



**O.R. TAMBO
DISTRICT MUNICIPALITY**

DRAFT

**ANNUAL REPORT
2008/09**

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CHAPTER1. INTRODUCTION AND OVERVIEW

1.1 EXECUTIVE MAYOR'S FOREWORD

I have great pleasure to introduce the 2008/2009 Annual Report of the O R Tambo District Municipality. The Report presents the progress made by this Municipality with the provision and expansion of basic services to its communities, as well as how the institution addressed and overcame the challenges encountered along the way. We have executed our mandate mindful of the fact that the national , provincial and local spheres of government functions as an integrated state and a number of our key programmes and projects cut across the all three spheres of government.

Achievements

The Municipality's progress in achieving its objectives in all five key performance areas will be outlined in this Annual Report. The key performance areas are as follows:

- Basic service delivery and infrastructure development
- Municipal financial viability and management
- Municipal transformation and development
- Local economic development
- Good governance and public participation

Key achievements over the review period include the following:

- (a) A people-driven ward-based planning process was introduced, which informed the 2009/10 Integrated Development Plan and Budget.
- (b) The municipality's audit outcome has improved from a disclaimer audit opinion for the three preceding years to a qualified opinion in this year. The basis for the opinion has further been limited to just two areas.
- (c) In terms of support rendered to local municipalities, we have further been able to extend internal audit support to 3 of the seven local municipalities, legal services support to 4 of our municipalities as well as the provision of firefighting equipment to 5 of the 7 municipalities.
- (d) The capital expenditure rate has improved.

The year ahead

Despite the notable progress made during the 2008/09 financial year, the Municipality is acutely aware of the many challenges that await, as listed below.

- (a) Further strengthening people involvement in planning and decision-making

- processes so that together with our people, we can do more. This includes the finalization of the groundbreaking and innovative ward based planning and information system that will further enhance informed decision making and budgeting.
- (b) The district made a significant intervention in responding to the continued challenge of girl children abuse and abduction and established the Palmerton Child Care Centre, which currently house 92 children and orphans.
 - (c) Accelerating and expanding quality and sustainable service delivery and infrastructure.
 - (d) In line with the governing party's key focus area of education and skills development, we will focus on working with the education department and schools in our district, in an attempt to contribute to the poor matric results of the 2008 academic year.
 - (e) 55 Students (tertiary) benefited from the district's financial assistance programme.
 - (f) We will take further our partnership with the City of Lusaka as part of our ongoing honouring and celebrating of the life our icon OR Tambo.
 - (g) Focusing on revenue collection and customer care measures within the framework of Batho Pele.
 - (h) Prioritising issues concerning special groups (youth, women, children, aged and people with disabilities).
 - (i) Mitigating the impact of the global economic meltdown and finalising key economic growth and development strategies and policies.
 - (j) Continued focus to support the marginalized and rural poor through food security programmes and in this regard three pilot sites have been identified and supported.
 - (k) Five women's co-operatives and one co-operative for ex-combatants have been established focusing on sewing, agriculture and brickmaking,
 - (l) Sharpening our focus on TB, HIV and AIDS.
 - (m) Continuously building a performance-driven institution and status of an unqualified audit opinion.

I would like to express my sincere gratitude to my predecessors, all councillors, officials, the communities of the O R Tambo district and stakeholders for their contribution to the progress made for the year under review.

COUNCILLOR RZ CAPA
EXECUTIVE MAYOR

1.2 YEARLY PROGRAMME PRIORITIES' STATEMENT BY THE MUNICIPAL MANAGER

As the Accounting Officer of the Municipality, I confirm that this 2008/09 Annual Report has been compiled in line with the Local Government: Municipal Systems Act (MSA) 32 of 2000, the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003, the National Treasury Circular No. 11, as well as the customized template and guidelines for municipal annual reports provided by the Provincial Department of Local Government and Traditional Affairs.

The key priority areas of the institution during the year under review find their expression in the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan and include the following:

- (a) Ensuring a performance-driven, integrated and co-ordinated institution.
- (b) Enhancing good corporate governance through achieving an improvement in the audit opinion from the Office of the Auditor-General.
- (c) Improving the provision of basic services and infrastructure.
- (d) Continued focus on the provision of quality housing.
- (e) Improving financial management and financial sustainability.
- (f) Contributing to grow the economy by the development of an investment attraction framework and the staging of investment conference.

In the 2009/10 financial year, the following areas will receive priority:

- (a) Continuous improvement in good corporate governance; performance and integration; and achieving an unqualified audit opinion.
- (b) Prioritising the provision of sustainable, quality basic services.
- (c) Becoming a customer focused and more responsive institution, in adherence to Batho Pele principles.
- (d) Prioritising human capital development and labour relations.
- (e) Ensuring sound and sustainable financial management *inter alia*, through the maximisation of revenue collection.
- (f) Focusing on major infrastructure investment, operations and maintenance.
- (g) Focus on the improvement of our community engagement framework through the strengthening of our public participation unit.

I would like to extend my warmest appreciation to the political leadership, the management team and staff of the O R Tambo District Municipality for their contribution to the progress made during the 2008/09 financial year.

BW KANNEMEYER
MUNICIPAL MANAGER

1.3 EXECUTIVE SUMMARY

1.3.1 FINANCIAL VIABILITY AND MANAGEMENT

- Annual financial statements was submitted to the Office of the Auditor-General by the end of 31 August 2009 in terms of section 126(1)(a) of MFMA;
- All the qualifications items raised in the 2007/08 audit report were cleared in the 2008/09 audit report;
- The District Municipality has received a qualified opinion which is a significant improvement from Disclaimer opinion in 2007/08.

Challenges Experienced

The key challenges in financial management are the high vacancy rate particularly the Supply Chain Management, Budget and Reporting as well as Treasury and Reporting. O.R. Tambo District Municipality is classified as a high capacity municipality. This requires the municipality to be fully compliant with Generally Recognized Accounting Practice, MFMA compliance issues and all its related circulars and regulations. The financial management system is also a major limiting factor in terms of financial and management accounting procedures and information flow.

1.3.2 WATER, SANITATION AND ROADS

The OR Tambo district municipality is the Water Services Authority and Water Services Provider responsible for planning and implementation, operation and maintenance of water and sanitation services within the seven local municipalities in the district. The District Municipality (DM) is therefore responsible for the development and the implementation of its water services by-laws, District Wide Water Master plans, Water Conservation & Water Demand Management and Water Services Master Plan.

Much of the existing water and sanitation infrastructure district wide is in a state of decay and in many cases, is not functioning; hence ongoing refurbishment and maintenance are key to the provisioning of water and sanitation. The DM has continued in the provision of and granting access to basic level of service to all the deserving cases, however, the persistent drought spell ravaging the region contributed

to increasing the demand. As such programmes like spring protection, water carting and refurbishment of pump stations are still continuing to meet this need while more permanent and sustainable resolutions to the challenges are planned and implemented.

Major Challenges in water and sanitation services and remedial actions

Backlog eradication is not the only substantial challenge facing the OR Tambo District Municipality. Those deemed to be “served” are not necessarily benefiting from a fully functional and operational water service, though they do live in the area covered by some sort of formal scheme. Much of the existing water and sanitation infrastructure is not adequately maintained and, in many cases, is not functioning. Efforts to eradicate the backlogs in the district have been affected by funding problems during the period under review.

The DM is challenged with having to balance extending services to areas not served and refurbishing, maintaining and increasing the capacity of existing infrastructure to support economic growth and development. The focus of the district was to extend services to those with no access who are largely the poor in rural areas. This resulted to little resources made available for refurbishing, maintaining and increasing the capacity of existing infrastructure especially in urban areas and other historical development nodes. As a result the state and capacity of existing infrastructure has become a constraint to growth and development and as such additional resources are required for ongoing operations and maintenance.

1.3.3 HUMAN SETTLEMENT

The DM is an implementing agent for 18 Housing Projects and 17 of these are rural. All the projects are implemented through the People’s Housing Process (PHP) and are labour intensive. Beneficiaries are involved in decision making and in the construction of their houses, whilst local and emerging builders are involved in construction process. There is also participation of local service providers (bakkies, tractors, trucks, etc) for cartage of material from Support centre to various sites. Local emerging suppliers are also given opportunities to supply building material to projects but due

to shortages of some building material items that are not available locally are then sourced from outside the region.

Partnership is formed between beneficiaries, Local Government, Community leaders, Sector Departments and other stakeholders for monitoring of projects. The housing development and implementation strategy is derived from PHP principles and also from National Housing Code. Support Committee is elected by beneficiaries. Support Centre staff is appointed from the community where projects are situated. The teams involved in the construction of the housing units are sourced from villages and nearby villages. Contrary to ORTDM's eagerness to build more houses every year we are constrained by the limited financial resource. All the houses that are constructed are 40 sqm in size and they have a rain water tank and a VIP toilet.

1.3.4 SOCIAL TRANSFORMATION

YOUTH

Academic financial assistance: 55 tertiary students were financially supported in the following fields : Information Technology , Law , Tourism, Civil Engineering , BSC , Social Work , Public Affairs , Education , Environmental studies , Computer Science , Social Science , Administration and Medicine . These students were identified from distressed families within the O.R. Tambo District Municipality and are enrolled with the following universities; Walter Sisulu University, KwaZulu Natal institutions , Fort hare and Nelson Mandela Metro university . The DM youth development programme also supporting those in the manufacturing business, for example: the Ilitha metal manufactures and suppliers, Mzamba life saving as well as Young woman poultry project.

WOMEN DEVELOPMENT PROGRAMME

- Five cooperatives fully owned by women in the district were registered : Sewing cooperative in Zalu Hill -Lusikisiki and Gxulu village -Nyandeni , Agriculture cooperative in Jali and Mpunzi drift -Mbizana , Art -Bambisana village -Port St Johns

- Four rural women development offices established in Mbizana, Nyandeni, Ingquza Hill and KSD municipality.

SUPPORT FOR THE ELDERLY included the establishment of O.R. Tambo District Organization for Elderly person, which mainly focuses on supporting issues of interest to the elderly as well as protecting their rights.

SUPPORT TO EX-COMBATANTS includes amongst others the establishment and support of cooperatives owned by ex-combatants e.g. Young Lions, a brick manufacturing cooperative.

