Cawood
 Mr D S W de Vos
 Ms N V Faltein
 Mr P P Faxi
 Ms G Hawu
 Mr H M Hendricks

Mr V S Jonas
 Mr C Jones-Phillipson
 Mrs K E Kekana
 Mr Z A Lose
 Mr V Lwana
 Mr Z Mantla
 Ms M Mateti
 Mr K M Mbolekwa
 Mr M G Mvoko
 Mr J M Nel
 Mr A L Nortje
 Ms N N Pieters
 Ms H L Plaatjies
 Mr I Reid
 Mr M S Swepu
 Mr K M Tshume
 Ms N Vanda
 Mr M G Whisson
 Mr O M Williams
 Mr M Wogane

Five meetings of Council were held during the year under review.

The following committees have been established to deal with specific issues and make recommendations thereon to the Mayoral Committee, or the Council via the Mayoral Committee. The number of meetings of these committees held during the year under review are indicated below:

COMMITTEE/FORUM	NUMBER OF MEETINGS 2008/09
Mayoral Committee	12 + 2 special
Audit/Performance Audit Committee	4
Bid Committees	14
Cacadu District Mayors' Forum (IGF)	5
Municipal Managers Forum	4
Cacadu District Health Council	3
Local Labour Forum	9
District Aids Council	4
DMA Committee	4
District Wide Infrastructure Forum	4
Chief Financial Officers Forum	1
Heritage Advisory Committee	Nil
Budget Committee	1
Oversight Committee	1
Disaster Management Advisory Forum	4
District Communicators Forum	Nil
Health Standing Committee (Pilot)	2
Infrastructure Standing Committee (Pilot)	2

Strategic objectives

- Improve municipal governance
- Create closer linkages with constituency
- Promote effective and transparent communication

Key issues for 2008/2009

- A Batho Pele forum was established for the CDM in July 2008 and LMs were encouraged to also establish such forums
- Outreach to remaining communities in the DMA undertaken by Mayoral Committee members in August 2008 to interact with residents.
- Councillors continued with CMPD course in municipal finance
- Relevant functionaries appointed to meet with the counterparts in Nelson Mandela Bay Metro to implement agreed upon areas of mutual support and co-operation in terms of partnership agreement
- A Facilitation Task Team was established to deal with matters concerning the incorporation of DMA areas into nearest municipalities
- Decision taken to pilot two standing Committees – Health Committee and Infrastructure Committee - to be reviewed after six months
- Cape Winelands District Municipality officials visited the CDM for further discussions on implementation of partnership agreement
- Financial support to Kou-Kamma Municipality to assist them deal with problems experienced by them in terms of governance and service delivery
- Adopted CDM Performance Management System guiding policy
- Initiated a programme in terms of which a public viewing of the State of the Nation Address was arranged for communities in Rietbron in the DMA. This programme will continue and the public viewing arrangements will alternate between the nine local municipalities each year.

PUBLIC PARTICIPATION AND CONSULTATION

The Cacadu District Municipality has direct interaction with communities in the District Management Area. For the purpose of formalizing such interaction, a District Management Area (DMA) Committee was established in 2004 and has held regular meetings since then. The Committee is comprised of representatives from each of the settlements in the DMA as well as the District Councillor for the DMA and meetings are chaired by the Speaker of Council. The system works well and provides regular opportunities to hear from and respond to the needs of the communities raised by their community representatives.

In addition to the above, a number of imbizos took place during the year under review in the DMA which were open to all community members. These included:

- An address by the Executive Mayor, Speaker of council and the DMA councillor to the Rietbron community in regard to the decision taken by Council to write off amounts owing by the community for services, rates, interest, housing and sundry other debts. The community was advised of the requirement to complete a service agreement as required by the relevant by-law and policy of Council. Indigents who qualify for Free Basic Services were urged to register for these services.
- An outreach to communities of Rietbron, Vondeling and Miller on 25 February 2009

- An outreach to communities of Wolwefontein, Kleinpoort and Glenconnor on 27 February 2009.

Problems raised by communities included:

- Allocation of RDP houses in Rietbron to wrong beneficiaries and slow pace of transfers and issue of title deeds
- Provision of a clinic facility at Wolwefontein
- Payment of rentals to Transnet i.r.o. station houses
- Lack of maintenance by Transnet of infrastructure
- Slow pace of transfer of Transnet houses
- Slow pace of establishing formal cemeteries

All problems raised were referred to the DMA Committee for further attention and recommendation to the relevant structures of Council.

The Municipality also supported the SONA initiative by erecting a big screen at Rietbron in order for the communities to witness the State of the Nation Address.

Good Governance (Customer Satisfaction) Survey

The Good Governance Survey was conducted in 2007/8 financial year. The survey focused on the following:

- ❖ Local Government Decision Making
- ❖ Public Participation and Consultation
- ❖ Transparency
- ❖ Disclosure
- ❖ Corruption
- ❖ Service Delivery
- ❖ Systems and Structures

Outcomes of the survey

Upon completion of the survey the following outcomes were identified:

- ❖ Council meetings are held to make decisions.
- ❖ With regards to public participation and consultation 8 of the 9 local municipalities with the exception of Bavians were encouraged to improve participation and the manner of publicizing the dates of council meetings in order to improve the community's attendance of council meetings.
- ❖ With regards to transparency all 9 local municipalities scored very low, their communities felt that municipalities are not keeping them informed on matters or make the information available in a format that is too technical for them to understand.
- ❖ They had no knowledge of whether there was a system for their councillors and officials to disclose their private business interests.
- ❖ The communities felt that corruption in the form of nepotism was rife
- ❖ Community members rated services, see table below:

<u>MUNICIPALITY</u>	<u>HIGH RATED SERVICES</u>	<u>LOW RATED SERVICES</u>
Baviaans	<ul style="list-style-type: none"> ❖ Water ❖ Electricity ❖ Water quality 	<ul style="list-style-type: none"> ❖ Recreational facilities ❖ Roads ❖ Traffic management
Blue Crane Route	<ul style="list-style-type: none"> ❖ Water ❖ Electricity ❖ Water quality 	<ul style="list-style-type: none"> ❖ Electricity ❖ Roads ❖ Overall cleanliness of the town
Camdeboo	<ul style="list-style-type: none"> ❖ Water ❖ Electricity ❖ Cleanliness of the town 	<ul style="list-style-type: none"> ❖ Recreational facilities ❖ Roads
Ikwezi	<ul style="list-style-type: none"> ❖ Electricity ❖ Primary Healthcare Services 	<ul style="list-style-type: none"> ❖ Overall Cleanliness of towns ❖ Traffic management ❖ Roads ❖ Recreational facilities ❖ Provision of fire services
Kouga	<ul style="list-style-type: none"> ❖ Electricity ❖ Overall cleanliness of the town (Jeff) ❖ Traffic management ❖ Disaster management (including fire) 	<ul style="list-style-type: none"> ❖ Recreational facilities ❖ Roads ❖ Provision of water ❖ Provision of Primary Health Care
Koukamma	<ul style="list-style-type: none"> ❖ 	<ul style="list-style-type: none"> ❖ Provision of Water ❖ Quality of water ❖ Sanitation ❖ Refuse removal ❖ Roads ❖ Overall cleanliness of the town ❖ Recreational facilities
Makana	<ul style="list-style-type: none"> ❖ Provisions of fire services ❖ Traffic management ❖ Provision of water ❖ Quality of water ❖ Sanitation ❖ Provision of Primary Health Services 	<ul style="list-style-type: none"> ❖ Housing ❖ Roads ❖ Policing ❖ Overall cleanliness of the towns
Ndlambe	<ul style="list-style-type: none"> ❖ Electricity ❖ Policing ❖ Refuse removal 	<ul style="list-style-type: none"> ❖ Recreational facilities ❖ Quality of water ❖ Roads ❖ Housing
Sundays River Valley	<ul style="list-style-type: none"> ❖ Water 	<ul style="list-style-type: none"> ❖ Roads ❖ Recreational facilities

WARD COMMITTEES ESTABLISHMENT AND FUNCTIONALITY

The District Municipality does not have wards. However, as part of its capacity building mandate, it assists local municipalities with the establishment and functionality of the wards in their respective areas.

Out of the nine local municipalities, only seven have ward committees – Baviaans and Ikwezi do not have wards but make use of alternative public participation structures. The number of wards per local municipality is as follows:

LOCAL MUNICIPALITY	NUMBER OF WARDS
Blue Crane Route	5
Camdeboo	6
Kouga	10
Koukamma	5
Makana	12
Ndlambe	9
Sundays River Valley	7

The functionality of the ward committees and any other public participation structure that exists in the district is measured against 4 KPAs/milestones/activities, namely:

- ✓ Were they elected in a fair and transparent process
- ✓ Have they been inducted
- ✓ Were they trained on roles and responsibilities
- ✓ Are they participating in matters of the LM

Details of the functionality of the local municipalities ward committees will be included in the annual reports of the respective local municipalities.

COMMUNITY DEVELOPMENT WORKERS PERFORMANCE AND MONITORING

There are 54 Community Development Workers operating in the Cacadu District. The distribution is as follows:

<u>LOCAL MUNICIPALITY</u>	<u>NO OF WARDS</u>	<u>NO OF CDW'S</u>	<u>COMMENTS</u>
Blue Crane Route	5	5	All areas are serviced
Camdeboo	6	6	All areas are serviced
Kouga	10	9	Ward 3 (Jeffreys bay) does not have a CDW, therefore 1 CDW required
Koukamma	5	3	Ward 2&3 (Joubertina and Karreedouw do not have CDW's, therefore 2 CDW required
Makana	12	11	Ward 1, 2&6 (Seven Fountains, Extension 6&7 and Extension 4,5 and 6). Therefore 3 CDWs required
Ndlambe	9	8	Ward 12 (Alex – Wintzel park) does not have a CDW, therefore 1 CDW is required
Sundays River Valley	7	5	Ward 3 & 5 (Addo and Valencia) do not have CDW's, therefore 2 CDWs still required

Ikwezi and Baviaans Local Municipalities do not have wards so the distribution of community development workers was not done per ward but per settlement. Each has the following settlements:

<u>MUNICIPALITY</u>	<u>SETTLEMENTS</u>	<u>NO OF CDW'S</u>	<u>COMMENT</u>
Baviaans	<ul style="list-style-type: none"> • Steytlerville • Willowmore • Baviaans Kloof 	1 1 1	All areas are serviced
Ikwezi	<ul style="list-style-type: none"> • Kliplaat • Waterford • Jansenville • Surrounding farms 	1 1 1 0	4 CDW are required in order to service the surrounding farms.
District Management Area	<ul style="list-style-type: none"> • Glenconner • Wolwefontein • Kleinport • Miller • Vondeling • Rietbron 	1	5 CDWs are required in order to service the entire DMA

As CDWs report to Province, their reports are not available to the District or Local Municipalities.

INTERGOVERNMENTAL RELATIONS

Cacadu District Municipality adopted its IGR policy in 2005 and has implemented it on an ongoing basis since then. The meetings of the IGR Forums are reported on under "Overview of the Executive and Council functions" above.

The Municipality has partnership agreements with two municipalities in South Africa, namely the Nelson Mandela Bay Metropolitan Municipality and the Cape Winelands District Municipality. In 2008/2009 it commenced exploration of a possible partnership agreement with Jincheng City in China, but this has not yet been finalized.

LEGAL MATTERS

1. Setting up of Legal Units

Cacadu District Municipality has employed a legal officer who is responsible for litigation, ensure compliance with all relevant Acts and Regulations, provide legal opinions in legal actions levelled against the Municipality, give advise on labour matters, assist in investigations relating to disciplinary hearings, prepare legal documents such as lease agreements, contract etc, provide legal support to local municipalities and attend to all legal matters of the municipality. There are however complex legal issues that are dealt with by external legal service providers. The names of the firms which were used during the period under review are, Rushmere & Noach Attorneys, Boqwana Loon & Connellan Inc, Goldberg & De Villiers Inc.

2. Management of litigation

- a. Favourable cases - Nil
- b. Unfavourable cases - Nil

There are cases pending that have not been finalized, which have been set down for hearing in court sometime in 2010 as detailed hereunder:

Case name	Nature of the case	Date of commencement	Reasons for extensive duration
CDM v Raj Maharaj & Associates	Claim for damages as a result of poor workmanship	November 2004	Negotiations to settle the matter amicably
Baird v CDM	Claim for damages for the repudiation of disability claim.		
DI Valentine v CDM	Claim for transfer of property to Plaintiff's name	8 June 2009	N/A
Transnet v CDM	Claim of damages as a result of a collision	15 October 2009	N/A

3. Default judgements - Nil

4. **Prevention mechanisms of current litigations**

The CDM Risk Management Strategy incorporates the assessment of legal risk and the strategies that can be put in place as prevention mechanisms such risk as identified.

5. **Criminal matters emanating from corruption and fraud - Nil**

6. **Management of Legal Risks**

There is no specific policy dealing with management of legal risk, this is dealt with in the Municipality's Risk Management Strategy.

PART 3

FUNCTIONAL AREAS REPORTING AND ANNEXURES

NOTE:

Functional Areas Service Delivery reports are included only for those areas which have not already been comprehensively covered in Part 2 of this report.

FUNCTION : FINANCE AND CORPORATE SERVICES
SUB-FUNCTION: FINANCE (Budget and Treasury Office)

Overview

This includes all activities relating to the finance function of the municipality, including revenue collection.

Description of Activity

The function of finance within the municipality is administered by the Budget and Treasury Office of the Department: Finance and Corporate Services, and includes:

- provision of relevant, accurate and reliable financial information to all users including councillors, managers and stakeholders to facilitate informed decision making
- provision, maintenance and implementation of sound financial policy, controls and systems
- ongoing introduction of budgetary and accounting reforms
- production of annual budget and annual financial statements
- internal audit and risk management
- the maintenance of an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds. All monies owed to suppliers and service providers are paid within 30 days of receiving the relevant invoice or statement unless there are special arrangements
- provision of financial advice to the Mayoral Committee, Council and Departments
- administration of the investment and insurance portfolios of the municipality
- management of conditional grants
- asset and liability management
- revenue collection and cash flow management
- capacity building by way of training interns, councillors and officials.

Strategic Objectives

- ensure long-term financial sustainability
- ensure full compliance with all accounting statutory and legal requirements including implementation of the MFMA
- implement revenue generating strategies and lobby for additional equitable share of National Revenue

- recover outstanding monies owed by the Provincial Government in respect of health subsidies and long term liabilities
- provide support to nine local municipalities

Key Issues for 2008/2009

- Produced Operating and Capital budget in the prescribed format and within the specified guidelines;
- Produced GAMAP / GRAP and other relevant accounting standards compliant Financial Statements;
- Compliance with Supply Chain Management regulations, policy and systems;
- Improvement of financial system with regards to
 - infrastructure projects;
 - new budget formats;
 - Rates
 - Supply Chain Management
- Compliance to MFMA reporting requirements; and

Analysis of Function

An analysis of the function is contained in the Annual Financial Statements which appear on pages 39 to 111.

FUNCTION : FINANCE AND CORPORATE SERVICES SUB-FUNCTION: HUMAN RESOURCES

Overview

Includes all activities relating to the Human Resource Management function including recruitment, selection, induction, people management, and payroll administration.

Description of Activity

Human Resource Management is a specialized function which provides support services for other managers in the institution to enable them to make optimal use of their personnel, and includes the following:

1. Developing HR Policies and Procedures
2. Recruitment and Selection –

The recruitment, including overseeing the preparation of job descriptions, advertising, interviewing and appointment of personnel

3. Induction of new officials
4. Skills Development Facilitation
5. Employer/Employee Relations
6. Employment Equity

Strategic Objectives

- Maintenance and review of personnel policies
- Effective functioning of the Local Labour Forum and maintenance of labour peace
- Employment equity and skills development.
- Human resource planning
- Organizational development
- Provide support to Local Municipalities

Key Issues for 2008/2009

- Adoption and implementation of Workplace Skills Plan for 2008/2009
- Monitor implementation of Employment Equity Plan
- Training programmes conducted for employees and councillors of district and local municipalities in the following skills –
 - Coaches & Mentors – LGSETA
 - Legal and Industrial Relations
 - Development of EE and WSP – LGSETA
 - Contract Management – National Treasury

- Records Management – DSRAC, EC
- Computer Training – Addskills & Eagle Computers
- Complex Procurement & Vendor Management – Lisho Events Management Forum
- Certificate Programme in Municipal Development (CPMD)
- Municipal Management Skills (SALGA)
- Review of Institutional arrangements

Analysis of Function

Number and cost of all municipal staff employed:	Number	Total Cost 2008/2009
		<u>R</u>
- Top Management (Councillors, Section 57)	32	6 853 985.25
- Senior management	2	986 845.44
- Professionals	15	5 621 729.43
- Skills Technical and Academically qualified	60	9 459 368.39
- Semi-Skilled	83	12 238 940.16
- Unskilled	81	4 862 503.91
	<hr/> 273	<hr/> 40 023 372.58

FUNCTION : FINANCE AND CORPORATE SERVICES
SUB-FUNCTION: INFORMATION TECHNOLOGY

Overview

Includes all activities relating to the provision, maintenance and protection of all relevant Information Technology systems including a web site and maintaining and protecting the integrity of the corporate data required by officials of CDM.

Description of Activity

The function is administered as follows:

The CDM's information systems and hardware is owned by the municipality and the support is provided by external service providers.

The Municipality's website is maintained by an external service provider under the guidance of a committee of senior officials appointed to monitor content and accuracy of input and ensure that the website is constantly updated.

While most ICT staff fall under the Finance and Corporate Services Department, some specialist information systems, such as GIS, are maintained by personnel in other departments.

The IT function includes:

- APPx Financial System application development as required
- User training and Telephonic Support
- All necessary data file updates
- All necessary APPx software upgrades
- All system and user documentation as required
- Backup function: System and data backups on a daily, monthly and annual basis
- Data Capture: All data as required for transaction processing and month end functions
- Reporting duties: Printing of all required accounts and necessary reports
- Batch runs: Process and run the daily, weekly and monthly batches
- Internet and E-mail administration and support
- PC and Network administration support

Strategic Objectives

Ensure that the CDM can maintain accurate and reliable accounting records through systems development and accurate processing.

Key Issues for 2008/2009

- Assisting in setting up Connect with Cacadu
- Currently the accounting system allows for 2 prior years. This is being changed to 3 prior years to be effective from 1 July 2009. Many file structures have had to change and each and every program checked to ensure it will cater for the extra old year and where necessary changes made and tested. This process will also have an impact on

the ageing process which takes place on 30 June so these programs will have to be changed for future ageing and special ageing programs are being written for this year only

- Skills Development module was written and the skill development officer trained.
- A program has been written to convert employees pay slips to PDF and to email them to all those who have email addresses. Those without email addresses still receive printed pay slips.
- Programs have been written to input and maintain a link between Infrastructure's projects, which are maintained on their own system, and the votes on the financial system. Using this link any transactions taking place on the relevant votes are extracted automatically after each Cheque run and transferred to the Infrastructure project system.
- New National Treasury reports and data extracts are in the process of being developed.
- A new rates system has been written and is nearing completion.
- A training manual has been written and training sessions given for the input and maintenance of requisitions.
- A training manual for vote, creditor and Cheque inquiries and reports have been written.

Analysis of Function

Number and cost of all personnel associated with the Information Technology function:

	Total cost
	R
Permanent Staff – System Administration (1)	206 819
Outsourced – Program maintenance and data capture (3)	820 941

FUNCTION : FINANCE AND CORPORATE SERVICES
SUB-FUNCTION: OTHER ADMIN (SUPPORT SERVICES)

Overview

Includes all activities relating to supporting the organisation, including providing Secretarial Services and Auxiliary Services to Council and Committees, Archives and Central Registry, Legal Services and Property Management

Description of Activity

The support services are administered by the Corporate Services Division of the Department : Finance and Corporate Services, and include the following:

1. Secretarial/Auxiliary Services

The Secretariat provides secretarial and administrative support services to the Council, Mayoral Committee, and other committees established for specific purposes (see list under Function: Executive and Council). These services include meeting arrangements, printing and distribution of agendas, keeping of minutes of all meetings and ensuring that resolutions are executed.

2. Archives and Central Registry

The Central Registry and Archives office is responsible for receiving, tracking, filing and retrieving all documents addressed to and leaving the offices of the CDM.

3. Legal Services/Property Management

This includes:

- Contract administration
- Dealing with legal proceedings instituted by/against the Municipality
- Dealing with all matters relating to Municipal-owned property including acquisition/alienation, leases, valuations
- Security and Cleaning Services

Strategic Objectives

To provide cost effective administrative support services to the Council and its committees and departments.

Key issues for 2008/2009

- The Council held regular meetings during the year under review
- Progress was made towards finalizing all outstanding litigation issues

- Ongoing efforts were made to speed up the transfer of Transnet properties to ensure that the full spectrum of municipal services can be provided to the communities residing thereon with the ultimate goal of transferring ownership of the properties to the occupants.