CHILDREN: A home and support centre was established in Palmerton at Ingquza Hill Municipality, which mainly supports abused and vulnerable children. The Centre also offers 92 children an opportunity to learn in a homely, friendly and healthy environment.

HIV/AIDS: The DM HIV/AIDS Unit received a Provincial award for an outstanding support on People Living With HIV/AIDS.

19 established non medical VCT sites throughout the district, 5 High transmission area sites established in Mthatha Shell Ultra City, Ngqeleni village , Port St Johns second beach, Bizana taxi rank and Tsolo junction. Not less than 27 000 young girls in the district are participating in inkciyo abstinence program. The program is popular in contributing to curbing the spread of HIV/AIDS, sexual transmitted infections and reduction of teenage pregnancy.

POVERTY RELIEF: Approximately 900 families in distressed benefited from one household one food garden program in three identified pilot sites Flagstaff , Mbizana and K.S. D municipality. 1300 identified distressed families were supported with food parcels.

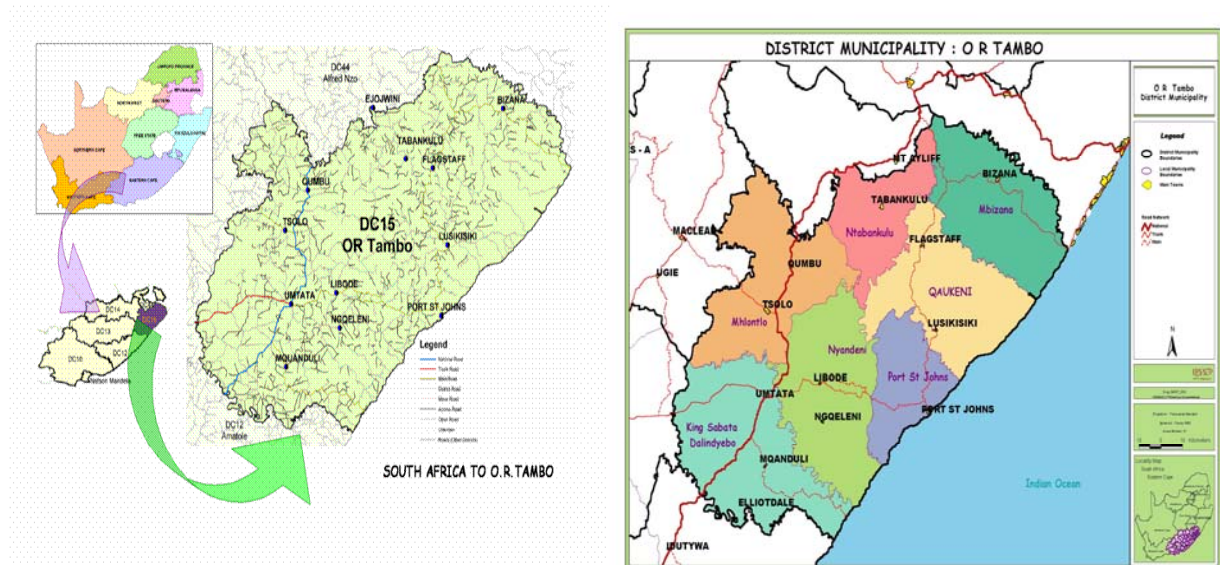
CHAPTER 2. OVERVIEW OF THE CURRENT SITUATION

O.R. Tambo District Municipality (ORTDM) is one of the six district municipalities and one of the four ISRDP nodes of the Eastern Cape Province. It covers about 80% of what used to be marginalised homeland of Transkei and is formed by seven Local Municipalities, namely:-

- King Sabatha Dalindyebo LM (Mthatha & Mqanduli)
- Nyandeni LM (Libode & Ngqeleni)
- Mhlontlo LM (Qumbu & Tsolo)
- Port St. Johns LM
- Ngquza Hill LM (Flagstaff & Lusikisiki)
- Ntabankulu LM
- Mbizana LM (Bizana)

2.1 Locality

The O.R. Tambo District is located to the east of the Eastern Cape Province, on the Indian Ocean coastline of South Africa. It is bordered by the Alfred Nzo District Municipality to the north, the Ukhahlamba District Municipality to the northwest, the Chris Hani District Municipality to the west and the Amathole District Municipality to the southwest. From the east to the west the district measures 170,143km, north to south 121,725km and it measures 12857 km² in extent.



2.2 DEMOGRAPHICS AND SOCIO-ECONOMIC INDICATORS

The total population of O.R Tambo district amounted to 1,843,135 million in 2007, (growing at an average of 0.5% per annum) which is approximately 26, 6% of the total for the Eastern Cape province, which is approximately as depicted in the chart below.

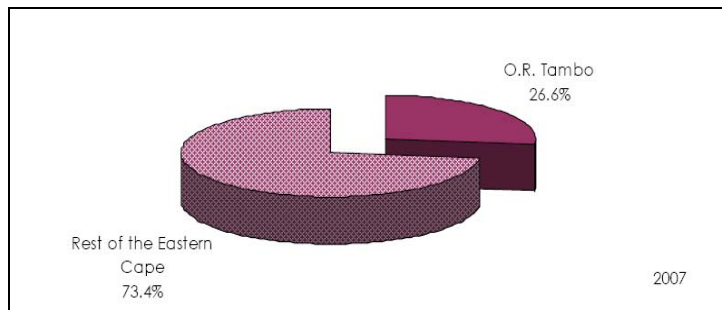


Chart 1: Total population in O.R Tambo relative to the Eastern Cape (1997, Numbers)

- o In 2007, the district had a Gross Value Added (GVA) of R 11.9 billion, which is 15.2% of the Eastern Cape.
- o Community services constitute 46.8% of O.R. Tambo's GVA, with trade and finance trailing at 19.9% and 19.1% respectively.
- o It is estimated that 95,049 people were employed by formal and informal sectors in the District - which is 15% of the provincial total.
- o Unemployment was measured at 204,650 in 2007 - which amounts to 68.1% of the total economically active population of 300,376.
- o The total number of individuals with an education level of less than a matric certificate or no schooling was 847,016 in 2007, those with tertiary education was 4,789 and those with matric are 21,719.
- o The Gini Coefficient in O.R. Tambo for 2007 was 0.64, compared to that of the Eastern Cape which was 0.67. The population group with the highest Gini Coefficient for 2007 was the Coloureds with a coefficient of 0.59.
- o The Human Development Index of O.R. Tambo - in 2007 - was 0.42 which is significantly lower than the Province's 0.53 and the country's 0.60.

- o It is estimated that 72.2% of the population of O.R. Tambo live in poverty, compared to 62.2% in the Eastern Cape and 42.9% in South Africa as a whole.
- o GDP is a measure of the total economic activity occurring in O.R. Tambo. In 2007, O.R. Tambo's GDP-R was R 13.2 billion (current prices) which accounted for approximately 8.5% of the Eastern Cape's GDP.
- o Since 2001, the GDP-R of O.R. Tambo has grown at an annual average of approximately 3.1% (slightly below the provincial average of 3.9% per annum; measured in constant 2000 prices) - while observing 3.7% between 2005 and 2006, and 3.9% between 2006 and 2007.

Since 2001, the following annual average economic growth rates (in terms of GDP) have been measured in each of O.R. Tambo's local municipalities (2001 to 2007 at constant 2000 prices):

- Mbizana 2.4%
- Ntabankulu 1.6%
- Ingquza Hill 2.2%
- Port St Johns 3.1%
- Nyandeni 2.1%
- Mhlontlo 1.5%
- King Sabata Dalindyebo 3.7%

Gross value added (GVA) is the difference between output and intermediate consumption for any given sector/industry. In 2007, the GVA of O.R. Tambo was R 11.9 billion (in current prices). This amounted to approximately 8.6% of the Eastern Cape's provincial GVA. The economic sectors that dominate the economy of the district are community services, financial and business services, and wholesale and retail trade. Between 2006 and 2007, the following growth rates were observed in O.R. Tambo per broad economic sector (based on GVA at constant 2000 prices):

- Agriculture 1.0%

- Mining -7.8%
- Manufacturing 0.7%
- Electricity -1.4%
- Construction 25.2%
- Trade 6.8%
- Transport 5.7%
- Finance 12.9%
- Community services 3.2%

2.3 ECONOMIC DEVELOPMENT

The O.R. Tambo DM's vision is that of a Municipality responsive to social aspirations for an economically vibrant, healthy, sustainable community. The District faces a declining economy, high levels of poverty, underdevelopment and infrastructure backlogs as well as reliance on the government sector. The economy of the O.R Tambo district hinges around the following four key economic drivers, namely:- Agriculture, Tourism, Forestry, as well as Mariculture and Aquaculture.

2.3.1 LED strategy and Implementation

An LED Strategy exists which was developed in 2003 and therefore requires urgent review. The LED unit started a process of reviewing the strategy in September 2008 and consultants with expertise in the field were contracted to assist the municipality. A stakeholder briefing session was held on 17 September 2008 subsequent to which an LED Strategy Review Project Steering Committee was elected and mandated by the stakeholders to take the process forward. The processes for the review have been dragging as there had to be processes for reviving the LED Sub-Forums and hence subsequent establishment of the District LED Forum. The sub-forums have since been established and fully operational.

LED unit

An LED unit exists and is functional within the municipality and is one of the sections under the Planning and Development Department. This unit mainly focuses on

Agricultural Development and SMME & Co-operatives Development. The LED Unit was staffed with only 3 personnel at the start of 2008/2009 but with the LED Manager resigning in December 2008 and was not replaced within the reporting period due to the review processes of the organizational structure this has drastically affected the successful implementation of LED projects.

The availability of a LED expertise;

LED expertise solely lies with Ntinga O.R Tambo Development Agency which is the implementing arm of the District for its LED and Rural Development initiatives. The Department of Planning and Development Department with personnel responsible for Planning, Monitoring, Evaluation and Policy Development for LED implementation.

The following is the personnel in the LED unit:

Tourism

- Tourism Manager
- Tourism Research Officer
- Arts & Craft Development Officer

LED Programmes & Policy formulation

- Senior Practitioner: LED Programmes Policy Development, Monitoring & Evaluation.
- SMME Officer
- Manager Agriculture

LED stakeholder forum functionality;

The District LED Forum was revived in September 2008 and one meeting was held with all stakeholders to present the objectives of the Forum and the Terms of Reference for the operation of the Forum. The stakeholders represented in the meeting agreed that sub-sector forums in Agriculture and Tourism should be first established before the broader forum can be functional.