Analysis of Function

Number and cost of personnel associated with the "Other Corporate Services" function:

Secretariat	3
Auxiliary Services	10
Legal and Property Management	1
TOTAL COST	R3 342 939

Details of the operation of the municipality's tender committee:

Number of times met:	15
Total number of tenders considered:	28
Total number of tenders approved:	28
Total number of tenders rejected:	None
Backlog of tenders to be approved:	None

FUNCTION: FINANCE AND CORPORATE SERVICES
SUB-FUNCTION: OTHER ADMIN (PUBLIC RELATIONS)

Overview

Includes all activities related to communication, marketing, publicity and media co-ordination for the Municipality and the district (geographical area).

Description of Activity

This function within the Municipality is administered by the Office of the Municipal Manager and includes:

- Promoting the Municipality by providing sufficient information to the public and staff about Municipal issues
- Planning and co-ordinating arrangements for municipal events such as Imbizos, community meetings, project launches and handovers
- Promoting and managing the Municipality's corporate identity and public image
- Formulating and maintaining the Municipality's Communication and Media Policy and Strategy
- Stakeholder Management
- Preparing speeches for the Mayor and Speaker to present at Council meetings and other events

Strategic objectives:

- Build good relationships between the Municipality and identified target publics (internal as well as external)
- Communicate sufficient information regarding the CDM's services, policies, procedures, goals and activities, and facilitate public understanding thereof
- Promote and manage the CDM's image and reputation

Key issues for 2008 – 2009

- The annual report for 2007/2008 was adopted by Council on 30 January 2007
- Development of District Communication plan
- Continued publication of two issues of *Cacadu News*, the official District external newspaper Ongoing communication and media support to council meetings
- Media management of key municipal issues
- Branding and media support to district events
- Media Campaigns for municipal programmes such as Connect with Cacadu.

Analysis of function

Number and cost of personnel associated with the Public Relations function:

1 Public Relations Officer Cost: R227 644

Grants and subsidies received:

None

FUNCTION: PLANNING AND DEVELOPMENT
SUB-FUNCTION: DISTRICT WIDE STRATEGIC PLANNING

Overview

Includes all activities relating to formulation, monitoring of implementation, evaluation and review of strategic plans for the whole district.

Description of the Activity

The function of **integrated development planning** is administered by the Department: Infrastructure Services and Planning.

The main activity is to formulate a **five year strategic plan**, monitor and support those implementing the plan, and review the plan annually, in terms of Chapter 5 of the Municipal Systems Act 32 of 2000 (including notice R796 regulations) and in terms of the Municipal Finance Management Act 56 of 2003

Strategic objectives:

- Integrated development planning for the district as a whole, including a framework for integrated development plans of all category B municipalities. This includes the development and / or review of the following:
 - The Spatial Development Framework. (SDF)
 - Updated socio-economic profiles.
 - Waste management assessment.
 - Areas Based Plan / Land Availability Audit.
- To become an established and effective integrated development planning authority in the Cacadu District through:
 - Facilitating the District's service delivery through infrastructure and services that are planned, delivered, upgraded or managed in such a way that support the District's vision and priorities.
 - Facilitating the prioritization of infrastructure projects and programmes that support the District's vision and priorities.
- Co-ordination and support to the planning function of local municipalities

Key issues for 2008/2009

- The timely review of the District Municipality's Integrated Development Plan for 2009/2010, which included the following key activities:
 - Development of a district-wide IDP Review Framework Plan that was adopted by all category B municipalities and used to develop Process Plans for IDP review.
 - Compilation of an IDP & Budget Schedule in conjunction with the Finance Unit, in line with the MFMA.

- Development of capacity within CDM departments through using CDM resources as opposed to engaging external service providers
 - Fulfilling horizontal alignment between municipalities and vertical alignment requirements
 - Analysis of development priorities
 - Review and, where required, amendment of strategies, objectives and projects
 - Review of sector plans and operational strategies
 - Development of new plans in areas where plans were not in place
 - Aligning and integrating programmes and plans to the PGDP of the Eastern Cape government
 - Strengthening and improving public participation
 - Preparation of IDP review document and submission thereof to Council for approval
- The IDP was reviewed without assistance from external service providers. This resulted in increased staff participation and increased strategic planning capacity within the CDM. This has also brought about considerable savings.
 - Undertaking Community Based Planning (CBP) within the Sundays River Valley Local Municipality which strengthened public participation within the Blue Crane Route Local Municipality along with strengthening the Sundays River Valley Local Municipality's IDP review process.
 - Completion of the Area Based Plan / Land Availability Audit for the Cacadu District.
 - Development of Electronic land use management system to assist Local Municipalities in performing their land use management function along with a signed SLA with Baviaans LM in which the CDM performs the land use management function on behalf of the Baviaans LM.
 - Partnership with the Nelson Mandela Metropolitan University in undertaking an urban design competition for Da Gama Road in Jeffreys Bay.

Analysis of Function:

IDP support to the nine category B municipalities is delivered using the following 'vehicles':

- The District Framework Plan that serves as a guide on critical steps in planning and timeframes.
- Funds received from the provincial Department of Housing, Local Government and Traditional Affairs. This funding is disbursed to municipalities to cover the costs of the integrated development planning process and was allocated as follows:

Local Municipality	Allocation
Baviaans	R 110,000.00
Blue Crane	R 158,166.66
Camdeboo	R 57,000.00
Ikwezi	R 158,166.67
Kouga	R 158,166.67
Koukamma	R 158,166.67
Makana	R 81,000.00
Ndlambe	R 158,166.67
SRV	R 158,166.66
Total IDP Review Costs	R 1,197,000.00

Number personnel associated with the Planning function:

1x HOD: Planning
 2x Development Planners
 1x Infrastructure Planner
 1x Engineer : Water and Sanitation

Type and number of grants and subsidies received:

R 1 197 000.00 from Department of Housing, Local Government and Traditional Affairs.

FUNCTION: PLANNING AND DEVELOPMENT
SUB-FUNCTION: ECONOMIC DEVELOPMENT

Overview

Includes all activities associated with economic development initiatives

Description of activity

The function of economic planning / development within the municipality is administered by the Department : Economic Development and includes:

- strategic planning
- providing support to local municipalities in their LED initiatives
- providing infrastructure for some LED projects in local municipalities.
- Tourism development and Marketing
- Investment promotion

Strategic objectives:

- sustainable socio-economic development in the District
- sustainable employment creation in the District
- create key economic empowerment mechanism

Key issues for 2008/2009:

- Selected as a pilot by the Development Bank of Southern Africa (DBSA) for a multimillion LED initiative to be implemented in 2009/10.
- Secured Strategic partners with National Wool Growers Association (NWGA) and Khulasizwe Trust for sheep shearing and ostrich farming, respectively. The main areas will be mentoring and technical support to co-ops in the DMA
- Continued to provide support to Thina Sinakho and establishment of the District Support Team that is meant to facilitate and support LED across the district.
- Developed the District SMME Development strategy to be implemented in the 2009/10 financial year
- Set up institutional arrangements to support the development and implementation of the Natural Fibre Innovation Hub:
 - District Steering Committee;
 - Pineapple Fibre Beneficiation Working Group;
 - Agave Americana Working Group;
 - Wool and Mohair Working Group .
- Served as a member of the Provincial 2010 Coordinating Forum. Hosted jointly with Makana Local Municipality a trial run of a Public Viewing Area in Grahamstown during the CONFED cup 2009.
- Participated and represented the District in the Provincial Steering Committee of Thina Sinakho and SURUDEC

- Served on the Agri-Forum established by the Regional Office of the Department of Agriculture

Analysis of Function

Number and cost of economic development personnel

Economic Development Management (Director+PA)= R543 555.04
LED (Project Manager+Admin Officer)=R718 674.71

Number and type of Grants received:

- Department of Economic Development and Environmental Affairs – R3,200 000.00
- Eastern Cape Department of Local Government, Housing and Traditional Affairs – R868 000

FUNCTION: PLANNING AND DEVELOPMENT
SUB-FUNCTION: OTHER (CAPACITY BUILDING)

Overview

According to Section 83(3) of the Municipal Structures Act (MSA) No.117 of 1998, district municipalities have an obligation to assist local municipalities within their demarcated areas by building their capacity to perform their functions and exercise their powers where such capacity is lacking.

Description of the Activity

The function of capacity building is co-ordinated by a Capacity Building Unit in the Office of the Municipal Manager. Capacity building initiatives are however performed and/or managed in all Departments of the CDM.

The activity is performed by implementing initiatives aimed at empowering local municipalities to enable them to discharge their constitutional mandate and meet specific legislative prescripts. These initiatives include:

- facilitating shared services among the local municipalities in the District
- co-ordinating district wide capacity building and training projects
- conducting specific capacity building and training projects per local municipality based on identified needs
- ensuring the efficient utilization of resources
- managing the information resource centre
- compiling, maintaining and managing a district information management system in collaboration with all departments.
- sourcing funds for the implementation of programmes and projects within the district.
- establishing knowledge sharing networks within and beyond the district aimed at strengthening capacity building initiatives in the district.

Strategic objectives:

Local municipalities that are:

- able to perform their legislated powers and functions and efficiently deliver cost effective services to their communities
- Self sufficient, developmental in nature and financially sustainable.
- Closely networked and have functioning knowledge sharing structures both within the district and beyond.

Key issues for 2008/2009Human Resources

- Policy development for Ikhwezi, Bavians, Koukamma and BCR
- Assisted with Interview processes
- Labour relations (sitting in for disciplinary procedures)
- Skills development (guidance in terms of legislation through the SDF forum and undertaking some district wide training interventions e.g. record management, business writing and management skills)

Finance Support

- Assisted LMs with finance policies
- Turn around strategies for Koukamma and Blue Crane Route

Disaster Management

- Assisted LMs with development of disaster plans
- Training on:
 1. Fire fighting
 2. Disaster Management framework / legislation

General:

- By law awareness – 3 (Ikhwezi, Bavians and BCR)
- Good governance survey for 5 LMs (Bavians, Camdeboo, Ikhwezi, Makana and Ndlambe)
- Enhancement of IT systems and infrastructure - 4 (Bavians, Blue Crane Route, Ikhwezi and Sundays River Valley)
- PMS support to Bavians
- IDP support to all LMs
- Community Based Planning (BCR)
- Land use management system for non-planners

Analysis of Function:

Number and cost of personnel associated with the Capacity Building function:

1 Capacity Building Manager
1 Administrative Officer (Vacant)

Total Costs: R 386 328.00

FUNCTION : HEALTH SERVICES
SUB-FUNCTION : PRIMARY HEALTH CARE SERVICES

Overview

Includes all activities associated with the provision of primary health care services which are performed by the Municipality as an agent for the East Cape Provincial Department of Health.

Description of Activity

The function of provision of community health clinics within the municipality is administered as follows:

The Cacadu District has been divided into three Health Sub-Districts (HSDs). The total population of the Cacadu District is 416 736 as per the Eastern Cape Cacadu – Facility Population Mid-Year estimates. Details of distribution of the population between the Health Sub-Districts are as follows:

Camdeboo Health Sub District

(Camdeboo, Blue Crane Route, Ikwezi, Baviaans Municipalities and ECDMA) – 117 423

Makana Health Sub District

(Makana and Ndlambe Municipalities) – 139 195

Kouga Health Sub District

(Kouga, Koukamma and SRV Municipalities) – 160 118

The service is rendered by CDM at 26 fixed clinics, 6 satellite clinics and 26 mobile clinics throughout the District. The service is rendered by the seven local municipalities in their areas. Ikwezi and Baviaans Municipalities have seconded their PHC staff to CDM to render PHC services in their areas.

The function of provision of Primary Health Care services within the municipality includes:

- Maternal and Child Health Services
 - Reproductive Health including contraception and pap smears
 - Antenatal
 - Postnatal
 - Child Health (0 - 5 years), including immunization, nutrition and growth monitoring
 - Youth health (6 – 18 years)
- Provision of promotive, preventive and primary level (minor ailments) services
- Provision of Essential Medicines, including those for minor ailments as well as chronic medication (drug management)

- Provision of curative services to combat non communicable diseases such as treatment of curative and chronic conditions
- Provision of services to combat and control communicable disease, which includes screening, medication, counselling and laboratory services for the following conditions:
 - Tuberculosis
 - Sexually Transmitted Infections (STIs) and HIV and AIDS
 - Notifiable diseases
- Provision of EPI Surveillance Programme Services, which include:
 - Delivery of safe patent vaccines to appropriate target groups, using effective vaccination strategies
 - Effective disease surveillance and control measures to permit the early detection and investigation of cases and/or outbreaks and the implementation of appropriate responses.
- Provision of geriatric health services
- Provision, implementation and maintenance of an effective Health Information System
- Other services
 - Maintenance of laboratory services
 - Clinic infrastructure and equipment
 - Effective disposal of medical waste
 - Training of managers and staff

These services extend to include HIV and Aids awareness programmes, capacity building programmes and special health projects, but do not take account of EMRS Services which are provided by provincial government.

Strategic Objectives

The strategic objectives of the PHC function are to:

- Improve the health status of the communities through the provision and maintenance of a comprehensive package of PHC service at each CDM service point
- Improve the health status of the community through a functionally integrated Primary Health Care service (PHC) and Environmental Health Service (EHS)
- Improve the HIV and AIDS status of the community
- Provide effective management systems within the Health Department

Key issues for 2008/2009:

- Continued implementation of strategies to integrate health care services in the District through:
 - Attendance of the ECDoH Task Team to investigate and make recommendations regarding the future governance of PHC Services
 - The maintenance of a District Health Council (DHC) and District Health Advisory Committee (DHAC) with representation from Local Municipalities (LMs) Eastern Cape Department of Health (ECDoH), Local Service Area (LSA) Managers and CDM. This structure advises the Provincial and District Health Councils.
 - Maintenance and promotion of functional integration of municipal clinics e.g. Steytlerville and Klipplaat clinics as well as placement of ECDoH Professional Nurses with CDM.
- Maintenance of Local Clinic Committees to address issues of community concerns and complaint resolution
- Continual interaction with ECDoH to try and address the ever decreasing financial allocations with resultant shortfalls on the PHC budget.

Analysis of functionNumber and Cost of Health Clinic Personnel and number and general running cost per clinic / service point as at 30 June 2008

Cost Centre	Type of Service Point	Category of Staff	No. Budgeted For	BUDGET 2008/2009		
				Personnel Cost	General Running Cost	Total Cost
MANAGEMENT						
Management	Head Office	Manager Health Services	1	919,105	232,950	1,152,055
		Personal Assistant	1			
		Typist/Clerk	1			
Head Office	Head Office	Manager PHC	1	356,718	❖	356,718
		Chief Professional Nurse (Admin)	1			
		Senior Typist Clerk	1			
		Clerk	1			
		Clerk	1			
TOTAL			8	1,275,823	232,950	1,508,773
MAKANA HEALTH SUB-DISTRICT						
Sub-Office	Sub-Office	Chief Professional Nurse	1	1,260,468	678,005	1,938,473
		Senior Professional Nurse	3			
EC 104 Makana	3 Mobiles 1 Set 1 Satellite	Professional Nurse	7	2,751,206	2,367,671	5,118,877
		Other	7			
EC105 Ndlambe	4 Mobiles 4 Set 0 Satellite	Professional Nurse	14	5,408,428	4,184,318	9,592,746
		Other	13			
EC106 Sundays River Valley	3 Mobiles 2 Set 1 Satellite	Professional Nurse	11	3,883,167	2,756,482	6,639,649
		Other	7			
TOTAL	10 Mobiles 8 Set 1 Satellite	Chief Professional Nurse	1	13,303,269	9,986,476	23,289,745
		Senior Professional Nurse	3			
		Professional Nurse	32			
		Other	27			
		Total	63			
KOUGA HEALTH SUB-DISTRICT						
Sub-Office	Sub-Office	Chief Professional Nurse	1 (Acting)	1,253,769	379,765	1,633,534
		Senior Professional Nurse	3 (2 Acting)			
		Senior Clinic Assistant	0			
EC 108 Kouga	2 Mobiles 6 Set 1 Satellite	Professional Nurse	15	5,684,970	8,201,089	13,886,059
		Other	12			
EC109 KouKamma	3 Mobiles 8 Set 2 Satellite	Professional Nurse	16	5,804,880	10,326,621	16,131,501
		Other	12			
TOTAL	5 Mobiles 14 Set 2 Satellite	Chief Professional Nurse	1	12,743,619	18,907,475	31,651,094
		Senior Professional Nurse	3			
		Professional Nurse	31			
		Other	24			
		Total	59			

Cost Centre	Type of Service Point	Category of Staff	No. Budgeted For	BUDGET 2008/2009		
				Personal Total	General Running Total	Grand Cost
GAMDEBOO HEALTH SUB-DISTRICT						
Sub-Office	Sub-Office	Chief Professional Nurse	1	1,096,965	361,473	1,458,438
		Senior Professional Nurse	2			
		Senior Clinic Assistant	1			
EC 101 Camdeboo	3 Mobiles 0 Set 1 Satellite	Professional Nurse	3	1,401,065	515,667	1,916,732
		Other	4			
EC102 Blue Crane Route	3 Mobiles 0 Set 1 Satellite	Professional Nurse	4	1,451,220	1,941,731	3,392,951
		Other	3			
EC 103 Ikwezi	1 Mobiles 2 Set 0 Satellite	Professional Nurse	5	1,987,263	1,877,423	3,864,686
		Other	5			
EC107 Baviaans	2 Mobiles 1 Set 0 Satellite	Professional Nurse	5	1,908,580	2,180,435	4,089,015
		Other	4			
ECDMA 10	2 Mobiles 1 Set 0 Satellite	Professional Nurse	3	1,074,689	1,123,659	2,198,348
		Other	3			
TOTAL	11 Mobiles 4 Set 2 Satellite	1 Chief Professional Nurse	1	8,919,782	8,000,388	16,920,170
		2 Senior Professional Nurse	2			
		Professional Nurse	20			
		Other	19			
		Total	42			
TOTAL (BUDGET)				R 73,369,782		
ACTUAL EXPENDITURE TO 30 JUNE 2009				R 27,126,484		
SUBSIDY RECEIVED FROM PROVINCIAL DEPARTMENT OF HEALTH				R 26,414,124		
Contribution from CDM				R 2,859,000		
Contribution from VCT funds				R 2,023,436		
OTHER				R 33,554		
Total Income				R 31,330,114		

- ❖ It must be noted that Head Office budget totals R2,208,796 of which R1,852,078 is charged out to clinics and an amount of R356,718 is remaining for subsidization

PHC SERVICE STATISTICS 2006 - 2009

No.	INDICATOR	DEFINITION	YEAR	CAMDEBOO HSD	KOUGA HSD	MAKANA HSD	DISTRICT AVERAGE	NATIONAL NORM
1	Utilisation Rate (National Norm = 3.5)	Number of visits per person per year to a public health facility	2006/2007	3.6	3.1	3.4	3.4	3.5
			2007/2008	3.5	3.1	3.9	3.5	
			2008/2009	3.6	3.5	4.1	3.7	
2	Nurse Clinical Workload	Average number of patients seen by the PN per clinic weekday	2006/2007	45.1	57.3	36.6	45.0	40
			2007/2008	40.6	52.7	39.6	43.6	
			2008/2009	34.5	50.2	40.4	41.4	
3	Children under 5 years weighing rate	The number of children below 5 years being weighed at each visit	2006/2007	70.3	56.0	75.1	66.3	90%
			2007/2008	71.0	75.3	70.0	72.3	
			2008/2009	71.9	82.1	67.2	74.5	
4	Severe malnutrition under 5 years incidence	The number of children who weigh below 60%. Expected weight for age under 5 years weighed	2006/2007	0.4	0.6	0.08	0.4	Less than 1%
			2007/2008	0.3	0.3	0.06	0.2	
			2008/2009	0.2	0.2	0.06	0.1	
5	Diarrheal Incidence under 5 years	Diarrheal Incidence Rate (2007/2008 no data available)	2006/2007	12.1	8.1	5.5	8.6	Not stated
			2007/2008	0	0	0	0	
			2008/2009	2.3	4.0	2.0	2.9	
6	Immunisation coverage under 1 year	Immunisation coverage under one year namely the percentage of all children in the target group under one year who completed the primary immunization course	2006/2007	61.2	76.3	74.8	71.2	90%
			2007/2008	62.8	80.1	79.4	74.5	
			2008/2009	71.1	94.1	81.3	83.2	
7	Low birth weight rate	Low birth weight refers to babies who weigh less than 2.5 kg at birth	2006/2007	23.0	18.9	16.7	19.3	Less than 10%
			2007/2008	22.1	16.0	16.3	17.7	
			2008/2009	22.3	18.9	14.5	18.5	
8	Caesarean Section rate	The number of caesarean section deliveries expressed as a percentage of total deliveries	2006/2007	10.5	13.7	23.8	16.1	12.5%
			2007/2008	10.1	17.7	22.1	17.0	
			2008/2009	10.9	11.7	21.0	14.5	
9	Delivery Rate to women under 18 years	Percentage of deliveries by women under 18 years	2006/2007	10.2	6.2	6.5	7.3	13%
			2007/2008	11.3	9.4	6.6	9.0	
			2008/2009	10.8	11	7.8	9.9	
10	Antenatal visits before 20 weeks rate	Antenatal visits before 20 weeks rate is the percentage of women who visit the clinic before they are 20 weeks pregnant	2006/2007	40.1	46.1	46.0	44.5	40%
			2007/2008	43.2	49.0	52.9	48.7	
			2008/2009	46.4	49.1	50.6	48.9	

PHC SERVICE STATISTICS 2006 - 2009								
No.	INDICATOR	DEFINITION	YEAR	CAMDEBOO HSD	KOUGA HSD	MAKANA HSD	DISTRICT AVERAGE	ACTION NORM
11	HIV prevalence among antenatal clients tested	Percentage of women who are tested positive for HIV during first antenatal visit (voluntary)	2006/2007	8.9	23.2	22.1	19.2	Not stated
			2007/2008	6.8	17.8	17.4	15.2	
			2008/2009	10.1	17.9	19.1	16.3	
12	STI Partner Treatment Rate	Number of STI partners that report back to facilities for treatment as a percentage of notification slips issued	2006/2007	26.4	25.8	23.9	25.2	40%
			2007/2008	32.7	23.5	18.4	22.9	
			2008/2009	24.1	22.9	21.0	22.3	
13	New smear positive PTB cure rate	Cure rate of new smear TB cases	2006/2007	68.7	85.9	73.0	73.8	85%
			2007/2008	69.0	73.5	79.8	75.0	
14	New smear positive PTB defaulter rate	PTB defaulter rate (break in treatment) amongst new smear positive PTB	2006/2007	2.0	9.0	6.6	5.1	Less than 5%

FUNCTION: COMMUNITY SERVICES
SUB-FUNCTION: ENVIRONMENTAL HEALTH

Overview

Includes all activities relating to the provision of Environmental (Municipal) Health Services (MHS).

Description of activity

The function of Municipal Health Services in the Municipality is administered as follows:

The Municipality has entered into agreements with the local municipalities of Kouga, Blue Crane Route, Camdeboo, Makana and Ndlambe, Kou-Kamma and Sundays River Valley to render MHS on its behalf in their respective areas of jurisdiction.

The DMA, Ikwezi, and Baviaans local municipality areas are serviced by 2 Environmental Health Practitioners (EHPs), employed by CDM.

The function includes the following activities:

- Water Quality Monitoring
- Food control
- Waste Management
- Health surveillance of premises
- Surveillance and Prevention of Communicable Diseases
- Vector control
- Environmental pollution control
- Disposal of the dead
- Evaluation of Cemeteries, mortuaries and funeral undertaker establishments
- Attending to applications for burials and exhumations
- Active Environmental Education Sessions and Awareness Campaigns/ Programmes

The function as rendered by the Municipality excludes Port Health, Malaria and Hazardous Substances.

The strategic objectives of this function are to improve the health status of communities serviced through the identification, evaluation and control of criteria / factors that affect the physical, social and mental well-being of communities.

Key issues for 2008/2009:

- Conducting and finalizing Section 78 Assessment of EHS/MHS
- Maintenance of a Joint Environmental Health Committee with 7 local municipalities.
- Training of Ingcibi and Amakhankatha. Training Register reflects 56 traditional health practitioners (traditional surgeons and traditional nurses) trained in safe health practices as well the prevention of HIV/AIDS in Camdeboo Sub-district.
- Health awareness projects were held on waste management, health and hygiene (water and sanitation) environmental greening and HIV and AIDS prevention
- Pest control outreaches were conducted and focused on dog vaccination, dipping and deworming in Willowmore, Rietbron, Klipplaat, Jansenville, Glenconner, Wolfefontein and Kleinport.
- Waste management and clean-up campaigns were conducted in Steytlerville and Rietbron.
- The quality of water and food was monitored through routine inspections and drawing of water and food samples throughout the district.
- Disease outbreak monitoring executed with local municipalities in relation to Cholera and Swine Fever throughout the district.

Analysis of functionNumber and cost of personnel associated with Environmental Health Function

Two Environmental Health Practitioners and Manager: Environmental Health Services are employed by CDM. The total budget for the Environmental Health Service is **R9, 490,100.00**. This includes the CDM Head Office budget that is also used to service District Management Area, Ikwezi and Baviaans local municipalities and an allocation/subsidy to 7 Local Municipalities that have entered into service level agreement with CDM.

CDM contributions/subsidy to local municipalities for rendering EHS/MHS has increased substantially over the years from 2006. In the 2008/09 financial year the subsidy was based at R16.50 per capita while CDM remained receiving R12.00 per capita from National Treasury, which indicates under funding of this service by National Government.

During 2008/09, contributions were paid to the LM's for MHS as follows:

• Kouga	R1,166,467.50
• Makana	R1,246,410.00
• BCR	R 577,665.00
• Camdeboo	R 732,121.50
• Ndlambe	R 915,403.50
• Kou-Kamma	R 565,818.00
• SRV	<u>R 686,070.00</u>
Total	<u>R5, 889,995.50</u>

The year 2008/09 was the last financial year that CDM received allocation/subsidy from the Eastern Cape Department of Health (Bhisho) as a co-funding for the delivery of EHS/MHS. The allocation for this (2008/2009) was R5, 526,388.00.

Section 78 Assessment of Municipal Health Services

One the key issues for 2008/09 is the undertaking of Section 78 assessment of EHS/MHS. Environmental/Municipal Health Services was historically a shared service between the Eastern Cape Department of Health, District and Local Municipalities. Section 84(1) of the Municipal Structures Act (Act 117 of 1998) states that MHS is a competency and a function of Metropolitan and District Municipalities and the National Health Act (Act 61 of 2003) for the first time defined MHS as those elements of EHS that are stated in the description of the service above.

Lastly, the Municipal Systems Act (Act 32 of 2000) determines in accordance with sections 67 and 77 that a municipality must decide on the mechanism (internal or external) for rendering a municipal service, and to be able to decide, they must first do an assessment in accordance with section 78 on the mentioned Act. It is against these legislative imperatives that CDM took a decision to appoint a service provider to conduct a section 78 assessment of MHS. The outcome of this assessment and the subsequent Council decision will determine the future service delivery mechanism of MHS in Cacadu

FUNCTION : COMMUNITY AND SOCIAL SERVICES
SUB-FUNCTION: ALL INCLUSIVE

Overview

Includes activities associated with provision and upgrading of cemeteries, community halls, libraries and crèches, programmes for the empowerment of Youth, Women and the Disabled, programmes towards mitigation of the effect of HIV and Aids on communities, and heritage related matters.

Description of Activity

The implementation of Special Programmes for Youth, Women and the Disabled, HIV and Aids mitigation measures, co-ordination of the Community Development Workers (CDW) programme throughout the District, as well as preparation of business plans to access funds for and monitoring of purchase of library equipment, are administered in the Office of the Executive Mayor and Municipal Manager.

The function of provision and / or upgrading of community facilities within the Municipality is administered in the form of infrastructure projects and is performed by the Department : Infrastructure Services in response to specific requests from Local Municipalities or communities in the DMA.

The provision of cemeteries also includes administrative functions relating to acquisition, subdivision and rezoning of land, which functions are dealt with by the Department : Finance and Corporate Services, and all activities necessary to comply with any conditions attached to the land use approvals granted by other relevant bodies, e.g. landscaping, environmental management planning, layout planning, fencing, ablution facilities, etc, which are performed by the Department : Infrastructure Services.

Strategic Objectives

The strategic objectives of this function are:

- to ensure that communities are provided with facilities they need in terms of social upliftment and human dignity
- to improve the HIV and Aids status of the community

Key Issues for 2008/2009

- Completed installation of "Connect with Cacadu" project in 14 libraries within the District, which provides access to internet and a range of educational software for use, free of charge, by communities
- Business plan prepared and submitted to the Provincial Department of Sport, Recreation, Arts and Culture to access funds to install the Connect with Cacadu project

in 10 more libraries, and to develop Phase 2 of the project which addresses inter alia issues of adult education and career opportunities.

- Two new libraries constructed – at Fingo Village, Makana and Jansenville, Ikhwezi
- Development of policies for Youth Development, Women Empowerment and the Disabled.
- Development of 5 year strategic plans is underway
- All major commemorations days held successfully
- Women Development Session / Summit held successfully
- Support various district forums (women, disabled and youth)
- Library funds distributed to local municipalities on receipt of substantiated claims for purchase of library furniture, books and equipment
- Completed work on new cemeteries in Makana, Sundays River Valley and Camdeboo local municipalities
- Progress made with provision of new cemeteries in Somerset East, Waaikraal, Glenconnor, Kleinpoort and Vondeling

Analysis of function

One Special Programmes Officer is employed to implement Special Programmes for Youth, Women and the Disabled.

One HIV and Aids Co-ordinator employed to implement HIV and Aids programmes in the District. The HIV and Aids Co-ordinator also assists with Womens programmes.

No specific personnel are allocated to the function of provision and/or upgrading of libraries and other community facilities within the municipality. Staff employed for other ongoing infrastructural and administrative functions are utilised for this purpose on an ad-hoc basis.

Total Cost of personnel : R321 395

FUNCTION: PUBLIC SAFETY
SUB-FUNCTION: DISASTER MANAGEMENT

Overview

Includes planning, co-ordination and alignment of disaster management activities throughout the District.

Strategic Objectives:

- Mitigate disasters in the Cacadu District
- Support and Capacitate local municipalities within the District and Communities at Risk on Disaster Risk Management issues.

Description of activity

The main activity is to co-ordinate disaster management activities in the Cacadu District consistent with the provisions of the Disaster Management Framework and Disaster Management Act 57 of 2002. The framework covers the following KPAs and Enablers:

KPA 1: Integrated Institutional Capacity for Disaster Risk Management

Under this KPA the following were achieved during the 2008/9 Financial Year:

- A district disaster risk management policy framework for the district has been developed and adopted by council in August 2008.
- An implementation strategy for the above mentioned framework was been developed and finalized during April 2009.
- Council resolved in January 2009 to locate the disaster Management Centre within the Infrastructure and Planning Services Department.
- The District Disaster Management Advisory Forum continues to meet on a quarterly basis, serving as a platform where stakeholders participate and provide technical advice on disaster risk management planning and operations, A Communication task teams has, from the Advisory forum been established.
- CDM has provided two of its existing volunteer teams i.e. Camdeboo (Aberdeen) and Kouga(Weston) with basic response equipment.
- The disaster management centre is being upgraded to conform with the legislative infrastructural requirements of the disaster management centre.
- An alternative structure for disaster risk management committee (Management Structure) has been put in place of a Disaster Risk Management.

KPA 2: Disaster Risk Assessment

- A Comprehensive Disaster Risk Assessment was undertaken and finalized during June 2009.

KPA 3: Disaster Risk Reduction

- Through the risk assessment process, communities at risk were identified

KPA 4: Disaster Response and Recovery

- CDM has consulted with SAPS for purposes of Emergency communication with specific reference to Radio Communication Network.
- Significant incidents were reported in the following areas during the period:

Makana: Grahamstown/Alicedale (Strong winds and heavy rains caused damage to houses)
 Ndlambe: Alexandria (Strong winds and heavy rains caused damage to houses)

In respect of the above, the disaster management centre coordinated relief for the affected families with relevant departments and emergency houses were provided for the affected families.

Enabler 1: Information Management and Communication

Although there is no Information Management System, the centre has a 24Hour operational Centre with a Toll Free number for easy access.

Enabler 2: Education, Training, Public Awareness and Research

- International Strategy for Disaster Reduction programme was held at Marjorie Parish at Ndlambe Local Municipality, during this period the hospital staff was trained in First Aid level 1, basic fire fighting.

Enabler 3: Funding Arrangements for Disaster Risk Management

- R1,4 million from Department of Local Government and Traditional Affairs

FUNCTION: PUBLIC SAFETY
SUB-FUNCTION: FIRE

Overview

Includes all activities relating to managing fire services serving the District as a whole (District function), and rendering a fire fighting service in the Sundays River Valley Local Municipality (Local function performed on behalf of the relevant local municipality).

Description of activity

The function of fire fighting within the municipality is administered by the Disaster Management Division and includes:

- planning, co-ordination and regulation of fire services throughout the Cacadu District
- provision of specialised fire fighting services such as mountain, veld and chemical services
- co-ordinating of the standardisation of infrastructure, vehicles, equipment and procedures
- training of fire officers
- rendering of a direct fire fighting service in the Sundays River Valley Local Municipality.

Strategic Objectives:

- Assist local municipalities with the development of fire services plans for their areas
- Assist each local municipality with the implementation of its fire services plan by rendering support with:
 - establishment of satellite fire stations in identified areas
 - appointment of full time fire officers
 - recruitment of fire fighters, reservists and/or volunteers
 - acquisition of fire/rescue vehicles, equipment and tools
 - training of fire officers, fire fighters, reservists and volunteers
- Lobby for funding to assist local municipalities with implementation of their fire services plans
- Prepare business plans where necessary to secure funding
- Make general public aware of the dangers of fires

The key issues for 2008/2009

- Fire fighting service in Sundays River Valley Municipality reverted back to the Municipality, including the fire station, vehicles and the equipment that was utilized by CDM whilst rendering the service in the area.

- Section 78 Assessment of Fire Service was undertaken and options on how to render the service were presented to Council in January.
- Municipalities within CDM reached an agreement with the District to render fire service the best practical and cost effective way, i.e. All operational issues to be dealt with by Local Municipalities and the District to focus on support, co-ordination and capacity building including the training of Fire Officers.
- 14 Fire Officers(7CDM, 3 Kou-kamma, 1 Baviaans, 1Ikwezi, 1Camdeboo and 1 Blue Crane Route) within the District trained in Fire Fighter 1, 2 ,Hazmat awareness and responder and First AID Level 3
- Improved fire service delivery at local municipalities by:
 - Purchasing of a heavy duty all terrain fire engine, with equipment for Blue Crane Route and Ndlambe Municipalities ,

Statistical Information (2008/2009):

Number of fire and emergency calls:	298
Number of fire prevention and safety inspections:	9
Number of fire hydrants checked and maintained:	42
Number of fire Awareness Campaigns conducted:	10

Type and number of grants and subsidies received:

R1 200 000 from Department of Provincial and Local Government

FUNCTION : ENVIRONMENTAL PROTECTION
SUB-FUNCTION : BIODIVERSITY AND LANDSCAPE

Overview

Includes activities related to the protection of flora and fauna species, the protection of habitats and the protection of landscapes for their aesthetic values.

Description of the Activity

The function of biodiversity and landscape is administered jointly by the Economic Development and the Infrastructure & Planning Department. At present the main activities are :

- ensuring participation by local municipalities in biodiversity capacity building programmes such as that of the Eastern Cape Biodiversity Conservation Plan (ECBCP) initiative; and
- participating in meetings of planning forums such as the Greater Addo (SANParks) Planning forum, the Baviaanskloof Mega-Reserve Steering Committee, the Eastern Cape Biodiversity Implementing Committee, as well as the Coastal Management Steering Committee.

Strategic Objectives

To safeguard the District's biodiversity in terms of indigenous plants and animals and the processes that sustain them

Analysis of Function

No specific personnel are allocated to this function, which is dealt with by officials within the respective Departments.

FUNCTION: ROAD TRANSPORT
SUB-FUNCTION: OTHER (TRANSPORT PLANNING)

Overview

Includes all activities related to transport planning for the entire District in accordance with the National Land Transport Transition Act, No. 22 of 2000 (NLTTA).

Description of Activity

The road transport function of the municipality is administered by the Department: Infrastructure Services & Planning and includes:

- Ensuring that the Local Transport Forums and the District Wide Infrastructure Forum are functional.
- Assisting the Operating License Board (OLB) with confirming routes and identifying infrastructure and public transport needs in the area.
- Review of the Integrated Transport Plan through the provision of a five-year prioritized implementation programme for the improvement of the transportation system within the District.
- Serving on the Provincial Steering Committee that co-ordinate the review of the Provincial Land Transport Framework and the White Paper on Transport for Sustainable Development. This Steering Committee is also responsible for co-ordination of the review of the Integrated Transport Plans in the Province of the Eastern Cape.
- Application for grants-in aid for improvement of public transport facilities in the District.
- Implementation and monitoring of Public Transport facilities as well as reporting progress to the EC Dept. Roads & Transport.

The Strategic Objectives of this function are to:

- Flood damaged road rehabilitation within the District
- Promote non-motorized vehicle usage.
- Promote public transport usage.
- Improve existing public transport facilities.
- Improve CDM road conditions.

Key issues for 2008/2009

- Maintained the existence of District Wide Infrastructure Forum consisting of various forums in the District that deal with infrastructure and planning.

- Monitored the projects that have been identified and prioritized and are currently under construction in Local Municipalities.
- Lobbied for funds from the Dept. Roads and Transport for prioritized projects in Local Municipalities.

Analysis of Function

Statistical information not applicable as function is limited to planning only.

Number of all personnel associated with the road transport function:

1 x Infrastructure Planner

FUNCTION: OTHER
SUB-FUNCTION: TOURISM

Overview

Includes all activities related to tourism development and marketing in the District.

Description of Activity

This function within the Municipality is administered by the Department : Economic Development and includes:

- tourism destination development, management and marketing
- providing support to local municipalities to promote tourism in their areas

Strategic objectives:

- Fulfill the Municipality's mandate to promote tourism in terms of Section 84 (1) (m) of Local Government Municipal Structures Act, 117 Of 1998
- Continue to promote tourism as a key economic development sector as identified in the Provincial Growth and Development Programme (PGDP) and Economic Growth and Development Strategy (EGDS) of the District.
- Promote tourism planning
- Transform the tourism sector to open it to more participants, particularly Previously Disadvantaged Individuals (PDIs).

Key issues for 2008/2009

- Funding support was received from the Development Bank of Southern Africa, Department of Economic Development & Environmental Affairs and Department of Local Government and Traditional Affairs was utilized for:
 - Development of Responsible Tourism Sector Plans for Blue Crane Route, Ikwezi, Koukamma and Sundays River Valley Municipalities
 - Review of the Responsible Tourism Sector Plan for Camdeboo, Kouga, Makana and Ndlambe Municipalities.
 - Development of District Tourism Master Plan
- Establishment of a Tourism Advisory Council for the purpose of advising the Executive Mayor on pertinent issues related to tourism including, *inter alia*, latest trends in the tourism sector.
- Business skills and marketing training commenced in June 2009 for 20 tourism SMMEs from the District
- Support rendered to local municipalities in the establishment of local tourism organizations

- Conclusion of two media tours; one to Jeffreys Bay & Baviaanskloof and the second to the Sunshine Coast
- Participated in Getaway Show in August 2008, ITB, the biggest international tourism show, in Berlin in March 2009 and Indaba, the biggest national tourism trade show, at which marketing material was distributed to international and national participants in the tourism trade
- Continued to publish tourism advertisements in local and national newspapers and national publications
- Participated as a member of both the Baviaanskloof Steering Committee and the Addo Planning Forum, two of the most significant public eco-tourism initiatives in the District.

Analysis of function

1 Project Manager: Tourism Development & Marketing appointed in April 2008 – Cost R358,192
 1 Tourism Marketing Officer appointed in November 2007 – Cost R270,233

Grants and subsidies received:

- Development Bank of Southern Africa - R900 000 for the review of existing tourism sector plans in four local municipalities and development of a tourism master plan
- Department of Economic Development & Environmental Affairs (DEDEA) – R261,000 for development of a tourism master plan
- Department of Local Government and Traditional Affairs (DLGTA) – R900,000 for the development of tourism sector plans in four local municipalities

FUNCTION: OTHER
SUB-FUNCTION: OTHER : PERFORMANCE MANAGEMENT

Overview

Includes all activities related to monitoring the organisational and individual performance of the Cacadu District Municipality and its officials.

Description of Activity

The function of Performance Management within the Municipality is performed in the Office of the Municipal Manager, and includes monitoring the implementation of the Integrated Development Plan (IDP) through the SDBIP and the performance of all employees within the Cacadu District Municipality. The function also performs a supporting role to the Local Municipalities with regards to Performance Management.

Legislation states that key performance indicators and targets must be implemented to enable continual monitoring of the municipality and its administration. These indicators pin-point areas of focus for each financial year as developed through the process of public participation, and are listed in the IDP. Once approved, the IDP is married with the budget in a document called the SDBIP (Service delivery and budget implementation plan) which provides a workable management tool from which to operate under and monitor progress. The SDBIP is then used to develop a personalised performance plan system for each and every official, through the delegation of activities included in the SDBIP, and agreed upon individual performance plans. The SDBIP and performance plans of the Municipal Manager and Directors are published on the Municipal website.

Through quarterly monitoring, performance of each individual is tracked to ensure that progress remains in line with what was originally planned. The final result is included per functional area in the annual report.