Funding opportunities of LED activities

Funding Institution	Projects/Programme funded	Amount funded
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Department of Local Government & Traditional Affairs (DLGTA)	District LED Strategy	R 366 000.00
DLGTA	Economic Researcher	R 400 000.00
Department of Economic Development & Environmental Affairs	LED community based Projects	R5 000 000.00
ASGISA EC	SDF	R 400 000.00

2.3.1.1 Exploiting comparative and competitive advantage for industrial activities

The municipality has got the following sectors that give it a competitive advantage:-

a) Tourism

The OR Tambo District has identified tourism as one of its economic drivers and growth sector. The untapped natural resources, culture and historic heritage that put the district in the international map are some of the strategic assets that the district possesses. Initiatives pursued under tourism development include:

- Tourism product development facilitation.
- Tourism promotion and marketing.
- Tourism infrastructure deployment facilitation.
- Special focus period local tourism facilitation and co-ordination.
- Facilitation of a district tourism development and promotion plan.

One of the focus areas is the capacity building for Crafters throughout the district. Not less than 50 Arts and Crafters received training on Craft Development & Design. 145 performing artists were trained on Art business Administration and performing artistry. Tourism marketing for the district has taken place in the form of tourism month and tourism campaigns and brochure distribution within the entire province. Councillor support has been conducted through training of 07 LED councillors on responsible tourism planning. The SA Host Program and Customer Care training was conducted for accommodation providers and /or owners funded by ECTB.

b) Agriculture

The agricultural potential in the district remains largely untapped. Although subsistence farming - essentially maize and stock - is fairly general throughout the

area, practices remain less than effective in relation to the potential. With plans for new dams and associated water supply systems, there may be opportunities for commercial scale irrigated agriculture projects. The communal tenure system results in issues that require creative management approaches and in this respect fencing of arable land may represent improvement.

Research trials have been conducted for High Value Crops like Cotton, Sunflower and Cassava. The Kei Fresh Produce Market which is owned by the municipality has developed business plans for increase in commodity production of potatoes and bananas around the district. A business plan was developed for KPFM and was funded to the value of R300,000.00. A farmer support unit has been established to market the produce from local farmers, it is gaining popularity and the support is growing.

Livestock Improvement

While agriculture makes up only 50% of the Eastern Cape GDP, it provides 12% of the Province's formal sector employment. Within the Eastern Cape agricultural economy, the livestock and livestock products group is the single biggest sub-sector with an estimated gross income value of R2.4 billion per annum. This represents 70% of the Eastern Cape's gross agricultural income. Livestock farming within the OR Tambo District Municipality is by far the biggest livestock farming practice in communal farming in the whole country, 631 674 cattle, 732 478 goats and 1 225 244 sheep. The objective of the livestock improvement programme or O.R Tambo DM is to increase the income of communal cattle farmers by assisting them to realise higher prices for their cattle through:-

- i) Increasing their participation in the formal marketing channels and
- ii) Improving the quality of the animals marketed by increasing farmer's access to veterinary and feed input markets.

This programme seeks to address the fact that livestock in the district is of poor quality as well as the reluctance of farmers to market their livestock. Sires (bulls, rams and bucks) are supplied to the farmers to improve their stock. This in turn improves the quality of beef, mutton, wool and chevon in the district.

In this programme 30 Bulls and 25 Rams and Bucks of various breeds have been purchased as part of the livestock development programme. Farmers also get assistance in training in animal husbandry, animal health and livestock marketing. Wool growers are also assisted in transporting their wool to the market in Port Elizabeth. There is also “Heifer Exchange” programme, whereby farmers exchange their older stock for young heifers. The District Municipality has purchased more than 68 heifers and through breeding has produced an additional 50 heifers as part of the heifer exchange programme.

The DM through Ntinga development agency is also implementing a livestock branding programme in partnership with the stock theft unit of SAPS and the Department of Agriculture, which serves to combat stock theft, as well as making livestock marketable.

Table 1: The O. R. Tambo livestock population

Sub-district	Cattle	Goat	Sheep
Libode	45 096	54 272	103 307
Ngqeleni	69 675	79 989	108 894
Port St Johns	26 007	25 618	1 894
Mqanduli	58 713	87 258	251 761
Umtata	71 748	94 601	394 863
Tsolo	34 117	40 145	93 871
Qumbu	49 480	69 360	89 249
Tabankulu	49 352	98 405	41 388
Bizana	72 501	56 096	42 673
Flagstaff	42 119	51 950	35 427
Lusikisiki	102 867	74 789	61 863
Total	631 674	732 478	1 225 244

Grain Crop Production

This has been an effective method to revive farming activity through Primary Agriculture Resuscitation Programme (PARP). The programme succeeded through assisting rural communities with the provision of production inputs and soil preparation. There has been a considerable success to the extent that maize was marketed outside the district. The programme has now improved to a situation where the farmers contribute 50% towards production costs.

Vegetable Production

In this programme we have what is termed “Green Valleys” whose aim is to ensure use of natural resources along the rivers of OR Tambo District. At present, 11 irrigation schemes are operating, ranging between 10 and 50 hectares. The projects have been assisted with the installation of irrigation equipment, fencing and provision of inputs, soil preparation and technical support.

High Value Crops

There has been an initiative by the Department of Agriculture to produce canola in the district. The District Municipality through Ntinga has made an agreement to be part of the programme. There has been an initiative by the District Municipality to pilot cotton production on two sites (Mqhume and Maliwa) in the Ingquza Hill Local Municipality. The trials were very successful. It is estimated that the 40 Hactares planted for the trial will yield more than 85 tons of cotton. As a result cotton production will be on a large scale in the next season, and will be in partnership with Da Gama, Cotton SA and Monsanto.

c) Forestry and Timber Production

Existing forestry plantations in the Eastern Cape cover 176 000 ha, a large proportion of which is located in the ORTDM. Of the 100 000 ha considered possible for new Afforestation in the Province, around half of this is within the ORTDM area. With Department of Water Affairs and Forestry (DWAF) withdrawing from operational forestry, the Municipalities have some responsibility to support certain forestry development initiatives. This role would include creating awareness and acceptability of forestry as a legitimate land use, facilitating and supporting downstream participation by local SMMEs, facilitating collaboration of key stakeholders for mutual benefit and for the benefit of the sector and economy as a whole. In this regard, the private sector is well established and is seeking opportunities to grow and will require support from all spheres of government.

The District Municipality, together with DTI, the provincial government, ECSECC and ECDC is currently implementing the Furniture Incubator project in Mthatha to take

advantage of the abundant timber and forests that is there in the district. More than 100 young people have been trained in woodwork and upholstery.

The Timber processing industry has a potential of providing more that 1000 jobs during new afforestation and saw milling. The eLangeni Development node programme is seriously engaged in processes that are aimed at exploiting the potential that afforestation has in the district.

Initiatives pursued under forestry development include:

- Facilitation of community afforestation.
- Facilitation of a district strategy for forestry development.
- Undertaking of community awareness campaigns on value of forestry.
- Facilitation of deployment of critical infrastructure.
- Playing of a leading advocacy role to secure public sector investment in forestry in the district.

d) Marine and Aquaculture

With the Wild Coast presenting extensive opportunities for people to participate in marine harvesting activities, it is the challenge of all spheres of government to ensure that local people are able to participate equitably and to ensure that harvesting is carried out at levels that are sustainable. In this respect there is a need for improved data, greater awareness amongst stakeholders and roleplayers, and improved controls. Again, these activities require collaboration of all spheres of government and a coordinated approach.

e) Trade, Manufacturing and Investment Promotion

Trade is the second largest contributor to the district's Gross Value Added (GVA) and has over the past 10 years experienced positive growth rates which have been accompanied by positive net job gains. Informal trade has also played a very significant role over the same period, growing by more than 100% in size. Manufacturing on the other hand has experienced significant declines and stagnation and has contributed to the general decline in the ability of the district to create and

absorb jobs. Both sectors are of strategic importance to the district and will be supported in a manner that ensures sustainable jobs are created. To achieve this, the district commits to facilitating efforts aimed at mobilising investments with a particular focus on value adding investment opportunities. To this end the district will ensure that constraints to investments such as infrastructure, land availability and incentives are addressed by amongst others, ensuring strong alignment and integration with the emerging Regional Industrial Development Strategy.

2.3.1.2 Enterprise Support and Business Development

Building viable and sustainable communities requires a holistic and integrated approach that involves all aspects of community life, including but not limited to, leadership development, social capital, poverty alleviation, and institutional development. The district is committed to addressing these issues in a manner that ensures communities are able to engage in activities that create jobs and have access to basic services. Small medium and micro enterprises continuously face the challenge of access to markets, finance, information and quality support services. These are issues that the district commits to facilitating and ensuring they are addressed. Creating awareness and providing assistance to co-operatives is one of the institutional support mechanisms that the district commits to support and facilitate.

A district wide skills development programme has been identified as a foundation objective for the achievement and sustainability of the identified drivers. Small medium and micro enterprises continuously face the challenge of access to markets, finance, information and quality support services. These are issues that the district commits to facilitating and ensuring they are addressed. Creating awareness and providing assistance to co-operatives is one of the institutional support mechanisms that the district commits to support and facilitate. The success of the district in growing and sustaining the local economy depends on the extent to which it builds partnerships and collaboration with all relevant stakeholders. The district recognises the need to develop functional and effective collaborative efforts with business by amongst others ensuring that there is a united vision and drive to address challenges confronting business and the district in general

The following table reflects the extent of permanent jobs created in some of the District LED projects:

Enterprise / Cooperative	Permanent Jobs	Youth	Women	Temporary Jobs
Brick & Fence	53	47	33	5
Emfundisweni Bakery	23	13	19	33
Kei Fresh Produce Market	16	6	6	15
Ikhwezi Farm	3	0	2	8
Umzikantu Abbattoir	11	4	5	5
Young Lion Cooperative	52	6	3	9
Zalu Sewing Project	13	0	13	1
TOTAL JOBS CREATED	171	76	81	76

14 Co-operatives have benefited from Ntinga O.R. Tambo Dev. Agency in the form of Business plans and Constitutions outsourced to service providers for development. Baziya sustainable village was established and has co-operatives formed that have a variety of core functions (Bakery, Sewing, Poultry and Agriculture). The total number of beneficiaries is 200 and all are community members.