Strategic Objectives

To ensure implementation of the Municipality's Integrated Development Plan and continued improvement in the standard of performance of the Cacadu District as a whole through the following: -

- Increased certainty of job roles, accountability and transparency of both officials and the institution
- Increased communication across the institution
- Provision of a platform for learning and development
- Facilitation of decision making through the clarification of goals and priorities
- Provision of early warning signals highlighting underperformance so that timely interventions can steer performance back on track
- Continual assessment of the performance of the Municipality so as to address areas requiring improvement

- Investigation and assessment of outcome indicators to guide strategic direction
- Creation of a culture of performance at CDM amongst all officials including recognizing excellent performance and curtailing and correcting poor performance
- Capacitation of officials at Local Municipalities within the District, to enable the entire District to benefit from the above

Key Issues for 2008/2009

- Entrenchment of the CDM performance management system to all employees to ensure continual monitoring of performance through quarterly reviews
- Introduction of a web-based IDP/PMS Automated System in March 2009 and ongoing development of the system.
- Training of all CDM employees in the above system.
- First final 07/08 performance reviews for the Municipal Manager and sec 57 Managers held with full review panels into the regulation, 2006.
- Continued refinement of the performance management system to ensure compliance with legislation.
- Regular quarterly reporting to council on individual performance through reviews per department and institutional performance through the SDBIP.
- Workshop on the Performance Regulations for Managers directly accountable to the Municipal Manager, 2006.
- Workshop for Councillors and sec 57 Managers at Ndlambe and Blue Crane Route Local Municipalities to demystify Performance Management through GTZ.
- Continual support to LM's

Analysis of Function

One Senior Performance Management Systems Officer is employed to ensure the achievement of the above objectives at a cost of a basic salary of R243, 228.

ANNEXURES

1. Performance Report 2008
2. Auditor General's Report on annual Financial Statements and Performance
3. Management Response to the findings of the AG report
4. Audit Committee report
5. Approved Municipal Structure
6. Council resolutions adopting the annual report - See oversight report circulated separately



**CACADU DISTRICT
MUNICIPALITY**

**ANNUAL PERFORMANCE
REPORT**

for the year ended

30 June 2009

KEY PERFORMANCE INDICATORS, TARGETS AND VARIANCES 2007/2008

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Environmental & coastal management framework	Framework complete year 1 (in accordance with ToR)	Biodiversity and Landscape	Project covered by Nationally funded EMF.
VAT review and apportionment re-calculation	Vat 201 claim or payment	Budget and Treasury	Up to date
Assist/Review financial Statements - CDM - GRAP/GAMAP/GAAP compliance	No compliance exceptions raised in the audit report	Budget and Treasury	Unqualified report received.
Asset Stock take for GRAP compliance	Asset register with market values	Budget and Treasury	Completed
Financial Statements GRAP conversion medium LM (excl Kouga who did not include themselves)	Evidence of support and monitoring to promote GAMAP/GRAP compliant financial statements	Budget and Treasury	Dispute with service provider, project ended.
Financial Statement GRAP conversion low capacity LMs	Support provided to promote adherence to the GAMAP/GRAP/GAAP conversion checklist for identified 07/08 areas	Budget and Treasury	Project scrapped
Investigate administration regarding free basic services at Baviaans and BCR (including the development of an indigents register)	Register installed and training provided	Budget and Treasury	Project complete.
Valuation : Maintenance of Ndlambe General Valuation Roll process	Quarterly updates & weekly turnaround of invoices	Budget and Treasury	Complete
Valuation : Maintenance of BCR General Valuation Roll process	Quarterly updates & weekly turnaround of invoices	Budget and Treasury	Complete
Valuation : Maintenance of Kou-Kamma General Valuation Roll process	Quarterly updates & weekly turnaround of invoices	Budget and Treasury	Complete
Finalisation of valuation roll: (DMA)	Process complete	Budget and Treasury	Valuation roll is complete as is the objection process. Valuation Board is to consider only 2 objections. Rates Policy complete.
Training conducted on development of monthly cash flows, alignment of budget to IDP in support of budgetary controls	LMs capacitated through workshopping of provincial guidelines (if manual is made available)	Capacity Building	LMs have benefited from assistance centrally through CFO forums.
Provision of support to Low capacity LMs in terms of institutional arrangements for HR and LR processes	Implementation of support programme	Capacity Building	Interview and Policy support has been undertaken on demand.
Support LMs to draft and review policies	Developed Policies and trained officials	Capacity Building	Support provided on demand. Indicator to continue in the following year.
Review and align structure in terms of roles delegations	Implementation of capacity building exercise	Capacity Building	Service provider appointed for the programme (MSIG project)

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Risk assessment project for LMs completed	Hand-over document to LM	Capacity Building	Delays due to lack of co-operation from LMs, but completion imminent.
Supply chain management Training	Training session conducted	Capacity Building	Researched service providers and considered in-house options. Completed a survey amongst LMs and training will be organised for July 2008
LGSETA SSP Projects: Water purification process operator learnerships, management skills for managers, electricity & roads skills	Management and electricity & roads complete. Operator Learnerships underway and on schedule	Capacity Building	LGSeta did not make money available and therefore the project did not take place.
Existence and execution of a training plan based on identified training needs at LMs in relation to Disaster and Fire	4 workshops	Capacity Building	Training ongoing and will continue in 2008/2009
Provision of technical skills enhancement at LMS	Commencement of training	Capacity Building	Rolled-over
Good Governance Survey (Consumer satisfaction survey on performance of Local Municipalities)	Presentation and report to Mayoral Committee	Capacity Building	Completed
Intensively support 3 identified LMs in implementation of the performance management system	Implementation report to Mayoral Committee	Capacity Building	Survey sent to all LM's to establish what their needs are. Still awaiting response from LM's.
Assist Baviaans, Ikhwezi & BCR in development of IDPs & SDFs (in house)	Improved IDP and SDF of the 3 LMs	Capacity Building	Complete
IDP training for LMs specifically focusing on MMs, HoDs and Cllr's.	Report to Mayoral Committee and Council	Capacity Building	Captured in above KPI
Disseminate competency and skills initiatives information to LMs	Information passed to LMs	Capacity building	Ongoing
Existence of a data bank of available skills in LMs and gaps for local needs	Skills audit report	Capacity building	Project abandoned and revised for 2008/09
Purchase of bicycles for school children in rural areas	800 bicycles delivered	Community Services	200 bikes distributed, Dept: Transport rectifying faulty bikes.
Adopt a school project	Refurbished school	Community Services	Funding shortage
Implementation of the Provincial Libraries project	Budget of R2.5m spent	Community Services	Target almost achieved. Under expenditure due to slow spending by some LM's and construction of two new libraries not yet completed. Project ongoing in new financial year.

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Makana Alicedale cemetery	Quarterly updates & weekly turnaround of invoices	Community Services	Complete
Sundays River Provision of cemeteries	Project management, quarterly updates & weekly turnaround of invoices	Community Services	Complete
Graaf Reinet Cemetery	Project management, quarterly updates & weekly turnaround of invoices	Community Services	Complete
Somerset East Cemetery	Project management, quarterly updates & weekly turnaround of invoices	Community Services	Awaiting RoD
Waaikraal Cemetery	Project management, quarterly updates & weekly turnaround of invoices	Community Services	Awaiting RoD
Glenconnor Cemetery	Project management, quarterly updates & weekly turnaround of invoices	Community Services	Awaiting Dept: Agriculture
Kleinpoort cemetery	Project management, quarterly updates & weekly turnaround of invoices	Community Services	Negative RoD received. Alternatives to be investigated.
Vondeling Cemetery	Project management, quarterly updates & weekly turnaround of invoices	Community Services	Awaiting Dept: Agriculture
Functioning Community Police Forums in all LM's	4 quarterly reports to Mayoral Committee	Community Services	No progress
Support functional District Aids Council and Local Aids Councils and build capacity	Minutes of meetings	Community Services	LACs are in place but need to be investigated as to their functionality
Formulate an integrated HIV and Aids Plan per LAC and District	Integration of HIV & AIDS in IDP with Tangible results	Community Services	Plans in place
Existence of internal programmes that will give effect to the HIV & AIDS Policy	Implementation of programme	Community Services	No progress

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
House to house survey evaluation to identify children in need	Four LMs surveyed	Community Services	No progress
Forecast employment opportunities at planning stage of projects for the purpose of providing projected training needs (to ensure that appropriate skills are available and can be taken advantage of)	Established process of information dissemination	Community Services	No progress - Awaiting documentation
Upliftment of groups through business and SMME development	Established process of information dissemination	Community Services	Forums will now work to facilitate the plans including SMME development
Develop, integrate & monitor a strategic plan for women	Strategic plan developed and implemented	Community Services	Plans will be implemented in the new financial year. Policies are now in place.
Develop, integrate and monitor a strategic plan for disabled	Implementation of the plan	Community Services	Plans will be implemented in the new financial year. Policies are now in place.
Develop, integrate and monitor a strategic plan for youth	Implementation of the plan	Community Services	Plans will be implemented in the new financial year. Policies are now in place.
Establishment and functioning of a task team for Women Empowerment	Execution of agreed activities by Task Team	Community Services	Completed
Monitor and maintain the effectiveness of the Forums in the District	4 meetings held for each Forum	Community Services	Forums in place
Host events and hold activities within the district	3 commemoration days hosted	Community Services	3 Commemoration days held
Hosting of sports tournaments - Rugby and Soccer	Successful event	Community Services	Sports tournaments held
Awareness programmes at schools	Talks taken place	Community Services	One session was held in BCR with SAPS
District World AIDS day	Celebrate world AIDS Day internally and Externally	Community services	Complete

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Maintenance of infrastructure in DMA	Maintenance needs monitored and attended to	Community Services	Hall refurbished. Challenges facing historical building to be demolished.
Annual review of SDF	Council approved SDF	District Wide Strategic Planning	Complete
Community facilities backlog assessment	Completed backlog assessment of community facilities	District Wide Strategic Planning	4 LMs complete. Data inaccuracies. Data to be refined in new financial year.
Annual update of the Cacadu District ITP	Approved ITP by Council	District Wide Strategic Planning	ITP reviewed – gaps to be addressed next financial year.
Completion of the land availability audit	Completed Land audit report	District Wide Strategic Planning	Draft complete
Develop a framework on the role of the District ito planning & building control support	Appropriate planning and building control mechanisms installed in LMs	District Wide Strategic Planning	Planning portal developed. Test GIS server developed.
Roll-out of electronic land use management system / guidelines	Utilisation of electronic land use management system by LMs	District Wide Strategic Planning	Electronic system developed. Training undertaken. Awaiting SLA
Business Plan Funding for LMs Spatial Planning, Survey & Valuation	Completed business plan submitted to DHLG&TA	District Wide Strategic Planning	Consultants appointed for Rietbron encroachments, Baviaans zoning maps and Aeroville cemetery.
Implementation of the deGama road urban design initiative	Initial design complete	District Wide Strategic Planning	Complete
Rollout of housing & settlement planning development guidelines	Capacitation of LMs	District Wide Strategic Planning	Contained within Area Based Plan/Land Availability Audit
Develop business plans for infrastructure projects	Lobby for funding using business plans	District Wide Strategic Planning	Consultants appointed for Cacadu Express.
Glennconnor School	Project management, quarterly updates & weekly turnaround of invoices	District Wide Strategic Planning	Awaiting comments from Dept: Agriculture
Planning x 10 Town planning projects within CDM	Project management, quarterly updates & weekly turnaround of invoices	District Wide Strategic Planning	3 Projects remain to be completed. Awaiting actions from LMs.
Town Planning surveys x 10 within CDM	Project management, quarterly updates & weekly turnaround of invoices	District Wide Strategic Planning	4 Projects remain to be completed. Awaiting actions from LMs.
Approved Integrated Waste Management Plan for BCR (driven at a Local level - CDM managing funds only)	Approved IWMP tabled to CDM Mayoral Committee and sponsor (DEDEA)	District Wide Strategic Planning	Plan approved by the LM. Funds could not be transferred without a council resolution
Existence and implementation of an agriculture mentoring strategy	Establishment of 3 co-ops in the DMA for Emerging farmers as guided by a strategy with quality and quantitative programmes.	Economic Development	No co-ops registered. Cooperative legislation under review, provincial strategy being developed. Departmental officials participating in the process. New priorities identified by the DMA Steering Committee
Establishment of the Investment Council or similar structure to monitor and further implement the GDS agreement	Report to Mayoral	Economic Development	Project carried over to next financial year

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Maintenance of an resource point for Economic Intelligence	Updated economic data in terms of economic statistics and forecasts for all sectors	Economic Development	Reports being received from ECSECC. Ongoing socio-economic data and trend analysis reports
Business plan formulation and implementation of Essential Oils initiative	Market production of essential oils	Economic Development	50% complete due to revision of the Business Plan by Ndlambe Local Municipality
Existence of a five year natural fiber beneficiation programme	5 year plan in place	Economic Development	5 year implementation plan developed. Service Level Agreement signed
Facilitate 3 joint ventures in the agriculture sector from the agricultural development system (Agri-disc)	3 joint ventures in place	Economic Development	No joint ventures. Project not feasible
Co-ordinate economic infrastructure development for job creation and SMME development	Progress report on SMME development	Economic Development	Service Level Agreement entered into with Small Enterprise Development Agency (SEDA) to roll-out SMME development thru SEDA offices. 3 SEDA satellite offices set up
Aloe Ferox beneficiation project implemented	Co-op / PPP established and Implementation commenced	Economic Development	No co-ops registered. Cooperative legislation under review, provincial strategy being developed. Departmental officials participating in the process. New priorities identified by the DMA Steering Committee
Investigate feasibility of 'Flower Trail'	Interaction with LMs	Economic Development	Project rolled-over
SMME strategy development	Implementation of the strategy	Economic Development	Draft situational analysis compiled. Appointment of the Service Provider took longer than planned
Extension of the Vondeling craft initiative through the establishment of craft initiatives in both Glenconnor and Rietbron	Implementation commenced of DMA craft initiative in the 3 DMA areas	Economic Development	Project not extended to other DMA areas. The Vondeling Craft Project took longer than planned due to training of the crafters, securing of markets and sustaining the project.
Establishment of the SRV Hawkers facility	Hand over of project	Economic Development	50% complete due to revision of the Business Plan by the Local Municipality
Establishment of Makana car wash	Hand over of project	Economic Development	Complete
Evaluation of the District development strategy by the LED Forum	2 meetings held	Economic Development	District Economic Development Forum (LED and Tourism) established. Participants identified. 1st Economic Development Forum meeting will take place in the new financial year
Expand PERCCIs role into the district	Increase in role of PERCCI	Economic Development	Working with PERCCI sourcing their technical support and advice
Establishment and handover of the Honeybush tea PPP.	Project hand over to beneficiaries	Economic Development	Project rolled over due to revised business plan. Additional funding received from DEDEA
Baviaans Electricity master plan	Master Plan completed	Electricity	Consultants appointed
Ikhwezi Electricity master plan	Master Plan completed	Electricity	Consultants appointed
BCR Electricity master plan	Master Plan completed	Electricity	Consultants appointed
CDM / NMBM co-operation	4 quarterly meetings (when organised by NMBM)	Executive & Council	Project scope developed.
Councillor Development Program	Councillor training programme implemented	Executive & Council	Programme proceeding.

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Purchase a transport passenger vehicle for Baviaans	Consultation with Baviaans	Health	0%
Ensure submission of quarterly statistical report to Mayoral Committee to reflect EHS rendered in the referred to areas	12 x 4 areas monthly stats x 1 Mayoral report per quarter	Health	Not on target. Environmental Health Manager resigned in April 2008
Identification, evaluation and management of critical factors that affect EH	Monthly submission of planned and actual visits x 3	Health	Not on target. Environmental Health Manager resigned in April 2008
Render effective health education sessions and awareness campaign	Campaign conducted in Ikhwezi, DMA North, Baviaans and DMA South	Health	Complete
Link environmental health to PHC local clinic committees	Minutes of: quarterly clinic committee meetings x 4 areas (EHP attendance)	Health	Not on target. Environmental Health Manager resigned in April 2008
Link environmental health to other stakeholder structures	MNNU Advisory Committee, Food Control Regional Committee, DWAF meeting attendance (EHP's and EHM)	Health	Not on target. Environmental Health Manager resigned in April 2008
Hold by-law workshops with food producers/handlers to encourage awareness	1 workshop in 4 areas (Baviaans, Ikhwezi, DMA North and South)	Health	Complete
Improve and implement an administrative system to effectively receive and manage complaints	Functioning of improved system	Health	Complete
Audit complaints and use information to improve customer care	Annual customer care audit and report	Health	Complete
Analyse the health trend identification and assessment of increase / decrease in health indicators	Workshop held and report submitted	Health	Complete
Development of an integrated waste management strategy (in conjunction with Infrastructure, Economic Development and capacity building)	Approved Integrated Waste Management Strategy	Health	Consultant appointed. Status quo complete. Project to be finalised next fin. year.
Obtain GPS plotting of all waste sites in said areas so that EHPs can monitor formal waste disposal sites and informal sites to ascertain effective waste management practices	Documented GPS plotting of waste sites	Health	Contained in above KPI
Develop and implement action plans based on complaints to address poor waste management practices (routine)	Routine evaluations and stats maintained	Health	Not on target. Environmental Health Manager resigned in April 2008
Develop and implement action plans to address pest manifestations (routine)	Implementation complete for 4 areas	Health	Not on target. Environmental Health Manager resigned in April 2008
To monitor water reticulation systems from source to user	60 water tests conducted (15 per said area)	Health	Complete

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
To design and implement action plans to address non-acceptable water quality	Referrals for all non-complying samples taken	Health	Not on target. Environmental Health Manager resigned in April 2008
Water management contingency plans for 2010 (in conjunction with Infrastructure Rain Water Harvesting and Economic Development)	Input to 2008/9 Water Contingency Plan Soccer 2010 (if called)	Health	Not on target. Environmental Health Manager resigned in April 2008
To monitor relevant food outlets within the identified areas so as to ensure that food complies with acceptable micro and chemical standards through 4 tests in each area	4 tests in each area (Baviaans, Ikhwezi, DMA North and South) and respective CCOs for all compliant outlets	Health	Complete
To design and implement action plans to address non-acceptable food quality through education and awareness campaigns	4 campaigns completed	Health	Not on target. Environmental Health Manager resigned in April 2008
Ensure that service Level PPSLAs are updated, revised and signed by 7 Local Municipalities, annually	7 signed PPSLAs	Health	Done
Ensure that Joint Management Structure is functioning through quarterly LM meetings	4 quarterly meetings	Health	Done
Monitoring of Local Municipalities Financial Expenditure Reports, Quarterly reports and Monthly statistics through acquiring of each LMs quarterly reports	Financial expenditure, statistics and quarterly reports received from 7 LMs	Health	Done
Ensure that budgets for 7 Local Municipalities are developed annually	Budgets drafted for the 7 LMs	Health	Done
Manage Steytleville and Klipplaat secondment to CDM through attending quarterly Camdeboo LSA meetings	4 meetings attended (if called by ECDoH)	Health	Two meetings called and attended
Manage Steytleville and Klipplaat secondment to CDM through the maintenance of the 2 contracts	Signed contract in place	Health	Received contract but Municipal Manager of Ikhwezi did not witness the document. Returned to SPN to obtain correctly signed contracts
Conduct monthly supervisory visitation of Klipplaat and Steytleville clinics (capacity)	12 evaluations x 2	Health	4 Visitations done at Wongalethu Clinic (Klipplaat) and 3 at Steytleville Clinic
Conduct formal evaluation of Steytleville and Klipplaat clinics twice a year	2 evaluation reports per 2 clinics	Health	Visitations done as above and evaluations revealed many shortcomings which are being addressed
Attend functional integration task team meetings organised by ECDoH (PHDTT) (if held)	Meetings attended when held	Health	Five meetings held – five meetings attended
Develop policy guidelines for local clinic committees	Policy guidelines document	Health	Done

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Assess annually the components rendered under PHC at each set clinic (8 MHSD, 9 KHSD, 6 CHSD) as per the PPSLA to ensure conformation to the signed PPSLA	Annual assessment completed	Health	Assessment of PHC components was done for 3 Health Sub-Districts
Review and sign the PPSLA with ECDoH which indicates the components of a comprehensive PHC service which must be rendered	Signed PPSLA	Health	Done
PHC based statistical reports from each service point are submitted monthly to CDM	45 statistical reports received each quarter : 16 KHSD 16 MHSD 13 CHSD	Health	100%
Implement an annual quality assessment of PH services at set clinics	Assessment conducted x 23: 8 MHSD 9 KHSD 6 CHSD	Health	Done
Audit complaints and use information to improve customer care (in-house)	Annual customer care report and findings	Health	13 complaints received and resolved
Analyse health trend identification and assessment of increase / decrease in health indicators	Health trends report	Health	Done
Set up and maintain local clinic committees (quarterly minutes)	23 minutes received per quarter 8 MHSD 9 KHSD 6 CHSD	Health	8 meetings held, 2 meetings cancelled
Develop and implementation of an assessment system on user friendliness at each set clinic through survey	23 X 10 questionnaires 8 MHSD 9 KHSD 6 CHSD	Health	0%
Ensure that mobile clinics service the designated routes, as per the annual set schedule through monthly assessment of service breaks	Assessment report per HSD available	Health	Done
Review annually the mobile routes so as to ensure adequate coverage of area	Review completed	Health	Done
Quarterly assessment of vehicles completed in order to ensure accessibility	Inventory and budget completed	Health	0%
Modify garages to accommodate the new size of Mobile units	Garages modified	Health	Funds transferred to Ravinia project

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Training of volunteers in Willowmore District Hospital	Volunteers booked onto available ECDoH course (if scheduled)	Health	Training done
Establishment of satellite clinic in Baviaanskloof (Simonshook)	Clinic erected	Health	In progress
Complete building extensions to Ravinia clinic (Kruisfontein)	Extensions complete	Health	Completed and handed over. Awaiting funds transfer
Annual assessment (strategy) of PHC facilities / services	Annual assessment completed and ECDoH communicated with	Health	Done
Hold meeting in conjunction with BCR with ECDoH to request timeous payment as per BCR PPSLA (capacity)	Hold meeting in conjunction with BCR with ECDoH to request timeous payment as per BCR PPSLA	Health	Done
Motivate for adequate funding to maintain operations post 30 June 2009	Funding motivated for	Health	Meetings held throughout the year. PN VCT budgeted for 08-09
Maintain VCT at 11 clinics	11 clinics offering VCT maintained as per business plan	Health	Done
Hold meeting quarterly with Traditional Circumcision Coordinators to ensure identification of relevant candidates for training	4 meetings held	Health	Done - Forums will now work to facilitate the plans including SMME development
Implement 2 training sessions (summer and winter school)	2 training sessions held	Health	Done - Forums will now work to facilitate the plans including SMME development
Review organization structure in relation to fire	Approved organogram	Human Resources	Project carried over to next financial year
Bursary for student trainees in critical skills	10 students registered	Human Resources	(Now the Unemployed graduates programme). MC decided to phase process in through 5 graduates. First phase in progress
Develop communication policies (incl. media policy guidelines) and plans at local municipalities	Communication Policy and plan adopted by Council and included IDP	Public Relations	CDM Communication policy has now been approved LMs roll-out can now commence.
Establishment of a standing item on Disaster Management at the CDM management meeting (in place of separate committee)	4 submissions	Public Safety	5 Submissions to Management, i.e. Disaster Management Framework, Disaster Management Plan, Training of Personnel on Emergency Evacuation and Fire fighting, roles and responsibilities of District and local municipalities and fire Services Issues
Development of response and recovery plans	Response plan	Public Safety	Project postponed for 2008/2009 Financial year
Development of Disaster Management Policies	3 Policies approved	Public Safety	Project to be carried over for 2008/2009

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Develop Institutional framework for Disaster Management	CDM disaster management Framework	Public Safety	Draft Policy Framework available. Policy scheduled for adoption in 2008/2009.
Capacitate Stakeholder in Disaster Management	4 workshops (2 CDM; 2 Advisory forum)	Public Safety	Workshops held for on the Disaster Management Act. Stakeholders participated in the drafting of the Disaster Management Framework. ISDR Day held in Ndlambe (Bathurst). Education and awareness conducted schools.
Implementation and Enforcement of Disaster Management By Laws	Enforcement of Fire by-laws in place; drafting of DM by-laws commenced	Public Safety	Project Postponed for 2008/9 Financial Year
Building Fire Service delivery capacity (Baviaans)	Appointment of fire officer and 6 reservists (pending budget by LM)	Public Safety	Fire equipment handed over. Provided first-aid level 3 training to one fire-fighter and in-house fire training to part-time firefighters and volunteers.
Building Fire Service delivery capacity (BCR)	Appointment of fire officer and 6 reservists (pending budget by LM)	Public Safety	Fire equipment handed over. Provided first-aid level 3 training and to one fire fighter
Building Fire Service delivery capacity (Ikhwezi)	Appointment of 1 fire officer and 6 reservists	Public Safety	Fire equipment handed over. Provided first-aid level 3 training and to one fire fighter
Expend the provincial allocation across the District: equipment and protective clothing	Provision of items to exhaust the budget	Public Safety	One heavy duty fire engine provided to Sundays River Valley Municipality. Firefighter 1 and level 3 first-aid to firefighters at local municipalities. Fire awareness programme in Cacadu District Municipality.
Registration of training for fire fighters	Registration complete	Public Safety	Six fire fighters from local municipalities were registered for firefighter 1 training at Nelson Mandela Bay Fire Service training centre
Fire equipment supplied to the DMA	Confirmation of delivery of equipment to DMA	Public Safety	Firefighter trailers and equipment supplied to the DMA and FPA.
Purchasing of Fire truck (SRVM)	Delivery of vehicle and payment	Public Safety	A heavy duty fire engine was purchased and handed over to Sundays River Valley Municipality.
Purchase Fire equipment for Local Municipalities	Delivery of fire equipment invoice and payment	Public Safety	Firefighting equipment was purchased and handed over to all nine local municipalities.
Conduct Fire awareness campaigns	Supply and delivery of material to 10 schools, report to MC	Public Safety	A total of ten fire awareness campaigns were held at rural schools in the Cacadu District Municipality area.
Guidelines for the provision of sidewalks (locations in terms of need)	Guidelines approved by Mayoral	Road Transport	Draft guidelines developed
Existence of a document detailing and testing the feasibility Innovative public transport modes for school children (rural areas)	Report with recommendations completed	Road Transport	Tender advertised, no submission, project deemed unfeasible

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Investigation on the feasibility of public transport for schools	Approved document	Road Transport	Tender advertised, no submission, project deemed unfeasible
Road safety campaign for school children	Hand out of road safety material to schools	Road Transport	No progress
Road accident data base prepared	Approved document to be included in ITP	Road Transport	Consultants appointed. Database developed. Interface developed. Investigate working relationship with Province
Upgrading of public transport facilities	Completion and hand over of project	Road Transport	No progress
Completion of a District road needs hierarchy including the investigation of a roads agency	Comprehensive back-log study	Road Transport	Consultants appointed. Database developed. Interface developed. Investigate working relationship with Province
Investigate roads agency	Draft report complete	Road Transport	Investigating partnership with Metro.
Guidelines for provision of traffic calming measures	Adoption of guideline document	Road Transport	Draft guidelines developed
Finalisation of the rural access roads project	Site inspection complete	Road Transport	Wolwefontein project identified.
Construction of a Building for storage of vehicles at Reitbron	Building constructed	Road Transport	Project to be rolled-over.
Flood Damaged Roads	Contractors on site and proceeding to plan	Roads	40% complete as per project schedule
Finalisation of Kouga Sports Ground	Site inspection complete	Sport and Recreation	Complete
Finalisation of KouKamma Sports Ground	Site inspection complete	Sport and Recreation	Complete
Construction of sports ground at Baviaans (Steytlerville)	Completion of sports ground	Sport and Recreation	Complete
Existence of a sports facility at Reitbron	Completion of project	Sport and Recreation	Close-out report awaited
Upgrading of sports facilities within CDM in accordance with needs (viewed in conjunction with community facility backlog assessment)	Completed sports fields (in terms of plan) handed over to LMs	Sport and Recreation	No progress
Existence of a central resource centre at CDM offices	Resource centre ready for use	Support Services	NA
Awareness campaigns to support enforcement of By Laws in the district	Improved enforcement of by-laws and better co-operation with communities	Support Services	On target. Project will continue in 08/09.
Existence of IT disaster recovery mobile unit	Plan implemented	Support Services	On target

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Develop and implement an archives system	Electronic system in use	Support Services	Project discontinued
Review and institute committee systems	Agendas with improved English and less spelling mistakes	Support Services	External service provider to be appointed.
Existence of a Tourism Master Plan	Approved Tourism Master Plan	Tourism	Development of 4 tourism sector plans on track. These must be developed before a district tourism master plan
Port Alfred Waste Water Treatment Works	Contractor on site and proceeding to plan	Waste Water Management	Complete
Training of treatment works operators	Hand over of certificates	Waste Water Management	DWAF undertaking first phase of training. Funds to be utilised for K-Kamma turnaround
Updated electronic water and sanitation backlog database	Updated Backlog database	Water	DWAF have established a water quality database that we feed results into
Preparation of business plans to support a comprehensive funding strategy	Projects registered with MIG	Water	LMs not responded to requests by DWIF hence no expenditure.
Align infrastructure spending at local municipality	Visitation to all LMs to explain importance, motivate projects in IDP	Water	Complete.
Make presentation to sector departments / possible funders	4 sessions held	Water	Complete
Promotion of regional bulk water schemes for the Karoo bulk water supply	4 sessions held	Water	Complete.
Promotion of regional bulk water schemes for the Ndlambe bulk infrastructure	Master plan adopted by Mayoral	Water	Awaiting actions from ABSA
Completion of a section 78(3) assessment (BCRM, Kou-Kamma, DMA, Ndlambe)	Council Resolution	Water	Consultants appointed
Water demand management	Implementation prepared for the pilot LM	Water	Monitor funds paid to Kouga
Rainwater harvesting plan through the erection of rainwater tanks	Rainwater tanks erected in accordance with implementation plan and available budget	Water	Will be complete by end Sept
As-build compilation for Baviaans Municipality	Asset management register for all water and sanitation projects	Water	Complete
As-build compilation for Ikhwezi and Blue Crane Route Municipality		Water	Project carried over to next financial year
Infrastructure asset register	Baviaans Asset Register in place	Water	Dependant on completion of as-builts.
Cacadu maintenance backlogs identified	System updated	Water	Dependant on completion of as-builts and infrastructure Masterplan.
Develop a shared service agreement	Implementation of shared service agreement as a pilot (if LMs willing)	Water	Project to be rolled over

Key Performance Indicator (Project)	Annual Target 07/08	GFS	Actual 07/08 & reason for variance
Water quality monitoring (in conjunction with Environmental Health)	All failures monitored and addressed in accordance with national standards	Water	Project to be rolled over
Pilot project for shared service	Implementation of shared service agreement as a pilot (if LMs willing)	Water	Project to be rolled over

KEY PERFORMANCE AREAS, KEY PERFORMANCE INDICATORS, TARGETS AND VARIANCES 2008/2009

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
DEVELOPMENT PRIORITY 1: INFRASTRUCTURE INVESTMENT						
To Assist LMs to provide adequate potable water and adequate sanitation by 2010	Focused attention of addressing water and sanitation backlogs in schools and clinics - Project implemented by DWAF	Strategic and quality addressed backlogs	Water	Funds are administered by DWAF	On Target	
	Align infrastructure spending at local municipality	Visitation to all LMs to explain importance, Motivate projects in IDP	Water	Dealt with at IDP Rep Forum on 24 April & DWIF meeting 28 April. Koukamma & SRV were visited.	On target.	
	Make presentation to sector departments / possible funders	4 quarterly sessions	Water	Presentations on draft IDP were made to IDP Rep Forum of 24 April 2009. Meeting held with DWAF to discuss Bucket Eradication on 11 June.	On target.	
To ensure that there is an adequate bulk sustainable water source in the CDM region.	Promotion of regional bulk water schemes for the Karoo bulk water supply	4 quarterly sessions	Water	No meeting attended. A short to medium remedy of Rain Water Harversting has been introduced. The project has been rolled-out in Ikwezi, Jansenville & the DMA in Rietbron.	On target.	
	Kenton-on-Sea. RO-plant resuscitation (Albany Cost Water Board)	Water contingency	Water	Project complete	Complete	
	Completion of a section 78(3) assessment (BCRM, KouKamma, DMA, Ndlambe, Kouga, Baviaans, Ikwezi)	Selected Municipalities investigations complete	Water	Assessment complete, various models proposed for LMs. Council resolutions awaited. A detailed implementation plan will then be drafted.	On target.	
	Rainwater harvesting plan through the erection of rainwater tanks Ikwezi	Erection of rainwater tanks	Water	Jansenville complete	Complete	

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To provide effective and sustainable infrastructural maintenance plans	As-build compilation for Baviaans Municipality	As built management register for Baviaans complete	Water	Project on hold due to a lack of resources. This project was implemented using DBSA depoyees.	Lagging	Met with DBSA - A new incumbent is awaited. Information is being captured on GIS.
	As-build compilation for Ikwezi and Blue Crane Route Municipality	As built management register for Ikwezi and BCRM complete	Water	This project is lagging due to a lack of resources. DBSA depoyees are still being negotiated.	Lagging	DBSA depoyees are still being negotiated.
	Blue Crane Route Electricity master plan	Master plan complete	Electricity	Project Complete	Complete	
	Baviaans Electricity master plan	Master plan complete	Electricity	Project Complete, funding received.	Complete	
	Ikwezi Electricity master plan	Master plan complete	Electricity	Project complete	Complete	
	Maintenance of infrastructure in DMA	Funds spent	Planning & Development	Project was scrapped	N/A	
	Rietbron Bulk & Water Augmentation and fire protection (MIG)	Rietbron water augmentation & fire protection	Water	Contractor on site, and progressing very well.	On target.	
	Upgrade Water Supply to Glenconner & Kleinpoort (MIG)	Upgraded water supply	Water	Contractor on Site in Kleinpoort. Glenconner awaiting ROD.	Lagging	EIA to be lodged in April.
	CDM Planning & feasibility Study (DWAF Funded)	Feasibility studies complete	Water	Municipal Co-operation was slow. Paterson Bulk Water -Master Planning Nieu Bethesda Bulk Water - Technical Report, BP & EIA	Lagging	Technical Report, BP & EIA
	Rainwater Harvesting Rietbron (MIG)	Rainwater harvesting implementation complete	Water	Project complete	Complete	
	WSDP - review & Enhancement (DWAF)	WSDP review complete	Water	This will await the finalisation of the Section 78(3) assessment as the two projects are related	N/A	NA
	Kou-Kamma Drought relief (DWAF) - Additional water source	Additional water resource sought	Water	Exploration complete, EIA's finally approved. Balance of funds will top-up the implementation budget that will come from funds for Kou-kamma	Lagging	Tender adjudication to be done by Koukamma Local Municipality
	Cacadu maintenance backlogs identified	Council approval	Water	Project lagging	Lagging	Pilot project in BCR complete

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To improve mobility in the District by 2010	Road accident data base prepared	Report to Mayoral Committee including proposals for traffic calming measures	Road Transport	Project Complete.	On target.	
	Upgrading of public transport facilities	Completion and hand over project to LM	Road Transport	SRV Municipality delayed the implementation of this project by changing the site.	Lagging	The Municipality has agreed to fund the additional costs.
	Completion of a District road needs hierarchy	Draft report	Road Transport	Project delayed. Information constraints to be addressed	Lagging	Project to move over to 2009/10
	Flood Damaged Roads	Flood damaged roads complete	Road Transport	All projects complete, within budget. Only one project, which has been extended to do slope stabilisation is still ongoing. R65mill spent (+-8% Consultants fees)	On target.	

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To promote an integration between spatial planning and transportation planning to achieve sustainable human settlements	Annual review of SDF	Approval with IDP	Planning & Development	Complete	Complete	
	Community facilities backlog assessment (IDP Support)	Report complete	Planning & Development	Draft report complete. In the Agenda of Standing Committee.	On target	
	Annual update of the Cacadu District ITP	Approval of ITP	Planning & Development	Consultant appointed, progress slow	On target.	Project rolled over to 2009/10
	Completion of the land availability audit	Implementation of recommendations	Planning & Development	Complete	Complete	
	Develop a framework on the role of the District ito planning & building control support	New process in place	Planning & Development	The planning Portal has been created as an interactive tool, which the LM's are not using.	On target	
	Roll-out of electronic land use management system / guidelines	Training of identified LMs / shared services approach implemented	Planning & Development	Complete	Complete	
	Business Plan Funding for LMs Spatial Planning, Survey & Valuation		Planning & Development	Complete	Complete	
	Implementation of the da Gama road urban design initiative	Completion of design project	Planning & Development	Design of project completed	On target.	
	Completion of housing development: Paterson 400	Completion of housing development	Housing	Electricity boxes transferred to new structures	Lagging	Close monitoring of contractor's progress
	Completion of housing development Paterson 200	Completion of housing development	Housing	Project handed over to Province	Lagging	Ensure all outstanding administrative matters pertaining to handover are taken care of
	Completion of housing development: Krakeel 131	Completion of housing development	Housing	13 transfers outstanding	Complete	
	Kliplaaat disaster housing	Completion of housing development	Housing	Project complete	Complete	
	Willowmore housing development	Completion of housing development	Housing	26 units still to be finalised.	On target.	
	Stormsriver 447	Effect 226 transfers	Housing	Conveyancers appointed by the Province are dealing with the transfers	On target.	Outsourced.
	Louterwater 589	Effect 69 transfers	Housing	Conveyancers appointed by the Province are dealing with the transfers	On target.	Outsourced.

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To promote an integration between spatial planning and transportation planning to achieve sustainable human settlements (cont.)	Oysterbay 101	6 Transfers effected	Housing	Project complete	Complete	Work is being done in-house.
	Addo/Valencia 426	326 Transfers effected	Housing	Progress very slow on transferring units. Sundays River Valley Municipality have requested to take over the project.	On target.	Outsourced.
	Bushmans 230	230 Transfers effected	Housing	Conveyancers appointed by the Province are dealing with the transfers	On target.	Outsourced.
	Rietbron 300	300 Transfers effected	Housing	Service provider not performing. Terminate services	On target.	
	Willowmore 373	6 Transfers effected	Housing	Finalising project	On target.	
	Paterson 600	457 Transfers effected	Housing	Duplicated project	Lagging	Additional funds required.
	Krakeel 131	10 Transfers effected	Housing	3 Outstanding transfers being dealt with	On target.	
	Krakeel/Happy Valley 58	19 Transfers effected	Housing	6 Outstanding transfers being dealt with.	On target.	
	Woodlands 420	69 Transfers effected	Housing		On target.	
	Sanddrift 594	83 Transfers effected	Housing	Conveyancers appointed by the Province are dealing with the transfers	On target.	
Transfer and electrification of old Transnet houses in the DMA: solely dependent on transfer from Transnet to CDM	Project implementation upon transfer from Transnet	Housing	Transfer of properties to CDM still ongoing	Lagging	Still awaiting Transnet to approve transfer of other properties.	

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
Develop an integrated tourism / 2010 infrastructure roll-out plan in conjunction with the NMBM	CDM / NMBM co-operation	Meetings with NMBM	Executive & Council	Management appointed officials to serve on work groups with NMB officials.	On target	
	Develop business plans for infrastructure projects for 2010	Cacadu Express used at 2010	Planning & Development	Cacadu Express concept to be investigate and discussed with Department : Economic Development	Lagging	Set-up meeting with Economic Dev.
	Upgrading of sports facilities within CDM	Construction in terms of prioritised plan	Sport and Recreation	Item submitted to Bid Adjudication Committee	On target	
	Existence of a sports facility at Rietbron	Completion	Sport and Recreation	Delays in drilling contract and finding water were experienced. Drilling now complete	Lagging	Project now at design stage and will be implemented

DEVELOPMENT PRIORITY 2: CAPACITY BUILDING AND SUPPORT TO LM'S

Maximise the potential of CDM LMs and District Municipality to effectively and efficiently deliver services to their communities	Review and institute committee systems	Agendas with improved English and less spelling mistakes	Support Services	There are so many projects that are going on at the LM level so timing is not conducive to start with this project.	Lagging	Service providers will be appointed in Jan/Feb 09.
	Establishment of the unemployed graduates programme	Report on progress of programme	Human Resources	Project discontinued	Discontinued	Project abandoned, amount will be transferred to Primary Health Care Services
	Implementation of Capacity building strategy in Districts	Implementation of annual capacity building projects and analysis of close-out report	Capacity Building	Portion of the money will be used to undertake a new project " Support DM and LMs to develop Public Participation Policy and Implementation Plans".	On Target	
	Provision of support to Low Capacity LMs in respect of an Organisational HR Policy	Low Capacity LMs are provided with the HR Policies as per the survey	Capacity Building	Survey initiated	Lagging	Survey being undertaken
	Review and align structure in terms of roles delegations	Implementation of capacity building exercise	Capacity Building	Project complete	Complete	
	Awareness campaigns to support enforcement of By Laws in the district	Improved enforcement of by-laws and better co-operation with communities	Support Services	Review of finance related policies and by laws (tariff, property rates, credit control and customer care and revenue management) rules of order, delegations register and workshop on the above. Rules of Order for the Plenaries have been sent to the LMs, still need to finalise the executive system.	N/A	
	Implementation of MSIG projects	Plan implemented	Budget and Treasury	On track - part of the capacity building and support KPI	On Target	

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
Maximise the potential of CDM LMs and District Municipality to effectively and efficiently deliver services to their communities (contd)	Completion of VAT Audit	Completion by June	Budget and Treasury	Service provider appointed and will provide a report to adjust AFS	Lagging	Tender Re-advertised
	Valuation of long-term liability	Completion by end September	Budget and Treasury	Project complete	Complete	
Maximise the potential of CDM LMs and District Municipality to effectively and efficiently deliver services to their communities (cont)	Develop communication policies (incl. media policy guidelines) and plans at local municipalities	Communications policy is available to all LMs	Public Relations	Survey undertaken and provincial government requested to assist in workshopping appropriate communication strategy for LM's. Application has also been made to the DLG&TA for the placement of interns at LM'S.	On target	
To improve effectiveness in municipal revenue generation and financial management	Progress made in terms of the GRAP implementation plan (National Treasury)	No compliance exceptions raised in the audit report	Capacity Building	Action plan has been developed in terms of which the AFS will be completed. Audit approach has been discussed with the external auditors	On Target	
	Training provided to LMs with regard to Asset Register	Asset register with market values	Capacity Building	DPLG has launched a project to assist LM's. Deloitte has been appointed and the project is being financed from MSIG funding CDM is coordinating the project	On Target	
	Provision of assistance to LMs in respect to GAMAP/GRAP compliance	Lobbying in conjunction with LMs who have provided a business plan for assistance; monitoring of LM implementation plans	Capacity Building	DPLG has launched a project to assist LM's. Deloitte has been appointed and the project is being financed from MSIG funding CDM is coordinating the project	Lagging	DPLG has launched a project in the District to support LM's with GRAP implementation.
	Investigate administration regarding free basic services at SRVM (including the development of an indigents register)	Visits to the LM, Register installed and basic training on upkeep	Capacity Building	Project complete	Complete	