2.3.1.3 Challenges regarding LED strategy implementation

- Insufficient personnel within the LED Unit - The Unit needs to have a Manager and all positions filled so as to be able to deliver on the LED KPAs.
- Limited budget/funding - in most cases LED is regarded as unfunded mandate within the district and as such very little allocations are made for LED which therefore results to inability to deliver on the LED KPAs. A proper budget allocation needs to be made by the municipality.
- Poor integration of co-ordination between LED stakeholders - Intergovernmental Relations Unit within the municipality needs to assist the LED unit in ensuring that cooperative governance is achieved so that some of the municipalities planned LED KPAs can be delivered within other LED stakeholders budgets.
- The LED Forum needs to be operational so as to provide a platform for stakeholder engagement, discussion and dialogue amongst stakeholders on how all stakeholders can integrate their efforts to develop the economy of the district.

2.4 GOOD GOVERNANCE

2.4.1 Executive and Council Functions

Structurally, the O.R Tambo District Municipality is an executive mayoral type, consisted of the Political and administrative structure. In terms of Section 12 Notice, O.R. Tambo is a category C municipality which consists of 59 Councilors. The council is headed by the Madam Speaker, Councillor N. Madalane the Chief Whip being Cllr Z. Mzamane.

The district municipality has 57 Councilors which are composed as follows:

Full time	10
Part time	47
Directly elected	23
Indirectly elected	34
Females	27
Males	30
Resigned	1
Deceased	1

Composition of members of council in the O.R Tambo District Municipality

	TOTAL NO. OF CLLRS	PARTIME CLLRS	FULL TIME CLLRS	NUMBER OF FEMALE CLLRS	No. of indirectly elected Cllrs
	59	49	11	22	KSD 9
ANC members	51	47	11	22	Nyandeni 5
UDM members	5	0	-	0	Port St Johns 3
APC members	1	-	-	-	Ingquza Hill 6
					Mbizana 5
ID member	1	-	-	-	Ntabankulu 3
					Mhlontlo 4

As an executive mayoral type the mayoral committee is structured as follows:-

Composition of Mayoral Committee

PORTFOLIO	MMC Member Responsible
1. Executive Mayor	Cllr RZ Capa
2. Planning Infrastructure and Services	Cllr. LS Nduku
3. Finance Budgeting and Auditing	Cllr. Z. Ndumbini
4. Roads and Transport	Cllr. Makhedama
5. Human Resources and Corporate Services	Cllr. E. Diko
6. Health and Community Services	Cllr. N. Meth
7. Economic Development, Tourism and Agriculture	Cllr. N. Tobo
8. Policy Development, Research, IGR and Community Liaison	Cllr. P. Mdingi
9. Land, Housing and Human Settlement	Cllr. P. Ndamase
10. Sports, Arts, Recreation, Culture, Heritage and Amenities	Cllr N. Malunga

SECTION 80 COMMITTEES

There are also Section 80 committees (standing committees) which are constituted as follows:-

- Finance and Economic Development Committee
- Human Settlement and Infrastructure
- Human Resources and Social Development
- Community Liaison, Research and Heritage

Section 80 Committee	Finance and Economic Development	Human Settlement and Infrastructure	Human Resources and Social Development	Community Liaison, Research and Heritage
Chairperson	Cllr. L.S. Nduku	Cllr. E. Diko	Cllr. P. Mdingi	Cllr. BN Tobo
Committee Secretary	Ms Z. Tutshana	Ms. A. Mvovo	Ms. N. Nokhele	Mr. S. Mgwili
Members	<ul style="list-style-type: none"> ▪ MMC for Finance, Budget and Auditing ▪ MMC for Economic Development, Tourism & Agriculture ▪ Ordinary Councillors 	<ul style="list-style-type: none"> ▪ MMC for Roads and Transport ▪ MMC for Land, Housing and Human Settlement ▪ MMC for Planning, Infrastructure & Services ▪ Ordinary Councillors 	<ul style="list-style-type: none"> ▪ MMC for Health & Community Safety ▪ MMC for Human Resources & Corporate Services ▪ Ordinary Councillors ▪ MMC for SPU 	<ul style="list-style-type: none"> ▪ MMC for Policy Development, Research, IGR & Community Liaison ▪ MMC for Sport, Arts, Recreation, Culture, Heritage & Amenities ▪ Ordinary Councillors

2.4.2 Relationship Between the Council and Communities

The district municipality has three Section 79 Committees which are managed and coordinated by the Office of the Speaker. These committees are fully functional and are meeting quarterly unless there are urgent issues that warrant their attention. These committees assist the Speaker in execution of her duties in line with relevant pieces of legislation and municipal delegation authority. All deliberations and recommendations of these committees are presented to Council for consideration. They have managed to assist Council in taking informed decisions ranging from welfare of Councillors to effective governance and enhancement of public participation. Both Sec 79 and 80 Council committees do meet and process council report to other structures of council till adoption and resolution by Council meeting. There is a good working relationship between these committees and sometime they organize combine capacity workshops and information sharing as well as joint sitting of various committees.

Communities as important stakeholders in our governance are continuously consulted and allowed to participate in Council activities as per constitutional requirement. There are various structures of council to accommodate general community participation via Ward Committees, Community Development Workers and IDP Representative Forums. General Community also participate in the IDP and Budget Road-show, Oversight Road-shows, Mayoral Imbizos etc. All Council meetings, annual reports, draft Budget and IDP, rates and other relevant information are publicized for public consumption inviting them to comments and submit their inputs.

POLITICAL COMMITTEE

The Office of the Council Chief Whip has just established a political committee called Trioco which consists of the Executive Mayor, Speaker and Council Chief Whip. This committee is coordinated and Chaired by the Council Chief Whip and can when needs be invite the Municipal Manager to the meeting. This committee provides strategic leadership for the district municipality to be able to effectively utilize the limited resources to achieve its objectives

2.4.3 COUNCILLOR CAPACITY BUILDING PROGRAMS

The Office of the Speaker together with the Human Resources Department has in the year under review, working with different training institutions, trained Councillors on the following courses:

- Executive Leadership
- Leadership Skills
- Presentation Skills
- Project Management
- Finance for Non Financial Managers
- Local Government Law and Administration

OVERSIGHT COMMITTEE

Oversight reports of two financial years (2006/07 and 2007/08) were presented and adopted by the Council without reservations.

OFFICE OF THE CHIEF WHIP

Council took a resolution to have a full time Chief Whip and institutionalization of the Office of the Chief Whip. Council Chief Whip performs duties as stated in the Council's delegated authority. During the year under review the Office of the Chief Whip has had two Caucus Workshops which were held at Dan's Place and Mzamba respectively. All Councillors from the district were invited to deliberate on how best can they improve service delivery within the district.

The Council Chief Whip meets quarterly with Chief Whips from all seven local municipalities to conduct audit of service delivery. In doing this all whips are expected to present a written report on service delivery challenges, programs / projects taking place, achievements and any other things that may hinder service delivery.

2.4.4 PUBLIC PARTICIPATION AND CONSULTATION

The Office of the Speaker working with the Office of the Executive Mayor annually coordinates IDP and Budget Road shows and the same was done in year under review. This program is held in different venues in all local municipalities around the district to ensure that all members of the community are afforded an opportunity to participate in municipal activities and decision making processes.

Chapter 7 of the 1996 Constitution dictates that municipalities should involve and encourage communities and their organisations to participate in the affairs of their municipalities.

IDP and Budget are very important documents that have programs and funding for all municipal projects. Municipalities are by law expected to create platforms for members of the public to participate in drafting IDP and Budget. This is done through a process called IDP Representative Forum where members of the public are represented by their representatives with a clear mandate for their constituencies and other relevant stakeholders. This is a continuous process that culminates to the IDP and Budget roadshows, where the municipality takes the draft IDP and Budget to the community members to get their views.

In light of the above, a public notice was issued out notifying the community about the schedule of visits. Seven local municipalities were visited and approximately seven to ten thousand people attended the IDP & Budget road shows. The attendance in all the venues was good even though in some areas numbers picked up after the set starting time. Some of the contributing factors were distances that are traveled by communities. In some areas the number of community members were dominated by CDWs and Ward Committees who also wanted to ask questions instead of responding with answers.

The methodology followed this time was to allow communities to voice their views on service delivery under general and not to be specific on the presented draft IDP and budget. A booklet containing a summarized version of the presentation in Xhosa made it very easy for communities to follow the presentation and this was highly appreciated. After the IDP and Budget Roadshows the municipality then amends the draft documents to reflect the needs of the public where necessary. They are then

taken to the open council meeting for adoption where members of the public are invited to attend.

2.4.5 WARD COMMITTEES ESTABLISHMENT AND FUNCTIONALITY

The District Municipality conducted a district wide Ward Committee audit to determine existence and functionality of these committees. This was done mainly to determine whether all wards do have fully functional ward committees as they are an extension of Council in ensuring participatory democracy at grassroots level.

Ward Committees are a competency of local municipalities and staff in the office of the Speaker did this exercise with the offices of Speakers of our local municipalities by visiting all 162 wards. All wards indeed do have ward committees though in some wards not all members are still active due to various reasons and that was raised with local municipalities. Ward Committees are only receiving out of the pocket expenses whenever they attend Council activities and their meetings.

There are challenges in the operations due to non-existence of infrastructure / office space to do their daily operations. Majority of ward are using public schools or dilapidated buildings for their meetings. Only Nyandeni Local Municipality which has fully functional committees with informal office space and an office administrator which is paid a stipend of R650.00 per month. Capacity was also identified as another challenge which hampers effectiveness of the operations. All these challenges were raised with both Provincial and National Department Cooperative Governance for assistance to enhance public participation.

A commission on good governance and public participation in the District Lekgotla held on the 19-20 May 2008 identified some serious challenges affecting effective operations of ward committees in our local municipalities and recommended intervention from the district municipality. Council then allocated budget in the Office of the Speaker for auditing existence of Ward Committees, availability of amenities for their operations and any kind of support that may be required to improve their operations.

WARD COMMITTEES

LM	No. of Wards	No. of active ward committees	Males	Females	Status of ward offices
King Sabatha Dalindyebo	32	302 out of the possible 320	165	137	There is one Ward Office and ward committees were last trained during their induction 2006
Mhlontlo LM	21	206 out of possible 210 Some have either resigned, diseased or relocate	107	99	There is one Ward Office and ward committees were last trained during their induction 2006.
Ntabankulu LM	15	131 out possible 150, Some have either resigned, deceased and relocated	56	75	There is one Ward Office and ward committees were last trained during their induction 2006
Port St Johns LM	16	138 out of possible 160 Some have either resigned, deceased and relocated	65	73	This ward committee audit was done between August to September 2008.
Mbizana LM	25	211 out of possible 250 Some have either resigned, diseased and relocated	112	99	This ward committee audit was done between August to September 2008.
Ingquza Hill LM	27	261 out of possible 270 Some have either resigned, deceased and relocated	131	80	This ward committee audit was done between August to September 2008.
Nyandeni LM	26	252 out of possible 260 Some have either resigned, deceased and relocated	117	135	This ward committee audit was done between August to September 2008.

2.4.6 COMMUNITY DEVELOPMENT WORKERS

All seven local municipalities under O.R. Tambo district municipality have Community Development Workers who are working with other community structures in ensuring that services are delivered to the people. The intention was to ensure that each and every ward has a Community Development Worker but due to limited resources and other logistics there are wards that still have no CDWs but are being serviced by other CDWs with the coordination of a local coordinator. The district municipality works closely with the seven local coordinators who represent all CDWs per municipality in terms of implementation of CDW programs. The district municipality provides support to CDWs in implementation of their programs.

There has been meetings between local coordinators and the office of the Speaker with regard to programs and activities of Community Development Workers through the provincial office. Generally there has been some challenges on how CDWs operate on their daily activities and their reporting lines still poses a challenge to municipalities

2.4.7 COMMUNICATION STRATEGY

A communication strategy to communicate with the public is in place and is in the process of being reviewed as it is the norm to renew it on an annual basis. The strategy focuses on communicating IDP priorities and municipality events and as such has contributed to fast tracking service delivery. The ISRDP communication action plan forms part of our communication strategy. Communication to the communities is done regularly through the Imbizo's and IDP road shows.

2.4.8 SUPPORT TO LOCAL MUNICIPALITIES

All Local Municipalities were encouraged to establish oversight committees and were provided with terms of reference for such committee. This was discussed and agreed upon at the level of District Speakers Forum which is the platform coordinated by the Speaker of the District Municipality for all Speakers from different local municipalities within the district.

2.4.9 LEGAL MATTERS

2.4.9.1 Functioning of Legal Unit

Municipal Legal Services is a support department within Corporate Affairs Directorate. It is responsible, inter alia, for the management of litigation matters for and against the municipality, provision of quality legal advice and opinions to both the political and administration structures of the municipality. It further drafts, peruses and settles contracts, agreements and other legal documents. Before any policy or by-law is taken to Council for adoption it must have been certified as legally and constitutionally compliant by the Municipal Legal Service. The unit is composed of the Director Legal Services and the three Legal advisors for litigation, advisory services and compliance.

2.4.9.2 Management of Legal Risks

During the year under review, Municipal Legal Services has been able to provide the above services to the municipality. It has ensured that the exposure of the municipality to adverse litigation is reduced to the minimum. It has further ensured that the municipality complies with applicable legislation by providing the necessary interpretation and advice on such legislation. One of the core responsibilities of a district municipality is to ensure that it provides support to local municipalities within its area of jurisdiction. This has been done on an ad hoc basis as and when it is requested. Such support has either been in the form of providing legal advice or assisting in disciplinary hearings. We have assisted Ntabankulu Local Municipality and Mhlontlo Local Municipality. We have also assisted neighboring municipalities like Elundini Local Municipality in disciplinary hearings.

During the financial year, there have been about seven new claims against the municipality amounting to about R1 129 45

2.4.10 AUDIT AND INTERNAL AUDIT ENVIRONMENT

For the year under review the district municipality received a qualified audit report. This is a significant improvement from the previous years since it has been receiving disclaimers of opinion.

2.4.10.1 The Audit committee functionality

For part of the 2008/2009 financial year there was no functional audit committee at the municipality. The existing committee was appointed by council in January 2009. This gap was caused by the scarcity of suitably qualified and experienced people to serve in audit committees. This has resulted in the committee not fully carrying out its responsibilities. The existing committee has been operational since January 2009 and is now fully operational. During the 2008/2009 financial year the committee reviewed and made recommendations on the following areas:

- Management should make the management action plan a living document. This could be achieved by preparing monthly formal progress reports on the implementation of the plan. In addition to this, the internal audit unit would conduct regular follow up audits on the implementation of the plan.
- When addressing audit findings management should address root causes which may be due to one or two of the following factors:
 - Staffing shortages and capacity of existing personnel in the finance department;
 - Gaps with existing policies and procedures;
 - Inadequate legal compliance monitoring mechanisms;
 - Staff training on municipal policies as well as legislation such as MFMA;
 - Lack of decisive action taken against people that flout municipal policies and systems.
- With regards to distribution losses that were not calculated we recommended that in addition to what is planned for KSD municipality, the action plan should indicate how and when this finding will be resolved with respect to other local municipalities.
- The subsidy of R21.60 per month should be reviewed since figures that were used when it was first calculated are likely to have changed now. The accuracy of this figure should be checked at-least annually.

- Response plans that are prepared by management should not be limited to the audit report but be extended to include all issues contained in the management letter.
- The Committee considered the reports from the internal audit without management responses. The reports had identified the inadequacy and ineffective internal controls on the following areas:
 - The billing process;
 - Usage of vehicle fuel and oil;
 - Safeguarding of assets (laptops and cameras); and
 - Processes of paying suppliers.
 - Review of the 2008/2009 annual financial statements;

2.4.10.2 Anti corruption strategy

The municipality adopted the anti fraud and anti corruption policy in October 2008. This has been achieved with the assistance from the Department of Local Government and Traditional Affairs. Awareness workshop on the policy is scheduled for the 2009/2010 financial year.

2.4.10.3 2008/09 MANAGEMENT AUDIT ACTION PLAN

Number	Description of items	Assigned to	Action item	Timeframe
AUDIT REPORT QUALIFICATION ITEMS				
Revenue, trade receivables and water distribution losses				
	Regular water meter readings to be done for each customer.	Director Water Services	Finance department is engaged in a project of database cleansing which will result in having all customers being part of the billing systems. A plumber will be assigned to follow on meter reading reports with exceptions of meters that could not be read. Monthly reports of meters that were not read will be forwarded to the office of the director water services for remedial action. Billing averages will be used where meters could not be read. Use of billing averages will be limited to 60 days.	01 February 2010
	Billing estimates to be made for customers whose water meters were not read.	Director Water Services		
	Water meters to be read every month	Director Water Services		
	Debtors listing should not contain "Unknown" debtors.	Chief Finance Officer	Data base cleansing will be vigorously conducted with the assistance of the Siyenza Manje who are revenue specialist through their action plan which includes eliminating all the "Unknown" debtors obtaining the databases of all the valuation rolls of the local municipality's in our region from the 2009/10 financial year. As per the work plan the team will first start with Mhlontlo and KSD by 31 March 2010. A total of 1500 debtors accounts will have been rectified by then.	30 June 2010
	Credit control policy to be implemented in full	Chief Finance Officer	The credit control policy is an ongoing process in terms of implementation. Debtors will be handed	30 June 2010

Number	Description of items	Assigned to	Action item	Timeframe
	including handing over of non paying debtors to collection agents.		over to our legal departments in 2009/2010 financial year. All debtors whose accounts are over 90 days would be handed over for collection by the end of March 2010.	
	The municipality should pass a transaction on a yearly basis to write off bad debts that are deemed to be uncollectable and are older than the 90 day limit.	Chief Finance Officer	As the municipality we are fairly reluctant to permanently write off consumer debtors accounts as positionally (theoretically) the municipality will always have leverage in enforcing the recoverability of debtors. This phenomenon is not unique to our municipality but is part of a dilemma that confronts all municipalities especially those that provide essential services such as water and / or electricity. The credit control policy will be reviewed by 28 February through the assistance of the Siyenza Manje Team.	
	Reticulation losses to be calculated and calculated accurate.	Director Water Services	The process of installing zone and bulk meters is underway. It has been completed in Mthatha. These meters will be read monthly. In other towns meters will be installed by the end of March 2010. Water loss statistics will be kept. These will be used as a basis for leakages detection. Remedial action will then be taken.	30 April 2010
	The Debtors Ageing Analysis should be reconciled to the AFS	Chief Finance Officer	With the assistance of the revenue management specialist under the Siyenza Manje project, this finding will be sufficiently addressed through the reconciliation on a monthly basis.	30 June 2010
Leave pay provision				
	Clear supporting documentation to be maintained for leave balances of all employees	Director Human Resources	Leave will be audited manually and reconciliations with the PayDay system will be done	April 2010
	Leave taken per the payroll system should reconcile with authorised leave application forms.	Director Human Resources	There has been a problem with the PayDay system which shows incorrect leave balances and leave has been audited and captured during the year. Quarterly leave reconciliations will be done continuously.	March 2010
	Leave should not be taken by an employee before it is fully authorised and the leave application forms submitted to human resources department..	All Directors	Leave not authorised by the Head of Department will be sent back to the department before capturing on the PayDay system and before filing. The requirements of the HR policy will be adhered to and all leave forms will be processed within the required time frames and submitted to the HR department before the employee is released for leave. With effect from February 2010 all directors would review attendance registers for accuracy. Copies of reviewed and signed attendance registers would be submitted to the HR department by the 15th of the following month. HR department would perform a reconciliation between leave forms and the payroll register quarterly.	Continuous
	Employees to take compulsory leave	Director Human Resources	Whilst caution is taken to ensure that officials do take leave, in some areas it is not always possible for officials to go on leave due to the high rate of vacancies. However, it should be noted that in terms of the collective agreement, officials can only be paid up to a maximum of 48 days even if their credit exceed 48 days at the time at which their services are terminated. Quarterly heads of department will be given a report of leave credits of	March 2010