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To provide infrastructure development and service delivery support to LMs	Develop a shared service agreement. Project to be funded by GTZ	Implementation of model (if undertaken)	Water	This project will be done in conjunction with the WSA assessment outcomes for Ikwezi, Bavians & Blue Crane	On Target	
	Water quality monitoring (in conjunction with Environmental Health) for all LM's	Monitoring in accordance with database.	Water	Report compiled, and referred to the relevant Authority.	On target.	
	Implementation of the Provincial Libraries project	100% funds spent on viable improvements to libraries within the district and the promotion of reading	Community & Social Services	14 Libraries connected to CwC library internet project – project complete. Some underexpenditure due to LMs slow spending on library equipment.	On Target	
	Implementation of 'Connect with Cacadu' project	Implementation completed	Community & Social Services	Complete	Complete	
	Adopt a School Programme	Identified school refurbished	Community & Social Services	Roof is asbestos which is a problem	Lagging	Additional funding needed.
To provide infrastructure development and service delivery support to LMs (cont.)	Somerset East Cemetery		Community & Social Services	Complete	Complete	
	Waaikraal Cemetery		Community & Social Services	Awaiting EIA	Lagging	Revised application submitted.
	Glenconnor Cemetery		Community & Social Services	Complete awaiting SG approval.	On Target	
	Kleinpoort cemetery		Community & Social Services	New Site identified, the planning process has commenced.	Lagging	Alternative land is being sought.
	Vondeling Cemetery		Community & Social Services	Complete awaiting SG	On Target	
	Town planning projects within CDM (Tsitsikamma zoning maps, Canon Rocks cemetery, Jeffreys Bay densification strategy)		Planning & Development	Awaiting input from Ndlambe. All other areas complete.	Lagging	To be prioritised.
	Survey projects within CDM		Planning & Development	Awaiting input from SRV. All other areas complete.	Lagging	

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To provide infrastructure development and service delivery support to LMs (cont.)	Existence and execution of a training plan based on identified training needs at LMs in relation to Disaster and Fire	Achievement of the training plan needs	Capacity Building	Currently, training is based on known hazards within specific areas	Lagging	Re-allocate funds for Jansenville.
To assist municipalities in planning and implementation of infrastructural projects	Pilot project for shared service	Implementation of model (if undertaken)	Water	This project will be done in conjunction with the WSA assessment outcomes for Ikwezi, Baviaans & Blue Crane	N/A	
	Provision of technical skills enhancement at LMS	Completion of training	Capacity Building	A similar initiative was undertaken by DWAF, and a service provider was appointed. Interactions took place in DWIF meetings, and the programme was implemented, led & financed by DWAF. CDM funding was redirected to fund Primary Health.	Lagging	Awaiting DWAF to finalise their project.
To increase effectiveness and promote a district-wide approach to IDPs and performance management	Intensively support 3 identified LMs in implementation of the performance management system	Implementation report to Mayoral Committee	Performance Management	Ikwezi was supported by GTZ 08/09. During July 09 the policy frameworks for Ndlambe and BCR were presented. These frameworks will now be presented to the Councils for approval. Baviaans approached CDM for support. PWC will support Baviaans. PWC proposal approved at Bid Committee on 14 Jul 09. Meetings with PWC and Baviaans will now be held asap. Working on supporting Makana and Camdeboo.	Lagging	Meetings with PWC and Baviaans will be held asap. Working on supporting Makana and Camdeboo. Letter will be written to all municipalities to identify needs for support from CDM.
	Assist Baviaans, Ikwezi & BCR in development of IDPs & SDFs (in house)	Approved IDPs	Capacity Building	Focus was on the institutional score card, socio economic profiling, CIP's & Integrated Waste Management Plans. In Kouga & Camdeboo CBP was introduced.	On target.	
	Completion of the IDP learnership programme	5 IDP officials to complete the Learnership (NQF 6)	Human Resources	Project discontinued due to lack of funding	Project Discontinued	N/A
	Continuation of the community based planning rollout within the district (SRV)	Ward Plans complete	Capacity Building	Complete	On target.	

DEVELOPMENT PRIORITY 3: ECONOMIC DEVELOPMENT						
Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To leverage available resources to achieve investment in economic infrastructure in partnership with relevant stakeholders	2010 World Cup (District Master Plan)	District 2010 Master Plan	Tourism	Financial and technical support to Public Viewing of the Confederations final at Makana. Featured interview and Cacadu advert in Destination 2010 Magazine	On target	
	Promoting rail transportation nodes in the district	A plan for revival of rail transportation nodes in the district	Planning & Development	Project discontinued	NA	NA
	SRV Hawkers Facility	Hawker facility complete and functional	Economic Development	Facility not functional due to delayed construction by the contractor. Phase 1 completed. Tendering for 2nd phase. Expected time of completion is Sept 2009.	Lagging	Tender out for Phase 2
	Pilot 1 Nature Reserve. Outsource Management	Management Agreement	Economic Development	Meetings have been held with Ndlambe local municipality. They are requesting a long lease as they are currently spending money on the nature reserves in their municipal area. Any piloting and/or transfer can only be considered in 2009/10, after Council takes a decision on proposed way forward	Lagging	Further engagements are taking place with affected local municipalities. Outcomes as well as requests of the local municipalities will be tabled to Mayoral Committee for consideration.

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To achieve year-on-year economic growth by developing strategic sectors in the district	Tourism Master Plan (funded by DBSA R900k)	Tourism Master Plan completed and adopted	Tourism	A draft TMP has been submitted by the service provider.	On target	
	Tourism Sector Plan for Local Municipalities	4 Tourism Sector Plans completed	Tourism	Sector Plans completed and being considered by local municipalities.	On target	
	Bathurst Conservancy Eco-Tourism	Funds transferred as per the Business Plan (CDM keeping funds - implemented by Ndlambe)	Planning & Development	R110k has been transferred (Oct 2008). The money was for a revised business plan. To date no business plan has been received. Ndlambe is developing a revised business plan, and the remaining funds will be transferred on receipt of this.	On target	
	Cacadu Media Tour	District Media Tour undertaken	Tourism	2 media tours undertaken in May 2009. 3 publications and 2 on-line stories. Cacadu is gaining good coverage.	On target	
	Heritage Promotion and Support	District Heritage Plan	Tourism	Supporting a Heritage Management Plan for Camdeboo Municipality. Funds transferred.	Lagging	Funds transferred
	Destination signage	Signage completed and installed	Tourism	The project has not been completed owing to unforeseen requirements, e.g. environmental impact assessment.	On target	
	Destination Promotion	Promotion at 2 domestic and 1 international trade shows	Tourism	Participated in Indaba in Durban and improved on last year's participation. 9 SMMEs were exposed to the Indaba and the international tourism market. Funds have been transferred (R470k) and marketing at Sawubona for the Mohair International Summit	On target	
	Support to Festivals and Events	Visible support to strategic festivals and events	Tourism	The Coastal & Marine Tourism Congress and National Arts Festival were funded.	On target	
	Support to Local Tourism Organizations	Functional Local Tourism Organisations at each LM	Tourism	An initial support to LTO workshop was hosted on 15 April 2009. A report on the establishments of LTOs has been drafted, circulated to all local municipalities for comment and workshopped in 2 local municipalities. The Project is on track.	Lagging	Two additional workshops scheduled for July 2009.

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To achieve year-on-year economic growth by developing strategic sectors in the district (Cont)	Wool and Mohair Beneficiation - Ikwezi	Funds transferred as per the Business Plan	Economic Development	Ikwezi submitted a plan on 8 June. Funds to be transferred in the new financial year.	Not started	Funds to be transferred to Ikwezi
	Natural Fibre Beneficiation	Business Plan developed for District Fibre Innovation Hub	Economic Development	Trials at the site delayed due to problems with acquiring of equipment. From CSIR report, operations should commence in Oct 2009. Funds will be transferred on approval of progress by the PSC.	On target	Working with CSIR to acquire equipment.
	Ndlambe Essential Oils	Funds transferred as per the Business Plan	Economic Development	Funds transferred. Project on track. Sustainability and secured markets must still be investigated and confirmed.	On target	
	Makana Goat Village	Funds transferred as per the Business Plan (CDM keeping funds - implemented by Makana)	Economic Development	Makana municipality supporting the project. The remaining funds will be transferred in the new year.	Lagging	The remaining funds will be transferred in the new year.
	Chicory Project	Setting up conditions for partnerships and production of chicory	Economic Development	All funds transferred. Chicory SA providing the technical support with regards to planting and securing markets.	On target	
	Honeybush Tea Project	Funds transferred as per the Business Plan (CDM keeping funds - implemented by Kou-Kamma)	Economic Development	Letter sent to Koukamma on the 27 May. As soon as the LM approves transfer, the money will be transferred in the new financial year.	Lagging	Awaiting approval letter from Koukamma Municipality
	Agricultural Master Plan (in-house)	Agricultural Master Plan completed	Economic Development	Performance target was revised due to delayed arrival of the DED Advisor. Preparation work has commenced and the plan will be developed in the new year.	On target	
	Citrus Agro-Processing	Funds transferred as per the Business Plan (CDM keeping funds - implemented by SRV)	Economic Development	MAYCO resolved to transfer funds to SRV municipality, pending submission of business plan. Letter has been written and sent on the 19 May 2009. No response has been received to-date.	Lagging	A meeting pending for complete review of the project. Awaiting a revised business plan in order to transfer funds to SRV municipality.
	Incentivised Agricultural Support Programme	3 Fund applications developed and circulated	Economic Development	Discontinued	Discontinued	N/A
	Implementation of the Rural Curriculum project	Implementation of project	Planning & Development	Modules converted into digital format	Lagging	To be prioritised.

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To achieve year-on-year economic growth by developing strategic sectors in the district (Cont)	Cacadu SMME Development Strategy	Cacadu SMME Strategy completed	Economic Development	Draft SMME development strategy complete, awaiting council adoption	On target	
	Woodlands Flower Trail	Funds transferred as per the Business Plan (CDM keeping funds - implemented by Kou-Kamma)	Economic Development	Woodlands Communal Property Assoc (emerging partner in the project) has pulled out of the cut flower project, embarking on essential oils. They submitted information to that effect on 7 May 2009.	Lagging	A report will be submitted to Mayoral Committee in July for approval.
	Aloe Business Initiatives Investigation in DMA (Project is now called Ostrich Farming Project)	Aloe Business Initiatives Investigation in DMA (changed to Ostrich Farming)	Economic Development	This is an Ostrich initiative in DMA, Miller. Identification of a credible partner has progressed. Site visits to Ostrich farms for emerging farmers have taken place. Currently the DED LED Advisor is reviewing the Cost Benefit analysis of the possible partnership with Khulasizwe Trust as the partner and mentor for the project.	On target	
	Support to Tourism Enterprises	At least 5 tourism enterprises supported	Tourism	Participants have been identified and training material developed. The training is scheduled for July/August 2009. Identification of SMMEs was not an easy task. LMs do not have the database. The service provider had to physically identify SMMEs from Ndlambe, Koukamma & SRV	Lagging	Tourism training scheduled to commence in the new year

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To develop and enhance technical and life skills in line with labour market demands of the district in strategic sectors and the region at large	Conduct skills audit	Report on skills audit progress	Economic Development	Put on hold, forms part of the LED Initiative (in partnership with DBSA).	Not started	Awaiting approval and transfer of funds
	DMA Crafts Initiatives	1 craft project operational in the DMA	Economic Development	Project on track, started with training and sampling of crafts. Seda will assist with training on business development and related skills.	On target	
	Existence and Mentoring of Rietbron Sheep Farming Cooperative	Mentoring program in place	Economic Development	Funds rolled over. National Wool Growers Association to render technical support and mentorship	Lagging	Beneficiaries finalised. National Wool Growers Assoc. submitted a mentoring program and will render the required technical support
	Sheep Shearers Capacity Building Programme	2 co-operatives established and members trained in DMA	Economic Development	Funds rolled over. National Wool Growers Association to render technical support and mentorship	Lagging	Beneficiaries finalised. National Wool Growers Assoc. submitted a mentoring program and will render the required technical support
	Leather Craft Initiative in Kleinpoort	1 co-operative established and members trained in Kleinpoort	Economic Development	A report on the feasibility of the project is due in July 2009. Outcomes will then inform way forward	Lagging	The feasibility report will be tabled to DMA task team in August.
	BCR car wash	BCR car wash completed and functional	Economic Development	Project complete	Complete	

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To build appropriate internal and external institutional capacity necessary to improve integration, alignment and coordination of economic development programmes	Provide support for project management to local municipalities (in-house)	Project Management Manual produced	Economic Development	District Support Team initiative (for LED Support) is being implemented. For project generation (catalytic projects) working with Thinasinako and DBSA LEDi	On target	
	Support Development Agencies	Technical and funding support provided	Economic Development		On target	
	Tourism Advisory Council	District Tourism Advisory Council	Tourism	The tourism advisory council meeting scheduled for this quarter was postponed until further notice.	On target	
	Economic Development Advisory Council	District Economic Development Advisory Council functional	Economic Development		On target	
	Baviaans Local Economic Development Strategy	Funds transferred as per the Business Plan (CDM keeping funds - implemented by Baviaans)	Economic Development	Awaiting business plan from the local municipality	Lagging	
	LED Expert for Ikwezi	LED institutional support provided for Ikwezi	Economic Development	Project Complete	Complete	
	Trade and investment promotion	Facilitated 2 mega projects within the District	Economic Development	Advertising carrying on. Receiving queries on the website and requests for further information. R470k funded to support International Mohair Summit.	On target	
	Small Enterprise Development Agency (SEDA) Satellite Offices	3 SEDA satellite offices functional	Economic Development	Satellite offices functional. Mobile Unit purchased in May. Mobile service will target the areas where there is no SEDA or satellite office.	On target	
	Development to Flower Trail	2 cut flower projects mentored and supported	Economic Development	Project delayed. The emerging partner has now submitted a proposal on a new initiative (Essential Oils). Approval needed for project diversion from Cutflower to essential oils.	Lagging	Awaiting MAYCO approval in the new year
	Regional economic development strategy (Genesis) - CMTP	Regional Economic Development Strategy Situation Analysis Report Developed	Economic Development	Project taken off the list - strategy to be reviewed when LEDi signed off by the DBSA	N/A	N/A
Create platform for knowledge sharing and learning (in-house)	4 learning events hosted by the district	Economic Development	Taking place at the Economic Development Forum	On target		

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To establish and sustain partnerships and regional linkages aimed at promoting economic development	Identify opportunities for backward linkages with IDZ	Quarterly meetings	Economic Development	Meetings and requests going on as and when there is a need or potential investors interested in the district.	On target	
	Lobby for funding for Addo Road	3 funding applications submitted	Economic Development	Project discontinued.	NA	Project removed. Road prioritised by the Provincial Department of Transport
	Promote the establishment of Business Chambers (in-house)	4 business seminars	Economic Development	Project reviewed.	Lagging	Proposal for Mayors' Business Forum to be tabled in the new year.
	Monitor and Evaluate GDS Commitments	Progress Report of GDS Commitments	Economic Development	Project reviewed to strengthen the EGDS when rolling out the LEDi programme in the new year. This fund will be part of municipal co-funding to the LEDi	N/A	N/A
	Lobby funding for R332 (Baviaans Road)	3 funding applications submitted	Economic Development	Project discontinued.	NA	N/A
DEVELOPMENT PRIORITY 4: COMMUNITY SERVICES						
To improve the environmental health status of communities of Baviaans, Ikwezi, DMA (north and South)	Ensure submission of quarterly statistical report to Mayoral Committee to reflect EHS rendered in the referred to areas	Monthly stats and Quarterly Mayoral Committee report by end April	Health	4th Quart report to be submitted to MC 26 Aug 2009.	Lagging	Awaiting feedback from the joint application with EC Parks submitted to Thinasinako.
	Conduct a Section 78 Assessment	Report concluded	Health	Draft report tabled to MC & Council	On target.	
	Conduct education and awareness campaigns	Sessions conducted	Health	Pest control campaigns were held in Wolwefontein, Glenconner & Kleinpoort.	On target	
	Link environmental health to PHC local clinic committees	Quarterly clinic committee meetings x 4 areas (EHP attendance)	Health	No meetings have been held	Lagging	Project abandoned
	Link environmental health to other stakeholder structures	MNNU Advisory Committee, Food Control Regional Committee, DWAF meeting attendance (EHP's and EHM)	Health	Joint management meetings are held with EHP's / Managers from LM's and from Province	Lagging	All meetings will be attended in the new financial year

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To improve the environmental health status of communities of Baviaans, Ikwezi, DMA (north and South) (cont)	Improve and implement an administrative system to effectively receive and manage complaints	Functioning of improved system	Health	Complaints not effectively handled due to lack of human resources	Lagging	Complaints from the DMA, Ikwezi & Baviaans dealt with on an ad-hoc basis.
	Development of an integrated waste management strategy in the District	Approved Integrated Waste Management Strategy	Health	Project complete	On target.	
	Routine waste management assessment and pest control	Implementation complete for 4 areas	Health	Pest control campaigns were held in Wolwefontein, Glenconner & Kleinpoort	On target.	
	To monitor relevant food outlets within the identified areas so as to ensure that food complies with acceptable micro and chemical standards through 4 tests in each area	4 tests in each area (Baviaans, Ikwezi, DMA North and South) and respective CCOs for all compliant outlets	Health	22 Food premises were visited	On target.	
	To monitor water reticulation systems from source to user	60 water tests conducted (15 per said area)	Health	55 water samples taken in Baviaans, Ikwezi & DMA	On target.	
	Improve water quality in the DMA	90% of samples tested, passed.	Health	Failures in the DMA	Lagging	More testing to be done
	To design and implement action plans to address non-acceptable water quality	Referrals for all non-complying samples taken	Health	Letters are written to Municipalities	On target.	
	To design and implement action plans to address non-acceptable food quality through education and awareness campaigns	4 campaigns completed	Health	Campaigns not completed due to lack of human resources	Lagging	Work in progress

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To effectively monitor and jointly manage environmental health services in the local municipalities of Kouga, Koukamma, Camdeboo, BCR, Makana, SRV and Ndlambe as per a PPSLA agreement with the relevant local municipalities	Ensure that service Level PPSLAs are updated, revised and signed by 7 Local Municipalities, annually	7 signed PPSLAs	Health	PPSLAs have been signed	On target.	
	Monitoring of Local Municipalities Financial Expenditure Reports, Quarterly reports and Monthly statistics through acquiring of each LMs quarterly reports	Financial expenditure, statistics and quarterly reports received from 7 LMs	Health	Quarterly report with associated recommended interventions	Lagging	EH Manager commenced 2nd quarter, 1 Oct. 2008. The KPI needs to be amended.
	Ensure that budgets for 7 Local Municipalities are developed annually	Budgets drafted for the 7 LMs	Health	Budgets developed	Lagging	EH Manager commenced 2nd quarter. The incumbent will prioritise this project.

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To improve the health status of the community as per the principles of the district health system model	Manage and evaluate the Steytlerville and Klipplaat secondment to CDM	4 x quarterly analytical reports	Health	N/A	On target	NA
	Professional input into the provincialisation process at a provincial level	2 x feedback reports to the MM with regards to the status of the provincialisation process	Health	Report submitted to District Health Council on 2.06.09. - Item submitted to Mayoral Committee on 24.06.09 - Correspondence forwarded to Premier on 28.05.09	On Target	
	Assess annually the components rendered under PHC at each set clinic (8 MHSD, 9 KHSD, 6 CHSD) as per the PPSLA to ensure conformation to the signed PPSLA	Annual assessment completed	Health		On Target	
	Review and sign the PPSLA with ECDoH which indicates the components of a comprehensive PHC service which must be rendered	Signed PPSLA	Health	Due to inadequate funding by ECDoH, Council resolved to terminate the agency agreement and return the function to Province from 1.07.09. The PPSLA will therefore not be signed for 09/10.	On Target	
	Statistical analysis and recommendations from the PHC based statistical reports from each service point submitted to Maycom	4 x quarterly analytical reports submitted to Maycom	Health	Proof of submission of statistics for 45 service points provided. Statistical analysis submitted to Mayoral Committee on 24.06.09 for the period April 08 to Feb 09 (ECDoH financial year). ECDoH is the supplier of the raw data, and statistics for the period April/May/June 09 are therefore not available as they are always one quarter behind)	On Target	
	Implement an annual quality assessment of PH services at set clinics	Assessment conducted x 23: 8 MHSD; 9 KHSD; 6 CHSD	Health	N/A	On Target	
	Set up and maintain local clinic committees (quarterly minutes)	• 23 minutes received per quarter – 8 MHSD – 9 KHSD – 6 CHSD	Health	Minutes received as follows :- 3 MHSD - 12 KHSD - 5 CHSD	On Target	

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To improve the health status of the community as per the principles of the district health system model (Cont)	Ensure that mobile clinics service the designated routes, as per the annual set schedule through monthly assessment of service breaks	Assessment report per HSD available	Health	NA	On Target	
	Review annually the mobile routes so as to ensure adequate coverage of area	Review completed	Health	N/A	On Target	
	Quarterly assessment of vehicles completed in order to ensure accessibility	Inventory and budget completed	Health	NA	On Target	
	Establishment of satellite clinic in Baviaanskloof (Simonshoek)	Satellite clinic established	Health		On target.	
	Loerie Clinic	Extensions complete	Health		Project to be scrapped	Delete project.
	Hankey Clinic	Extensions complete	Health		Project to be scrapped	Delete project.
	Weston Clinic	Extensions complete	Health		On target.	
	Patensie Clinic	Extensions complete	Health		On target.	
	Thornhill Clinic	Extensions complete	Health		Lagging	
	Sandrift	Extensions complete	Health		Project discontinued	Delete project.
	Addo Garage	Extensions complete	Health		Project discontinued	Delete project.
	K-o-S Garage	Extensions complete	Health		Project discontinued	Delete project.
	Paterson Garage	Extensions complete	Health		Project discontinued	Delete project.
	Rietbron Garage	Extensions complete	Health		Project discontinued	Delete project.
	Willowmore Garage	Extensions complete	Health		Project discontinued	Delete project.
Complete building extensions to Ravinia clinic	Extensions complete	Health	Project complete	On target.		