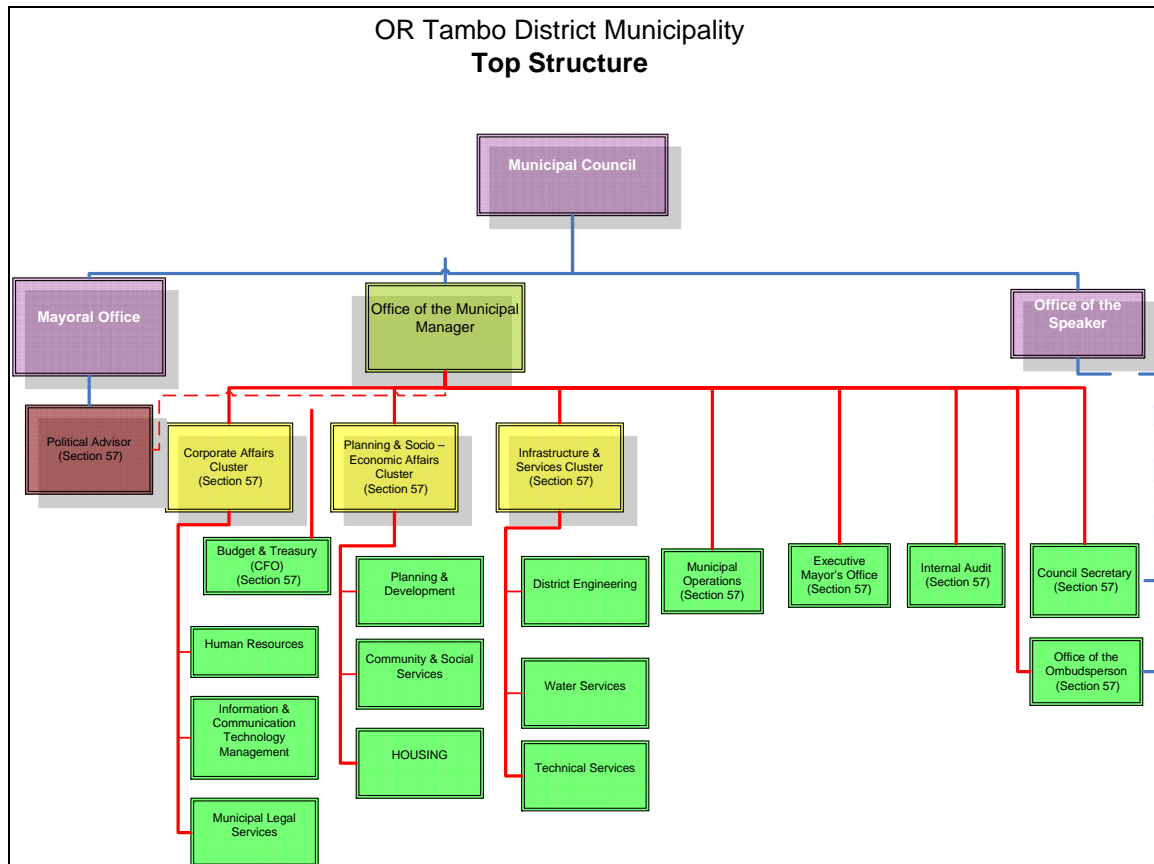
Number	Description of items	Assigned to	Action item	Timeframe
			officials to encourage them to take leave.	
OTHER MATTERS				
	Draft annual performance report to be consolidated before audit is completed.	Chief Operations Officer	Legislation requires that annual report be tabled to Council within one month after receiving an audit report. Draft annual report to be finalised by end of first quarter as resolved by management	30 September 2010
	Items are not being placed on website as required per S75 of the MFMA	Chief Operation Officer	All items as prescribed in S75 of the MFMA will be posted in the websites of the DM and that of Ntinga Development Agency in the event of malfunction in the DM website as has been the case	On-going process as and when required
	Expenditure to be paid within 30 days from receipt of invoice	Chief Finance Officer	All invoices submitted for payment will be stamped the date of receipt. Where there are queries with the invoice, processes followed to address them will be documented.	01 March 2010
	Procurement - Rotation Basis when calling quotations not applied	Chief Finance Officer	The district municipality has procured a system that ensures that all procurements by the municipality are done in a fair and equitable way as it rotates service providers automatically. It is envisaged that the system would be fully functional by 31 March 2010.	30 June 2010
	Procurement - Bid specifications committee not active	Chief Finance Officer	An ad hoc committee will be formed as and when there is a need for procurement of goods as specifications for anything to be procured are known by the requisitioning department.	On going
	Credit control policy and debt collection policy must provide for provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents. (MSA section 97(1)(c). Indigent consumers should not be charged interest on their arrear accounts.	Director Water Services	A policy review will be done to address this matter. Billing parameters on the system will be corrected to be in line with the policy.	30 April 2010
	Report to the accounting officer or CFO on a monthly basis in writing, all written quotations and formal written price quotations accepted by an official acting in terms of a sub delegation.	Head of procurement section	As the supply chain management unit will be fully populated and the system implemented, these reports will be produced and submitted to the accounting officer and CFO. The reports will be submitted from 28 February 2010.	30 June 2010
	National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management to be made available to officials and other role players in the supply chain management system of the municipality.	Chief Finance Officer	A manager has been appointed to head the SCM unit and will ensure that the code will be made available to officials and role players in the SCM system.	31 March 2010
	The accounting officer must within 30 days of the end of each financial year, submit a report on the implementation of the supply chain management	Chief Finance Officer	A report will be developed and as per the requirement of the act and submitted to the accounting officer on the implementation of the policy.	31 July 2010

Number	Description of items	Assigned to	Action item	Timeframe
	policy of the municipality and of any municipal entity under the sole or shared control of the municipality, to the council of the municipality.			
	Develop, maintain and update at-least quarterly a list of accredited prospective providers of goods and services that must be used for the procurement requirements of the municipality.	Chief Finance Officer	With the implementation of the system, these reports will be produced and kept on file for scrutiny by the auditors. Adverts will be issued for service providers to resubmit their details for the continuous update of the data base. The current application form will be reviewed and changes made to ensure that complies in full with the SCM regulations.	30 June 2010
	Submit to the provincial legislature the annual report and oversight report with seven days of their adoption by council.	Chief Operation Officer	Final Annual Report will be submitted to the Provincial Legislature, and provincial officials will be made to sign whenever documents are handed to them by hand as proof of submission	Within 7 days after the approval of annual report
	Report within four months after the end of the financial year the implementation of the water services development plan during the financial year. Section 18(1) and (2) of the Water Services Act.	Director Water Services	The 2009/2010 report will be prepared and submitted to council and DWA.	31 October 2010
	Bid adjudication committee must within five days of the end of each month submit to the accounting officer a written report containing the particulars of each final award made by such committee during that month.	Chief Finance Officer	The SCM manager will keep custody of all the reports of the committees including the BAC and will ensure that these are submitted to the accounting officer after having been signed by the chairperson.	28 February 2010
LEGAL AND REGULATORY REQUIREMENTS				
	The Integrated Development Plan to be submitted to the Member of the Executive Committee (MEC) for Local Government within 10 days of approval as per the requirements of MSA.	Chief Operation Officer	IDP submitted to the MEC for Local Government with the prescribed time frame and when Provincial officials collect the reports by hand they will be made to sign as proof	Within 10 days after the approval of IDP
	Key performance indicators and targets are not reflected on the Integrated Development Plan	Chief Operation Officer	The reviewed IDP will have measurable indicators and targets	31 March 2010
	Notice to be made to the public regarding the adoption of the Integrated Development Plan	Chief Operations Officer	Public to be notified of the adoption of IDP within 14 days	June 2010
	The service level agreement with Ntinga Development Agency does to include annual performance objectives and indicators to measure the performance of the municipal entity. There	Director planning and economic development	The envisaged alignment has already been achieved in the 2009/2010 financial year.	Already addressed.

Number	Description of items	Assigned to	Action item	Timeframe
	should be a direct link of the performance objectives with the municipality's key performance indicators.			
	The internal audit reports relating to performance information to be made available to the external auditors	Director Internal Audit	Already addressed. Auditor General is part of audit committee meetings where performance reports are considered. In addition to this, all audit reports issued by the internal audit function will be submitted to the Auditor General when they come for the annual audit.	01 September 2010
	The audit committee which functions as a performance audit committee was not operational for the full year	Already addressed	The audit committee has been operational since January 2009.	Already addressed.

2.5 INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT

2.5.1 ORGANIZATIONAL STRUCTURE



Vacancy rate	38%
Approved Senior Management posts	19 (9 of which are S57)
Filled S57 posts	8
Filled Senior Management posts	14
Acting heads of department posts	1

Staff distribution

Males	62.8%
Females	37.1%
People with disabilities	0.9%

2.5.2 STAFF DEVELOPMENT INITIATIVES IN 2008/09

Training Intervention	Number of beneficiaries
Payday	18
Fire fighting	6
Finance	106
Local Government Law	6
Supply Chain	22
Customer Care	85
Supervisory skills	30
Programme in HR	5
Job Evaluation	1
Occupational Health & Safety	35
Office Administration	35
Project Management	35
Report Writing	14
Skills Audit Techniques	1
Labour Law Update	3
Knowledge Management	1
Leadership Development	5
Information Security	5
Administration of IRP5s	2
Training Committee activities	81
Employment Equity	8
Service standards development	25
HR course	1
Managing Disciplinary procedures	20
Communication skills	20
Transport operations	1
Conflict management	20
AutoCAD training	2
Outcome based monitoring & evaluation	1

2.5.3 KEY HR STATISTICS PER FUNCTIONAL AREA

2.5.3.1 Full time staff complement per functional area

Approved positions per department	No of approved posts	Filled posts	Vacant posts
Office of the Executive Mayor	38	11	27
Office of the Speaker	56	25	31
Municipal Manager's office			
Municipal Operations	23	05	16
Internal Audit	11	05	06
Community Services	209	56	153
Infrastructure Services	1649	499	1150
Planning and Development	118	42	76
Finance	275	56	219
Human Resources	33	17	16
TOTAL			

2.5.3.2 Technical staff registered with professional bodies

Technical Service	Total number of technical service manager	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
			2	

2.5.3.3 Levels of education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior certificate only	Number of staff Tertiary / accredited professional training
841			

2.5.3.4 Trends on total personnel expenditure

Financial years	Total number of staff	Total approved operating Budget	Personnel expenditure (salary and salary related)	Percentage of expenditure
2006 - 2007				
2007 - 2008				
2008 - 2009				

2.5.3.5 List of pension and medical aids to whom employees belong

Name of pension fund	Number of members	Name of medical aids	Number of members
SAMWU National Pension Fund	263	Hosmed	99
Cape Joint	06	Munimed	01
National Fund for Municipal Workers	13	Samwumed	51
Municipal Employees Pension Fund	11	Bonita's	152
Government Employees Pension Fund	197	LA Health	11
Alexander Forbes	78	Fed health	08
		Bestmed	03
		Resolution Head	10

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1.	Vacancy rate for all approved and budgeted posts	69%	N/A	N/A	N/A
2.	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	N/A	N/A	N/A	N/A
3.	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the Financial Year	5%	0	0	N/A
4.	Percentage of Managers in Technical Services with a professional qualification	100%	100%	100%	N/A
5.	Percentage of municipalities within the district area that have a fully functional Performance Management	1 - only for section 57 managers and the directors	1	1	N/A

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
	System (DM only)				
6.	Percentage of staff that have undergone a skills audit (including competency)	100%	100%	100%	N/A
7.	Percentage of councillors who have attended a skill development training within the current 5 year term	50%	N/A	N/A	N/A
8.	Percentage of staff complement with disability	0.0024%	2%	N/A	1.0076%
9.	Percentage of female employees	30.91%	50%	N/A	N/A
10.	Percentage of employees that are aged 35 or younger	191	N/A	N/A	N/A

N.B. The Municipality does not have an EE plan.

2.5.3.6 MAJOR CHALLENGES AND REMEDIAL ACTIONS

Major Challenges	Remedial Actions
Delays in the population of the organogram	Finalisation of the placement process and advertisement of posts
Little or minimum budget for the HR department	Accessing other sources of funding
Non-compliance with the HR legislation or policy guidelines	Workshop of managers and section heads on HR policy
Job Evaluation Maintenance phase not yet started by the Local Municipalities - possibility of inability to implement the wages curves	Workshop for Local municipalities on mainstreaming
High number of drop outs in the learnership programmes	Working hand in glove with the local municipalities for continuous mentoring and motivation
Poor retention of staff at all levels	Finalisation of the retention strategy
Absence of the Employee Assistance Programmes and structured Employee Wellness programmes	Appointment of the EAP practitioner
Delays in finalisation of the Disciplinary cases	Training a pool of officials to deal with disciplinary processes.

2.5.4 IMPLEMENTATION OF PERFORMANCE MANAGEMENT SYSTEM

O.R. Tambo District Municipality has an approved Performance Management System Framework and Policy. During the 2008/09 financial year PMS was fully implemented for all senior managers and those employed on a fixed term contract.

2.6 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

2.6.1 Water Services

The OR Tambo District Municipality is the Water Services Authority and Water Services Provider responsible for planning, implementation, and operation and maintenance of water and sanitation services within the 7 Local Municipalities. In terms of the law the District Municipality is therefore responsible for the development and the implementation of its water services by-laws, District Wide Water Master plans, Water Conservation & Water Demand Management and Water Services Master Plan.

2.6.1.1 Water services delivery strategy and main role players

O.R. Tambo District Municipality is a grant dependant municipality and most of its water capital projects are funded through the Municipal Infrastructural Grant (MIG) which the Department of Cooperative Government and Traditional Affairs (COGTA), the Department Local Government and Traditional Affairs (DLGTA), National Treasury and Provincial Treasury have micro control. The bulk water supply is funded through the Bulk Infrastructure Grant Funding funded by the Department of Water Affairs (DWA). In terms of the law DWA is the regulator. The Operation and maintenance is funded through the equitable share from the Division of Revenue (DORA) and through own funding

2.6.1.2 Levels and standards in water services

Backlog eradication is not the only substantial challenge facing the OR Tambo District Municipality. Much of the existing water and sanitation infrastructure is not adequately maintained and, in many cases, is not functioning. Ongoing refurbishment and maintenance is therefore a priority for sustainable water services delivery. The backlog figures should therefore be considered in the light of this situation as they represent the population that is unserved by water or sanitation schemes. Those deemed to be “served” are not necessarily benefiting from a fully functional and operational water service, though they do live in the area covered by some sort of formal scheme.

In estimating these water backlogs, the following assumptions have been applied:

1. People with piped and borehole water within 200m are deemed to be served
2. People sourcing water from springs, rainwater tanks, streams, rivers, dams or water vendors are deemed to be unserved
3. People sourcing water from communal taps, yard taps or any other more basic source are deemed to be not served to a higher level.

Population served or unserved in 2007 has been escalated from the 2004 figures in line with the projected overall population change from 2004 to 2007.

RDP Water Services Backlogs in OR Tambo DM

	TOTAL POPULATION	WATER			
		RDP STANDARD		HIGHER LEVEL	
		Served	not served	served	Not served
KSD	444 830	74%	26%	40%	60%
Mbizana	279 739	55%	45%	8%	92%
Mhlontlo	237 138	67%	33%	23%	77%
Ngquza Hill	279 795	74%	26%	16%	84%
Ntabankulu	141 358	53%	47%	17%	83%
Nyandeni	314 273	57%	43%	15%	85%
Port St Johns	165 084	54%	46%	21%	79%
TOTAL	1 862 218	64%	36%	22%	78%

Source: DWAF Reference Framework (2004) escalated to 2007

2.6.1.3 Annual performance as per key performance indicator in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	355 479	70 781	23 000	20 597	90%
2	Percentage of indigent households with access to free basic potable water	266 612	64 736	10 000	5 875	58%
4	Percentage of clinics with access to potable water					
5	Percentage of schools with access to potable water					
6	Percentage of households using buckets	0	0	0	0	0

2.6.1.4 Major Challenges in water services and remedial actions

Backlog eradication is not the only substantial challenge facing the OR Tambo District Municipality. Much of the existing water and sanitation infrastructure is not adequately maintained and, in many cases, is not functioning. Ongoing refurbishment and maintenance is therefore a priority for sustainable water services delivery. The backlog figures should therefore be considered in the light of this situation as they represent the population that is unserved by water or sanitation schemes. Those deemed to be “served” are not necessarily benefiting from a fully functional and operational water service, though they do live in the area covered by some sort of formal scheme.

The focus of the district as an authority of this function has been at extending services to those with no access to the service which largely are the poor. This has meant that little resources were available for refurbishing, maintaining and increasing the capacity of existing infrastructure especially in urban areas and other historical nodes of development. This has led to a situation where the state and capacity of existing

infrastructure has become a constraint to growth and development. The DM now faces a challenge of having to balance extending services to unserved areas and refurbishing, maintaining and increasing the capacity of existing infrastructure to support economic growth and development.

2.6.2 Access to Basic Sanitation

Approximately 62% of the population does not have an adequate level of sanitation (at least a VIP or equivalent). Of the 62% mentioned above, 172,582 households (approximately 914,000 people) are located in the rural areas of the district.

Population		SANITATION			
		RDP STANDARD		HIGHER LEVEL	
		Served	Not served	Served	Not served
KSD	444 830	56%	44%	30%	70%
Mbizana	279 739	23%	77%	9%	91%
Mhlontlo	237 138	21%	79%	9%	91%
Ingquza Hill	279 795	25%	75%	11%	89%
Ntabankulu	141 358	23%	77%	10%	90%
Nyandeni	314 273	42%	58%	14%	86%
Port St Johns	165 084	55%	45%	14%	86%
TOTAL	1 862 218	37%	63%	16%	84%

- 🗑️ Only 4 of the 10 urban areas within the seven municipalities are either fully or partially served by waterborne sanitation systems.
- 🗑️ The rural areas generally depend on informal pit latrine toilets where at least 91.4% of the population has no formal sanitation services
- 🗑️ People with flush toilets and septic tanks are deemed to be served to a higher level
- 🗑️ People using pit latrines, buckets, any other or no infrastructure are deemed to be not served to a higher level
- 🗑️ R 1 billion is required to eradicate the water supply backlogs and R700m to eradicate the sanitation backlog.
- 🗑️ This will mean an annual expenditure of R500m to achieve the 2008 water supply target and an additional R175m per year to achieve the 2010 sanitation

Population served or unserved in 2007 has been escalated from the 2004 figures in line with the projected overall population change from 2004 to 2007.

2.6.2.1 Sanitation services delivery strategy and main role players

The OR Tambo District Municipality is the Water Services Authority and Water Services Provider responsible for planning, implementation, and operation and maintenance of water and sanitation services within the 7 Local Municipalities. In terms of the law the District Municipality is therefore responsible for the development and the implementation of its water services by-laws, sanitation strategy, and the District wide Sanitation Master Plans. O.R. Tambo District Municipality is a grant dependant municipality and most of its sanitation capital projects are funded through the Municipal Infrastructural Grant (MIG) which the Department of Cooperative Government and Traditional Affairs (COGTA), the Department Local Government and Traditional Affairs (DLGTA), National Treasury and Provincial Treasury have micro control.

In terms of the law Department of Water Affairs (DWA) is the regulator. The Operation and maintenance is funded through the equitable share from the Division of Revenue (DORA) and own funding

2.6.2.2 Levels and standards in sanitation services

In estimating the sanitation backlogs, the following assumptions have been applied:

1. People with flushed toilets with waterborne, septic tanks and digesters are regarded as served to higher level
2. People with Ventilated Improved Pits (VIP) are regarded as served to lower level or basic level (RDP standard).
3. People with no toilet infrastructure or a toilet with no ventilated improved pit (pit latrines) or bucket system are regarded as not served.

Population served or unserved in 2007 has been escalated from the 2004 figures in line with the projected overall population change from 2004 to 2007.

2.6.2.3 Annual performance as per key performance indicator in Sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	355 479	160 360	44 000	43 208	98%
2	Percentage of indigent households with access to free basic sanitation services	204 533	81 657	25 000	23 897	96%
4	Percentage of clinics with access to sanitation services					
5	Percentage of schools with access to sanitation services					

Major Challenges in Sanitation services and remedial actions

Approximately 62% of the population does not have an adequate level of sanitation (at least a VIP or equivalent). Of the 62%, 172,582 households (approximately 914,000 people) are located in the rural areas of the district. Only 4 of the 10 urban areas within the seven municipalities are either fully or partially served by waterborne sanitation systems. The rural areas generally depend on informal pit latrine toilets where at least 91.4% of the population has no formal sanitation services. Refurbishment and upgrading of existing sewer plant eminent together with the replacement of existing old sewer lines. The implementation of waterborne sewer system in other towns is underway in four towns but more funding is required to upgrade waterborne sewer system in other five towns in the district.