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To improve the health status of the community as per the principles of the district health system model (Cont)	Annual assessment (strategy) of PHC facilities / services	Annual assessment completed and ECDoH communicated with	Health	NA	On Target	
Promote voluntary testing and counselling amongst the inhabitants of the CDM area of jurisdiction	Motivate for adequate funding to maintain operations post 30 June 2009	Funding motivated for	Health	NA	On Target	
To ensure traditional surgeons and traditional nurses are trained in general health issues, HIV & AIDS prevention and safe practices	Partnership with Province in training of lingcibis and amakhankatas in safe health practices	Effective training conducted	Health	Project has not commenced due to lack of resources.	Not Started	This KPI needs to be amended as this is a Provincial competency.

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To build institutional capacity within the municipalities to effectively respond to HIV & AIDS	Support functional DAC	Minutes of meetings	Community & Social Services	DAC meeting was postponed. LAC outreach programme undertaken in May and June. Visited six municipalities viz Ikwezi, Makana, Blue Crane Route, Baviaans, Camdeboo and Sundays River Valley, and assisted them in developing their plans of action. Stakeholders are now well represented in the LAC's in these municipalities.	Complete	
	Formulate an integrated HIV and Aids Plan for the District	Existence of an HIV & AIDS Plan	Community & Social Services	Strategy in place and projects are implemented. The prevention pilot project has started. Forty eight volunteers from four LMs and the DMA have been trained on HIV and AIDS. The volunteers have started working in Camdeboo, Ndlambe, Blue Crane Route and part of the DMA.	Complete	
	District World AIDS day celebration	World AIDS Day celebrated	Community & Social Services	District WAD event held in Cookhouse	Complete	

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To mitigate disasters in the Cacadu district	Establishment of a standing item on Disaster Management	4 submissions	Public Safety	No regular item submitted to Management but issues were discussed on an ad hoc basis	Lagging	Submit regular written items
	Establishment of response and recovery task teams in each satellite area	4 teams	Public Safety	Currently some task teams exist in the district, There are however general response teams at Ndlambe, Camdeboo, Kouga and Makana.	Lagging	Revitalise local advisory forums by 2nd Quarter 2009/10
	Implementation of contingency plans and disaster management policies	Establish a corporate emergency team and 3 drills per annum	Public Safety	Project for L.Ms will be done in the 2009/10 fin year. Institutionally consensus is needed between the stakeholders Standard Bank & NMMM	Lagging	Set new targets for 1st quarter 2009/10
	Disaster management centre equipment planned and installed (in accordance with the national specifications)	Installation completed and equipment in use	Public Safety	Project to be completed in the 2009/10 Financial Year	Lagging	Finalisation of upgrade by 1st quarter 2009/10
To mitigate disasters in the Cacadu district (cont)	Develop an implementation strategy for the institutional disaster management framework	Implementation strategy developed and implemented	Public Safety	Institutional Framework for Disaster Management developed and adopted by Council in August 2008.	On Target	
	Development of a District-Wide Disaster Plan	District-wide Disaster Management developed	Public Safety	District-Wide Disaster Management Plan is still outstanding.	Lagging	Project to be outsourced
	Develop an integrated Disaster Management Information System for CDM	Initial phase of the information system developed	Public Safety	Knowledge sharing with other District Municipalities is needed	Lagging	Visits to Umzinyathu, Uthungulu & Uthukela DM's 1st Quarter 2009/10
	Facilitate Local Municipalities' Disaster Management Plans	3 Municipalities (Ikwezi, Bavians, Blue Crane) have credible disaster management plans	Public Safety	Project delayed due to the Review of the Risk Assessment and will be undertaken during 2009/10	Lagging	Draft plans to be undertaken by 1st Quarter 2009/10
	Facilitate DMA Traffic Services	Assessment of the availability of traffic infrastructure for the DMA area	Public Safety	Project abandoned	NA	Provincial traffic officers are performing the function in the DMA area.
	Enhance education and awareness in Disaster Management	Workshop conducted and CD compiled on early warning Link to initiative with Metro)	Public Safety	Project completed during 3rd Quarter	Complete	

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To provide effective fire fighting in the district	Section 78 Assessment	Approved organogram (if changed)	Public Safety	Study Complete. A shared service model for Ikwezi, Baviaans & Blue Crane has been recommended to the respective Councils.	On Target	
	Assistance (financial and project management) provided to SRVM for start up costs for their fire services	Assistance provided documented in a final report showing advice rendered by CDM to ensure capability of SRVM	Public Safety	No co-operation received from SRV Municipality	On Target	
	Training for Fire Services Personnel	Fire fighting course 1 + 2 and Hazmat for fire officers	Public Safety	First Aid, basic firefighting & crowd control training conducted	Ahead of Target (On Target)	
	Fire Services for DMA	Confirmation of delivery of equipment to DMA	Public Safety	Equipment purchased, not yet dispatched.	Lagging	Equipment will be procured and delivered upon finalisation of the fire assessment.
	Establishment of a fire protection association	2 registered associations	Public Safety	Glennonner fully registered.	On Target	
	Purchasing of Fire truck (BCRM)	Delivery of vehicle and payment	Public Safety	Done	On Target	
	Assistance to Local Municipalities (fire truck for Ndlambe)	Fire truck handed over to Ndlambe by June	Public Safety	Done	On Target	
To provide effective fire fighting in the district (cont)	Purchase fire equipment for Local Municipalities	Equipment bought for 3 Municipalities (Baviaans, Ikwezi, Sundays River Valley)	Public Safety	Equipment purchased	Lagging	Equipment will be procured and delivered upon finalisation of the fire assessment.
	Conduct Fire awareness campaigns	Supply and delivery of material to 10 schools	Public Safety	Workshops held at all LM's in schools in June 2009.	Lagging	

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To ensure mainstreaming of designated groups through integrated planning in the Cacadu District	Forecast employment opportunities at planning stage of projects for the purpose of providing projected training needs	Established process of information dissemination	Community & Social Services	Umsobomvu was engaged in this project to showcase the region and the opportunities they are able to offer the Youth. Some of the Youth provided business plans. After analysis of the business plans, they were encouraged to explore other business ventures and submit plans therefor. The above matter was included in the Local Youth Forum Agenda's.	Lagging	Post incumbent resigned end April 09
	Upliftment of groups through business and SMME development	Established process of information dissemination	Community & Social Services	Two projects (shoe project and bakery project) were assisted to be established as businesses. Both projects are running smoothly. The budgets of R40, 000 and R50, 000 were wrongly allocated.	Lagging	Post incumbent resigned end April 09
	Completion of assistance to Bakery and Leathercraft initiatives and assessment of success	Completion of assistance to Bakery and Leathercraft initiatives and assessment of success	Community & Social Services	As Above	Lagging	Post incumbent resigned end April 09
	Completion of youth centre revamp and hand over to BCRM	Youth centre handed over to BCRM	Community & Social Services	Revised model was never adopted by BCR. Instead sent a wishlist of equipment suitable for a Gym. For the 3rd quarter a meeting is scheduled to discuss the utilisation of the centres and how to spend the monies.	On Target	Post incumbent resigned end April 09
	Develop, integrate & monitor a strategic plan for women	Strategic plan developed and implemented	Community & Social Services	Assisted by GTZ. Draft policy circulated. Policy reviewed in consultation with LMs, sector depts and other stakeholders. Will be submitted to Mayco in August and Council in Sept.	On Target	Post incumbent resigned end April 09
	Develop, integrate and monitor a strategic plan for disabled	Implementation of the plan	Community & Social Services	A partnership between GTZ and CDM was established and GTZ will appoint a suitable service provider.	On Target	Post incumbent resigned end April 09
	Develop, integrate and monitor a strategic plan for youth	Implementation of the plan	Community & Social Services	A partnership between GTZ and CDM was established and GTZ will appoint a suitable service provider.	On Target	Post incumbent resigned end April 09
	Establishment and functioning of a task team for Women Empowerment	Execution of agreed activities by Task Team	Community & Social Services		NA	Post incumbent resigned end April 09

Objective	Key Performance Indicator (Project)	Annual Target 2008/09	GFS	Actual & reason for variance	Performance Re-dress	
					State if Project is Complete, On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started
To ensure mainstreaming of designated groups through integrated planning in the Cacadu District (cont)	Host events and hold activities within the district	3 commemoration days hosted	Community & Social Services	3 Events held	On Target	
	Jazz Festival (dept of sports recreation arts and culture)	Jazz festival held in December 08	Community & Social Services	Project discontinued	NA	NA
To promote the principles of moral regeneration	Awareness programmes at schools	Talks taken place	Community & Social Services	Project done in partnership with disaster management unit	On Target	Project done in partnership with disaster management unit.
	Execution of 'Project Sober' as identified in the BCRM Community based planning initiative	Programme implementation completed	Community & Social Services	Project initiated in BCR.	Complete	
To achieve legal compliance	Finalisation of valuation roll: (DMA)	Close-out report and service provider paid	Budget and Treasury	Project complete rates to be collected in 2009/2010	Complete	

TARGETS FOR 2009/2010

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
DEVELOPMENT PRIORITY 1: INFRASTRUCTURE INVESTMENT			
To Assist LMs to provide adequate potable water and adequate sanitation by 2010	Backlogs in Water and Sanitation	Strategic and quality addressed backlogs	Water
	Align infrastructure spending at local municipality	Visitation to all LMs to explain importance, Motivate projects in IDP	Water
	Make presentation to sector departments / possible funders	4 quarterly sessions	Water
To ensure that there is an adequate bulk sustainable water source in the CDM region.	Co-funding of Jansenville treatment plant	Co-funding of Jansenville treatment plant	Water
	Rainwater harvesting for the Cacadu District	Rainwater harvesting for the Cacadu District	Water
	Completion of Section 78(1) Assessment	Selected Municipalities investigations complete	Water
	MIG Projects (09/10)	Pending Transnet transfer of funds	District Wide Strategic Planning
To provide effective and sustainable infrastructural maintenance plans	As-built compilation for Baviaans Municipality	As built management register for Baviaans complete	Water
	As-built compilation for Ikwezi and Blue Crane Route Municipality	As built management register for Ikwezi and BCRM complete	Water
	Upgrade Water Supply to Glenconner & Kleinpoort (MIG)	Upgraded water supply	Water
	CDM Drought relief contingency (DWAf funded)	Drought relief contingency	Water
	Infrastructure DMA: Alienation	Pending Transnet transfer of properties	District Wide Strategic Planning
	Planning and feasibility studies	Planning & feasibility studies	District Wide Strategic Planning
	Camdeboo electricity master plan	Camdeboo electricity master plan	District Wide Strategic Planning
	Blue Crane electricity master plan & funding of project from resultant plan	Blue Crane electricity master plan & funding of project from resultant plan	District Wide Strategic Planning
	Electricity Infrastructure in DMA	Pending Transnet transfer of funds	District Wide Strategic Planning

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
To provide effective and sustainable infrastructural maintenance plans (contd)	WSDP - review & Enhancement (DWAF)	WSDP review complete	Water
	Kou-Kamma Drought relief (DWAF) - Additional water source	Additional water resource sought	Water
	Cacadu maintenance backlogs identified	Council approval	Water
	Upgrading of public transport facilities	Completion and hand over project to LM	Road Transport
	Completion of a District road needs hierarchy	Draft report	Road Transport
	Kou Kamma flood damaged roads	Roads complete	Road Transport
	Flood Damaged Roads	Flood damaged roads complete	Road Transport
	Prepare Roads Maintenance	Report on Maintenance	Road Transport
	Addo-Valencia	Completion of Housing Development	Housing
	Louterwater PH2	Completion of Housing Development	Housing
	Sandrif 594	Completion of Housing Development	Housing
	Stomsrivier	Completion of Housing Development	Housing
	Willowmore	Completion of Housing Development	Housing
	Klipplaat Disaster	Completion of Housing Development	Housing

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
To promote an integration between spatial planning and transportation planning to achieve sustainable human settlements	Annual review of SDF	Approval with IDP	District Wide Strategic Planning
	Agricultural strategic investment framework	Strategic framework implemented	District Wide Strategic Planning
	Somerset East urban design initiative	Design concept finalised and accepted	District Wide Strategic Planning
	GIS interface development	GIS Interface operational	District Wide Strategic Planning
	Makana Bus Terminus	Bus terminas complete	Road Transport
	Annual update of the Cacadu District ITP	Approval of ITP	District Wide Strategic Planning
	Upgrading of sports facilities within CDM in accordance with needs for 2010(viewed in conjunction with community facility backlog assessment)	Construction in terms of prioritised plan	Sport and Recreation
	Ndlambe sportsfield	Sportsfield complete	Sport and recreation
Existence of a sports facility at Rietbron	Completion	Sport and Recreation	

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
DEVELOPMENT PRIORITY 2: CAPACITY BUILDING AND SUPPORT TO LM'S			
Maximise the potential of CDM LMs and District Municipality to effectively and efficiently deliver services to their communities	Support LM's with Supply Chain Management processes and procedures	4 LM's supported	Budget and Treasury
	Continual support that Audit Committees are functioning effective	Fully affective Audit Committees	Budget and Treasury
	Establishment of the unemployed graduates programme	Report on progress of programme	Human Resources
	Implementation of Capacity building strategy in Districts	Implementation of annual capacity building projects and analysis of close-out report	Capacity building
	Provision of support to low capacity LM's iro Organisational and HR arrangements		Human Resources
	Develop communication policies (incl. media policy guidelines) and plans at local municipalities	Communication policies available to all LM	Public Relations
Maximise the potential of CDM LMs and District Municipality to effectively and efficiently deliver services to their communities	Provision of assistance to LMs in respect to GAMAP/GRAP compliance (Financial Statements)	Lobbying in conjunction with LMs who have provided a business plan for assistance; monitoring of LM implementation plans	Budget and Treasury
	Training provided to LM's with regard to Asset Register	Asset register with market values	Budget and Treasury

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
To provide infrastructure development and service delivery support to LMs	Develop a shared service agreement. Project to be funded by GTZ	Implementation of model (if undertaken)	Water
	Water quality monitoring (in conjunction with Environmental Health) for all LM's	Monitoring in accordance with database.	Water
	Connect with Cacadu-hardware installation within additional libraries within the District	To achieve access to CwC in additional libraries	Community & Social Services
	Project shine- 2nd phase CwC interface development	Installation and rollout of interface	Community & Social Services
	Waaikraal Cemetery	Project management, quarterly updates & weekly turn-around of invoices	Community & Social Services
	Town planning projects within CDM (Tsitsikamma zoning maps, Canon Rocks cemetery, Jeffreys Bay densification strategy)	Project management, quarterly updates & weekly turn-around of invoices	Planning & Development
	Survey projects within CDM (Umasizakhe, Jansenville orthphotos, Bergsig encroachments, Addo encroachments, Paterson encroachments)	Project management, quarterly updates & weekly turn-around of invoices	District Wide Strategic Planning
	Existence and execution of a training plan based on identified training needs at LMs in relation to Disaster and Fire	Achievement of the training plan needs	Capacity building
To assist municipalities in planning and implementation of infrastructural projects	Pilot project for shared service	Implementation of model (if undertaken)	Water
To increase effectiveness and promote a district-wide approach to IDPs and performance management	Intensively support 3 identified LMs in implementation of the performance management system	Implementation report to Mayoral Committee	Capacity building
	Assist LMs in the development of IDPs & SDFs (in house)	Approved IDPs	Capacity building

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
DEVELOPMENT PRIORITY 3 : ECONOMIC DEVELOPMENT			
To leverage available resources to achieve investment in economic infrastructure in partnership with relevant stakeholders	SRV Hawkers facility	Complete functional facility	Economic Development
	2010 Soccer World Cup District Support	Technical and funding support provided to identified LM's	Tourism
	Monitor and Evaluate GDS Commitments (Economic Growth and Development Strategy Review)	District Economic Development Forum	Economic Development
To achieve year-on-year economic growth by developing strategic sectors in the district	Tourism marketing	Marketing Strategy implemented	Tourism
	Tourism Capacity Building	Transfer funds as per application	Tourism
	Support to LM Tourism Development Program	Transfer funds as per business plan	Tourism
	Viabie managed nature reserves in the District	Private-Public Partnership (PPP) pilot plan	Tourism
	Tourism statistics system	A functional tourism system	Tourism
	Natural Fibre Beneficiation	Evidence of Agave Americana trials in Camdeboo	Economic Development
To achieve year-on-year economic growth by developing strategic sectors in the district	SMME Support Programme	Growing SMME Sector	Economic Development
	Agri-sector strategy (in house)	Strategy to grow the agricultural and agri-processing sectors	Economic Development
	Goat Farming at Ikwezi	Funds transferred as per the Business Plan (CDM keeping funds - implemented by Ikwezi)	Economic Development
	Development to Flower Trail	2 cut flower projects mentored and supported	Economic Development
	Honeybush Tea Evebrand Packhouse - Koukamma	Funds transferred as per the Business Plan (CDM keeping funds - implemented by Koukamma)	Economic Development
	Woodlands Flower Trail	Funds transferred as per Business plan (CDM keeping funds-implemented by Koukamma)	Economic Development

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
To develop and enhance technical and life skills in line with labour market demands of the district in strategic sectors and the region at large	DMA Crafts Initiatives	1 craft project operational in the DMA, Rietbron	Economic Development
	Rietbron Sheep Farming Cooperative	Functional Co-op	Economic Development
	Sheep Shearers Cooperative	Functional Co-op	Economic Development
	Ostrich Farming Cooperative (pilot)	Functional Co-op	Economic Development
	Leather Craft Cooperative	Functional Co-op	Economic Development
To build appropriate internal and external institutional capacity necessary to improve integration, alignment and coordination of economic development programmes	Functional LED District Support Team (DST)	Functional DST	Economic Development
	Red Tape Reduction	First Phase Report	Economic Development
	Support to Kouga Development Agency	Technical and funding support provided	Economic Development
	Revitalisation of the Fonteinbosch nature Reserve	Revitalisation complete	Economic Development
	Tourism Advisory Council	District Tourism Advisory Council	Tourism
	Agreement with Small Enterprise Development Agency (seda)	Strengthened and functional Satellite offices	Economic Development
To establish and sustain partnerships and regional linkages aimed at promoting economic development	Structured meetings and engagement with Coega IDZ	Quarterly meetings	Economic Development
	Functional Economic Development Forum	District Economic Development Forum	Economic Development
DEVELOPMENT PRIORITY 4: COMMUNITY SERVICES			
To improve the environmental health status of communities of Baviaans, Ikwezi, DMA (north and South)	Ensure submission of quarterly statistical report to Mayoral Committee to reflect EHS rendered in the referred to areas	Monthly stats and Quarterly Mayoral Committee report by end April	Health
	Conduct a Section 78 Assessment	Report concluded	Health

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
To improve the environmental health status of communities of Baviaans, Ikwezi, DMA (north and South) (cont)	Conduct education and awareness campaigns	Sessions conducted	Health
	Community food gardens	Productive food settlements in all DMA settlements	Health
	Link environmental health to PHC local clinic committees	Quarterly clinic committee meetings x 4 areas (EHP attendance)	Health
	Link environmental health to other stakeholder structures	MNNU Advisory Committee, Food Control Regional Committee, DWAF meeting attendance (EHP's and EHM)	Health
	Improve and implement an administrative system to effectively receive and manage complaints	Functioning of improved system	Health
	Routine waste management assessment and pest control	Implementation complete for 4 areas	Health
	To monitor relevant food outlets within the identified areas so as to ensure that food complies with acceptable micro and chemical standards through 4 tests in each area	4 tests in each area (Baviaans, Ikwezi, DMA North and South) and respective CCOs for all compliant outlets	Health
	To monitor water reticulation systems from source to user	60 water tests conducted (15 per said area)	Health
	Improve water quality in the DMA	90% of samples tested, passed.	Health
	To design and implement action plans to address non-acceptable water quality	Referrals for all non-complying samples taken	Health
To design and implement action plans to address non-acceptable food quality through education and awareness campaigns	4 campaigns completed	Health	

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
To effectively monitor and jointly manage environmental health services in the local municipalities of Kouga, Koukamma, Camdeboo, BCR, Makana, SRV and Ndlambe as per a PPSLA agreement with the relevant local municipalities	Ensure that service Level PPSLAs are updated, revised and signed by 7 Local Municipalities, annually	7 signed PPSLAs	Health
	Monitoring of Local Municipalities Financial Expenditure Reports, Quarterly reports and Monthly statistics through acquiring of each LMs quarterly reports	Financial expenditure, statistics and quarterly reports received from 7 LMs	Health
	Ensure that budgets for 7 Local Municipalities are developed annually	Budgets drafted for the 7 LMs	Health
To improve the health status of the community as per the principles of the district health system model	Manage and evaluate the Steytleville and Klipplaat secondment to CDM and submit analysis and possible recommendations to B-Type Municipality and Mayco	4x Quarterly analytical reports	Health
	Professional input into the provincialisation process at a provincial level	2 x feedback reports to the Municipal Manager with regards to the status of the provincialisation process	Health
	Assess annually the components rendered under PHC at each set clinic (8 MHSD, 13 KHDS, 4 CHSD) as per the PPSLA to ensure conformation to the signed PPSLA	Annual assessment completed	Health
	Review and sign the PPSLA with ECDoH which indicates the components of a comprehensive PHC service which must be rendered	Signed PPSLA	Health
	Statistical analysis and recommendations from the PHC, based statistical reports from each service point submitted to Mayco for the period April - March (ECDoH financial year)	2 x analytical reports submitted to Mayco	Health

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
To improve the health status of the community as per the principles of the district health system model	Monitor the annual quality assessment of PH services at all 70 service points (includes seconded Steytlerville and Klipplaat clinics)	Report to Mayco annually on status of quality assessment Assessment conducted x 70: 23 MHSD; 23 KHSD; 24 CHSD	Health
	Monitor the function of local set clinic committees (quarterly minutes) and report to Mayco annually on concerns raised in minutes	• 25 minutes received per quarter – 8 MHSD – 13 KHSD – 4 CHSD - Mayco item drafted annually	Health
	Ensure that mobile clinics service the designated routes, as per the annual set schedule through monthly assessment of service breaks	Assessment report per HSD available	Health
	Review annually the mobile routes so as to ensure adequate coverage of area	Review completed	Health
	Review annually the set clinic coverage of area and budget accordingly	• Review coverage • Submit Budget • Evidence to motivation to ECDoH for funding	Health
	Assessment of vehicles completed in order to maintain fleet and thereby ensure accessibility	Inventory and budget completed	Health
	Ensure functioning of District Health Council	4 quarterly meetings	Health
Promote voluntary testing and counselling amongst the inhabitants of the CDM area of jurisdiction	Motivate for adequate funding to maintain operations post 30 June 2009	Funding motivated for	Health
To ensure traditional surgeons and traditional nurses are trained in general health issues, HIV & AIDS prevention and safe practices	Partnership with Province in training of lingcibis and amakhankatas in safe health practices	Effective training conducted	Health

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
To build institutional capacity within the municipalities to effectively respond to HIV & AIDS	Support functional DAC	Minutes of meetings	Community & Social Services
	District World AIDS day celebration	World AIDS Day celebrated	Community & Social Services
	Formulate an integrated HIV and Aids Plan and Strategy for LM's	Existence of an HIV & AIDS Plan and Strategy	Community & Social Services
	Implementation of the CDM HIV and Aids Plan	Successful Implementation of Plan	Community & Social Services
	Revamp to clinics	Completion report	Health
To mitigate disasters in the Cacadu district	Establishment of a standing item on Disaster Management at the CDM management meeting in stead of an inter-departmental meeting	4 submissions	Public Safety
	Establishment of response and recovery task teams in each satellite area	4 teams	Public Safety
	Implementation of contingency plans and disaster management policies	4 Drills per annum	Public Safety
	Purchase of bus for emergency transportation of volunteers	Proc. Bus for emergency	Public Safety
	Enhance education and awareness in Disaster Management	Host 2 open days ISDR	Public Safety
	Development of disaster management plans for LMs	3 credible district management plans for LM's	Public Safety
	Development of disaster management plans for CDM	District Disaster Managemnt Plan in place	Public Safety
	Disaster management information system - 2nd phase	Completion of second phase	Public Safety
	Facilitate Local Municipalities' Disaster Management Plans	3 Municipalities (Ikwezi, Baviaans, Blue Crane) have credible disaster management plans	Public Safety
	Establishment of a Disaster Management Centre at CDM	Completion of Disaster Management Centre	Public Safety

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
To provide effective fire fighting in the district	Fire Services for DMA	Confirmation of delivery of equipment to DMA	Public Safety
	Purchase of a fire truck	1 Fire Truck purchased	Public Safety
	Fire training to fire services personnel	Training of 7 Fire Fighters	Public Safety
	Purchase of fire fighting equipment for LMs	Fire Equipment for Fire Truck	Public Safety
	Conduct Fire awareness campaigns	Supply and delivery of material to 10 schools	Public Safety
	Promote effective fire fighting	Host 4 workshops at LM's	Public Safety
To ensure mainstreaming of designated groups through integrated planning in the Cacadu District	Forecast employment opportunities at planning stage of projects for the purpose of providing projected training needs (to ensure that appropriate skills are available and can be taken advantage of)	Established process of information dissemination	Community & Social Services
	Upliftment of groups through business and SMME development	Established process of information dissemination	Community & Social Services
	Develop, integrate & monitor a strategic plan for women	Strategic plan developed and implemented	Community & Social Services
	Rollout of CBP within the District	CBP Roll-out in 7 LM's	Community & Social Services
	Develop, integrate and monitor a strategic plan for disabled	Implementation of the plan	Community & Social Services
	Ndlambe Disabled - SP	Project complete	Community & Social Services

Key Performance Area (Objective)	Key Performance Indicator (Project)	Annual Target 09/10	GFS
To ensure mainstreaming of designated groups through integrated planning in the Cacadu District (contd)	Develop, integrate and monitor a strategic plan for youth	Implementation of the plan	Community & Social Services
	Completion of youth centre revamp and hand over to BCRM	Youth centre handed over to BCRM	Community & Social Services
	Establishment and functioning of a task team for Women Empowerment	Execution of agreed activities by Task Team	Community & Social Services
	Monitor and maintain the effectiveness of the Forums in the District	4 meetings held for each Forum	Community & Social Services
	Host events and hold activities within the district	3 commemoration days hosted	Community & Social Services
To promote the principles of moral regeneration	Awareness programmes at schools	Talks taken place	Community & Social Services

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

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Cacadu District Municipality which comprise the statement of financial position as at 30 June 2009, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages 39 to 111.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting 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.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. Paragraph 11 *et seq.* of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by Cacadu District Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of Cacadu District Municipality as at 30 June 2009 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

Emphasis of matters

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

Restatement of corresponding figures

As disclosed in note 23 to the financial statements, the corresponding figures for 30 June 2009 have been restated as result of changes in accounting policies and errors discovered during the 30 June 2009 financial year in the financial statements of Cacadu District Municipality.

OTHER MATTERS

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

Unaudited supplementary schedules

10. The supplementary information set out in Appendix C, D and E(2) do not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.
11. The municipality provided supplementary information in the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, in accordance with GRAP 1 Presentation of Financial Statements. The supplementary budget information set out in Appendix E(1) does not form part of the financial statements and is presented as additional information. Accordingly I do not express an opinion thereon.

Non-compliance with applicable legislation

12. Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)
- The municipality has not paid all money owing within 30 days of receiving the relevant invoice or statement as required by section 65(2)(e) of the MFMA.

Governance framework

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

Key governance responsibilities

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

No.	Matter	Y	N
1.	Audit committee		
	1. The municipal entity had an audit committee in operation throughout the financial year.	✓	
	2. The audit committee operates in accordance with approved, written terms of reference.	✓	
	3. The audit committee substantially fulfilled its responsibilities for the year, as set out in [section 166(2) of the MFMA].	✓	
2.	Internal audit		
	4. The municipal entity had an internal audit function in operation throughout the financial year.	✓	
	5. The internal audit function operates in terms of an approved internal audit plan.	✓	
	6. The internal audit function substantially fulfilled its responsibilities for the year, as set out in [section 165(2) of the MFMA].	✓	
3.	The annual financial statements were submitted for auditing as per the legislated deadlines [section 126 of the MFMA].	✓	
4.	The financial statements were not subject to any material amendments resulting		✓

No.	Matter	Y	N
	from the audit.		
5.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
6.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
7.	Key officials were available throughout the audit process.	✓	
8.	The prior year audit findings have been substantially addressed.	✓	
9.	SCOPA resolutions have been substantially implemented.	✓	
10.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	
11.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
12.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
13.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
14.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	
15.	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].	✓	
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 [entity name] against its mandate, predetermined objectives, outputs, indicators and targets [section 68 of the MFMA (municipalities)].	✓	
17.	Delegations of responsibility are in place, as set out in [section 79 of the MFMA].	✓	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

Material misstatements corrected during the audit

15. Numerous material misstatements arising from a difference between the amount, classification or presentation of a reported financial statement item and the amount, classification or presentation that is required for the item to be in accordance with the applicable financial reporting framework were corrected during the audit. These misstatements were identified during the audit and were corrected by management. These misstatements were not prevented or detected by Cacadu District Municipality's system of internal control. We urge management to implement improved controls over the matters reflected as the root cause for the misstatements.

16. The root cause for the adjustments made to the financial statements can be attributed to a lack of management oversight with regards the preparation of the financial statements as well as a shortage of technical skills in terms of application of the related accounting standards. Closer oversight by management and distribution of the financial statements to the members of the audit committee on a timeous basis will assist in reducing the number of corrections required to the financial statements in future.

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

17. I was engaged to audit the performance information.

Responsibility of the accounting officer for the performance information

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

Responsibility of the Auditor-General

19. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and read in conjunction with section 45 of the Municipal Systems Act, No. 32 of 2000.
20. 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.
21. 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)

Usefulness and reliability of reported performance information

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

- Reliability: Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following audit findings relate to the above criteria:

Reported performance information not reliable

23. Sufficient appropriate evidence in relation to the reported performance information of all the municipality's programmes could not be obtained as the relevant source documentation could not be provided for audit purposes.

Reported performance information not relevant

24. Furthermore, the municipality, in most instances, did not establish measurable performance indicators and objectives as required by section 121(4)(d) of the MFMA. The following targets with regards to assisting local municipalities to provide adequate potable water and improved sanitation, and Improving mobility (flood damaged roads) within the district, amongst others were not:

- Specific in clearly identifying the nature and required level of performance
- Measurable in identifying required performance
- Time bound in specifying the time period or deadline for delivery

APPRECIATION

25. The assistance rendered by the staff of the Cacadu District Municipality during the audit is sincerely appreciated.

Auditor-General

East London

11 December 2009



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Management response to the report of the Auditor-General to the Eastern Cape Provincial Legislature and the Council on the financial statements and performance information of Cacadu District Municipality for the year Ended 30 June 2009.

Management's response will be provided with reference to the relevant paragraphs in the Audit Report:

1. AUDIT OPINION

1.1 Paragraph 9. Opinion

The Auditor-General has concluded that: "In my opinion the financial statements present fairly in all material respects, the financial position of Cacadu District Municipality as at 30 June 2009 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by National Treasury as set out in accounting policy note 1 to the financial statements and in the manner required by the Municipal Finance Management Act."

2. Emphasis Matters

There is a matter of emphasis raised by the Auditor-General that is currently being attended to:

2.1 Restatement of Corresponding Figures

Although every effort is made to ensure the accurate and timely processing of accounting entries throughout the financial year, errors and the changes in accounting and other policies necessitated the restatement of corresponding figures in the financial statements as more fully detailed in note 23. Ongoing efforts to improve the internal control environments and skills of employees has resulted in accurate and reliable financial reporting systems.

3. Other Matters

3.1 Paragraph 12. Non-compliance with applicable legislation

Computer systems have been developed and are in the process of being implemented to keep track of invoice dates and payment dates to enable management to identify root causes of late payments which can then be addressed.

3.2 Paragraph 14. Key Governance Responsibilities

As more fully detailed in paragraph 14 (Key Governance Responsibilities) the Cacadu District Municipality has, except for item no.4 which deals with material amendments to the financial statements, satisfied the audit standards regarding financial and risk management and internal controls.

3.3 Paragraph 15. Material Misstatements Corrected During the Year

The errors referred to resulting in misstatements have been corrected and the recommendation of the Auditor-General to address the root causes of the misstatements will be implemented.

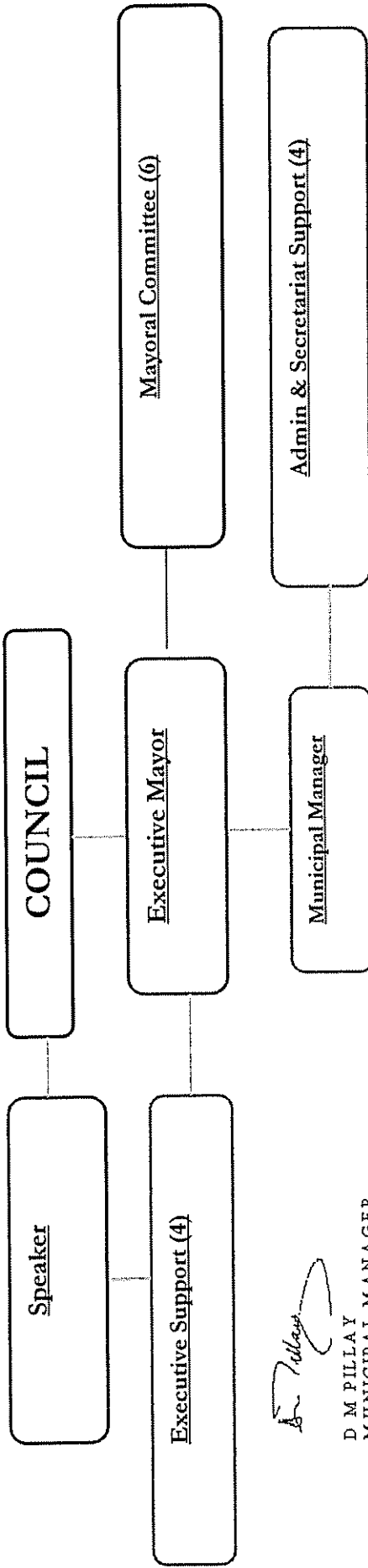
4. Other Reporting Responsibilities

Report on Performance Information

In an effort to address the issues raised by the Auditor-General, specific programmes have been launched aimed at improving:

- reporting on performance with regard to objectives, indications and targets;
- setting of targets which are measurable and linked to deadline dates; and
- preparation of evidence files so that source data and documentation which relate to performance can be traced and verified.

MACRO ORGANISATION DESIGN



D M Pillay

D M PILLAY
MUNICIPAL MANAGER

**DIRECTOR:
FINANCE AND
CORPORATE
SERVICES**

- Financial Management
- Information Systems
- Administration, Secretariat
- Legal Services & Property Management
- Human Resources Management
- Asset & Fleet Management
- Public Relations
- Skills Development
- Cleaning and Security Services
- Capacity Building & Support to LMs
- Support and capacity building to the DMA
- Payroll

**DIRECTOR:
INFRASTRUCTURE
SERVICES AND
PLANNING**

- Infrastructure: Development
- Water & Sanitation
- Transport & Roads
- Building Maintenance
- Land Use Management
- GIS / Spatial Planning
- IDP / Eav. Mangt Dev
- Technical Services in DMA
- Capacity Building & Support
- Disaster Management / Fire Environmental Health

**DIRECTOR:
ECONOMIC
DEVELOPMENT**

- Trade Investment & Promotion
- Tourism Marketing, Development & Management
- Agriculture Development
- Heritage Management
- Environment Management
- Marketing & Branding
- SMME / BEE
- Capacity Building & Support

**ADMINISTRATION
UNIT - HEALTH
SERVICES**

- Primary Health Care Services
- Mobile Clinics
- Child Care
- Capacity Building & Support

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2009

PURPOSE

The Audit Committee serves as an independent advisory body which advises the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to:

- Internal financial control and internal audits
- Risk management
- Accounting policies
- The adequacy, reliability and accuracy of financial reporting and information
- Performance management
- Effective governance
- Compliance with the Municipal Finance Management Act 56 of 2003, the annual Division of Revenue Act and any other applicable legislation
- Performance evaluation and
- Any issues referred to it by the municipality.

In addition, the committee must review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance the Municipal Finance Management Act 56 of 2003, the annual Division of Revenue Act and any other applicable legislation.

The committee further is required to respond to the council on issues raised by the Auditor-General in the audit report and carries out such investigations into the financial affairs of the municipality as the council may request.

We have pleasure in presenting our report for the year ended 30 June 2009.

TERMS OF REFERENCE

The Audit Committee has adopted appropriate formal terms of reference that have been approved by the council and mayoral committee, and has executed its duties during the past financial year in accordance with these terms of reference and the relevant legislative requirements.

COMPOSITION

The committee consisted of three independent, outside members. The committee meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

During the 2008/9 year four meetings were held.

Name of member	Qualifications	Period served	Meeting attendance			
			11/09/2008	10/12/2008	12/03/2009	12/06/2009
Mr S G Zamisa (Chair)	MBA	01/07/07 - 30/06/09	✓	✓	✓	✓
Prof F E Prinsloo	MCOM	01/07/08 - 30/06/09	✓	✓	✓	✓
Prof A Singleton	CA(SA)	01/07/07 - 30/06/09	✓	✓	✓	✓
Dr R Snelgar	BA, MA, post-grad dip PM, PhD, MHRP	01/07/07 - 30/06/09	✓	✓	✓	✓

The Municipal Manager, the Director: Finance and Corporate Services, Directors of Infrastructure Services, Economic Development and Health Services respectively, and representatives from the external and internal auditors attend the committee meetings by invitation only. The internal and external auditors have unrestricted access to the Audit Committee.

AUDIT COMMITTEE RESPONSIBILITIES

The committee reports that it has complied, as far as possible, with its responsibilities set out in its council approved terms of reference and the relevant legislative requirements.

REVIEW OF THE ANNUAL FINANCIAL STATEMENTS

The Audit Committee has noted the unqualified opinion expressed by the Auditor-General in his report on the Annual Financial Statements and commends management on addressing the issues raised in connection with the Application of the Financial Statement Preparation Framework.

The Auditor-General has without qualifying his opinion emphasised the matters set out below:

- Restatement of corresponding figures: this relates to the presentation and disclosures in the financial statements and arose through changes in accounting policies and errors identified during the current financial year.

The committee is satisfied that these matters relate to presentation and do not represent specific risks to the district municipality.

The other matters raised in the balance of the report have been noted by the committee and measures identified by management to address these.

The committee has:

- Reviewed the audited annual financial statements;
- Reviewed management responses to the management letters of the Auditor-General;
- Concluded that the going concern premise is appropriate in preparing the annual financial statements.

The committee has emphasised to management the need for the committee's meetings to be scheduled at the appropriate point in time in the reporting process to ensure that the committee has sufficient time to review the annual financial statements prior to these being issued to the Auditor-General, the council and the mayoral committee.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROLS

The matters reported in the reports of Internal Audit (received quarterly) and the Auditor-General; as well as matters brought to the attention of the Accounting Officer, by way of informal queries and management letters, indicate that whilst there is always room for improvement the internal checking and control measures generally functioned adequately during the year under review.

The committee has urged management to take corrective action to ensure that internal checking and control measures are as effective as possible so as to improve the internal control environment.

PERFORMANCE MEASUREMENT

The municipality is monitoring and comparing actual to targeted progress on a regular basis according to a framework. The Service Delivery and Budget Implementation Plan (SDBIP) report is used which reflects planned completion dates for all projects.

The findings of the Auditor-General regarding performance information are noted. The committee have confirmed with management that reporting and monitoring is taking place as expected. However, the committee has emphasised the importance of Key Performance Areas (KPA's) and Key Performance Indicators (KPI's) and indicated that these must be measurable and achievable. The committee has further suggested that management reconsider these aspects of performance measurement and make the relevant improvements to the framework and performance contracts.

CONCLUSION

The Audit Committee accepts the conclusions of the Auditor-General on the annual financial statements for the year ended 30 June 2009 and recommends that the audited annual financial statements should be adopted by the council.

APPRECIATION

On behalf of the Audit Committee, I would like to extend sincere appreciation to the municipal staff for their assistance and support during the financial year under review.

S G Zamisa
Chairman

05 January 2010

Glossary:

GRAP Generally Recognised Accounting Practice

GAMAP Generally Accepted Municipal Accounting Practices

GAAP South African Statements of Generally Accepted Accounting Practice

PAA Public Audit Act, 2004 (Act 25 of 2004)