2.6.3 Electricity Services

2.6.3.1 Electricity services delivery strategy and main role players

Electricity is not the competency of O.R. Tambo District Municipality in terms of powers and functions. Only KSD and Mbizana Local Municipality are licensed to supply electricity in their towns. The surrounding rural areas of KSD and Mbizana and other

five local municipalities are supplied by Eskom. O.R. Tambo District Municipality is only playing a support and the coordinating role in terms of electricity services.

Regarding free basic energy, consultations with the stakeholders are underway in municipalities towards the development of policies thereof. Various sources of electricity have been identified to be the grid, solar energy and gel. So far the public participation processes conducted in this regard indicated that communities are not interested in the alternative sources of energy, they are only interested in the Eskom grid. The electricity function lies with Eskom, however there are two local municipalities, King Sabata Dalindyebo and Mbizana, who are responsible for the supply of electricity in their towns. Free basic energy policies are being developed by Local Municipalities as indigent policies are being developed.

2.6.3.2 Level and Standards in Electricity services

1. People who are connected to Eskom grid are regarded as fully served.
2. People who are connected to solar energy and gel are regarded as being served to basic level.
3. People who use candles and paraffin or any other source of energy are regarded as being unserved.

2.6.3.3 Major Challenges in electricity services and remedial actions

Only 9% of the district's households receive electricity from their local authorities, for example 21% in KSD. More than 60% of the population use candles, and more so in Ntabankulu (90%), Ingquza (82%), Mbizana (79%), Mhlontlo (74%), and Port St Johns (62%). Some 27% of people in the district use paraffin. Current electricity load far exceed the supply and Eskom needs to be engaged in order to strengthening of substations. The rolling out of the REDS programme is eminent in order for the local municipality to benefit in terms of revenue collection.

2.6.4 Road Maintenance

2.6.4.1 Road maintenance services delivery strategy and main role players

The road function is a shared function among different stakeholders. South African Nation Road Agent (SANRAL) is responsible for the national road, N2 while the provincial road is the competency of Department of Roads and Transport. The District Municipality share the function of access roads and roads leading to economic development nodes and social amenities with the local municipalities. In addition to this the local municipalities are also responsible for operational and maintenance of internal roads.

Previously 23% of CMIP was allocated to roads construction, but after the DM becomes s water services authority (WSA), only 10% of MIG was allocated to this function. All MIG funds for roads are now directed to the local municipalities. Roads capital projects and operation & maintenance are funded through the equitable share. Road maintenance includes re-gravelling, storm water drainage, bridges, pothole patching, paving, road signs, and road markings. O.R. Tambo DM is now completing the pavement management system for the maintenance of roads.

2.6.4.2 level and standards in road maintenance services

1. Households without access to gravel or graded roads are regarded as unserved.
2. Households with access to gravel or graded roads are regarded as served to basic level.
3. Households with access to paved roads are regarded as served to higher level

2.6.4.3 Annual performance as per key performance indicator in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads					
2	Percentage of road infrastructure	1425.82	1283.24	120	114.46	95%

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
	requiring upgrade					
4	Percentage of planned new road infrastructure actually constructed	2190.46				
5	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	49 100 000				

2.6.4.4 Major challenges in road maintenance services and remedial actions

A total of 1425.82 km length of roads was inspected last year. These roads are access roads and roads leading to economic nodes and social amenities. 90% of these roads are in a poor condition and they require urgent maintenance and upgrades. The biggest challenge is the funding and the fact that only re-gravelling is being done with few paved roads. The capital cost for the re-gravelling is low but it has short design life. The first rain after the maintenance normally washes away the recently done road. The O.R. Tambo DM has completed the investigation on the alternative road surfacing and it is recommended that it should be considered during the maintenance of roads.

The extent and the state of the road network in the district is a constraint to growth and development. Major investment is required in new roads, upgrades of certain existing roads and in maintenance and refurbishment. The quality of roads maintenance and refurbishment is an issue of particular concern. Given the scale of the challenges which are mainly attributed to year of poor planning, neglect, lack of maintenance and poor budgeting there is a need to focus and target road networks that will unlock both the economic potential of the district whilst at the same time improving the mobility of people. This will also be achieved through partnerships with other state agencies and government department

Indigent policy Implementation

2.6.5 Preparation and preparation process of indigent policy

The Indigent policy for O.R Tambo district Municipality is in place and is now in a process of developing a database for registering indigent household's district wide and as such the provision of free basic services will also be in line with the approved policy.

2.6.5.1 Implementation of the policy

Since the indigent register is not yet complete, we are providing free basic water to all communities that have access. The situations in ten towns differ from one town to another, where there are meters communities are getting 6kl per month for free and in towns that do not have meters communities are paying for the services not consumption. In the rural areas, communities are now getting free water. Currently, of the 175 195 household are receiving potable water and 23 799 are billed for water consumption, meaning that 151 396 households are receiving free water.

2.6.6 ENVIRONMENTAL MANAGEMENT & WASTE MANAGEMENT

The department of Planning and Development also co-ordinates sound environmental practices throughout the district. As mandated by the National Environmental Management Act, the section seeks to achieve the principles of NEMA which state that decisions made by municipalities must comply with NEMA principles as outlined in Chapter 1 section 2 of NEMA. The core principles include sec 2 (2) That Environmental management must put people and their needs at the fore front of its concern such that development is socially, environmentally and economically sustainable

The municipal systems Act also says that there must be balance between service delivery and sustainable principles. Section 4 (2) d states that services should be provided in an environmental sustainable manner. Provision of services should minimize the risk to human health and safety, maximize benefit to human and environment and to a reasonable extent comply with the legislation and environmental principles and should not compromise the rights of present and future generations.

2.6.6.1 Challenges facing Waste Management, Environmental Management and Co-ordination.

- Waste Management has traditionally not been seen or perceived as a priority concern and hence it has not enjoyed much support from the top structures of the municipalities. This root cause has resulted into a number of ramifications which manifest in a complete system failure or lack thereof.
- The current regulatory framework, financing mechanisms, planning tools, and resources to support waste management has been very weak and this has led to a stagnation of the system and collapse of any previous attempt to develop waste management sector.
- Silence in the waste management sector within OR Tambo DM, due to very limited or no involvement of the public, private, political, traditional, industry interest and Lobby groups in this region as whole.

As a remedial action has been the establishment of the environmental management forum that is serving as a mobilizing body on waste management programs. In addition an Integrated Waste Management plan that with help in decision making in the district is being developed.

2.6.7 HUMAN SETTLEMENT

The provision of houses is the mandate of the provincial department of housing and our municipality does it on agency bases. Capital budget for this program thus resides with province and is only transferred on value created on the ground. Out of the 780 units and 3000 toilets planned this financial year the department managed to deliver 804 and 3303 toilets. The DM has also implemented emergency housing aimed at reconstructing houses that are destroyed by disasters as well as providing adequate shelter for special cases that include elderly, child headed households

2.6.7.1 Level and Standards in Housing

The housing units are 40 square meter and are partitioned inside with two bedrooms. The v.i.p. toilets are fully lined and the top structure is made up of concrete panels. We also provide gutters and a 200 litre rain water tank.

2.6.7.2 Major challenges in housing and remedial actions

Budget shortfall: Most of the projects are slow moving due to budget shortfall caused amongst other reasons price increases and material suppliers can no longer deliver material at current prices, therefore additional funding applications were submitted but the actual transfer of funds to the DM took a while.

VAT Recovery: Housing is zero rated for VAT. This means that vat funds paid to suppliers can be claimed back from SARS and be used in the projects. A new legislation from Treasury say all vat funds claimed from SARS lose their conditional nature and thus they became income of the DM. This meant that most of the vat fund that we anticipated receiving from SARS to finish off the projects, will not be coming back to the projects. This leaves a huge gap in the overall delivery targets. Applications have been forwarded to province for additional funding in order to close this financial gap.

No MTEF Budgeting: In all other programs, like Municipal Infrastructure Grant, the municipality is furnished with MTEF budget that stretches over 3 years but it is not the case with housing. It is this difficult to make forward planning and also to inform communities what we shall be doing for them in future. This issue has been brought to the attention of the Provincial department of housing.

Inaccessible Building Sites: In some cases building sites are not accessible with a vehicle and sometimes scattered all over the place. This makes it difficult to monitor the site and transport building material. For instance in some cases you have to cross a river to access building sites in the same village. Housing units, which may take three (3) months and more before actual construction.

Registration with NHBRC: The Rural Housing Policy and the People’s Housing Process Policy (PHP) do not require that projects should be enrolled with NHBRC. The new Rural Housing Policy and the PHP requires that all projects and developers should be registered with NHBRC. This is cause a huge delay and has extra cost because most of the time there are more complex design specifications that we need to adhere to. The DM is still in the process of registering with NHBRC. Furthermore this issue has been brought to the attention of the provincial department of housing and the response was that they are still putting together a rural housing policy.

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	2%	6301		Nil	0%
2	Percentage of informal settlements that have been provided with basic services	None	6301		Nil	0%
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	60%	213 397	780	804	103,08%

2.7 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

For the year under review the district municipality received a qualified audit report. This is a significant improvement from the previous years since it has been receiving disclaimers of opinion.

2.7.1 Audited Financial Statements

O.R. TAMBO DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

General information

Members of the Council

		<u>Date of Commencement</u>	<u>Date of Resignation</u>
Mrs. R. Z Capa	Mayor	22 March 2006	
Ms. N. Madalane	Speaker	22 March 2006	
MMC L.S Nduku	Member of the Mayoral Committee	22 March 2006	
MMC E.N. Diko	Member of the Mayoral Committee	22 March 2006	
MMC Z. Ndlumbini	Member of the Mayoral Committee	22 March 2006	
MMC N. Meth	Member of the Mayoral Committee	22 March 2006	
MMC N. Tobo	Member of the Mayoral Committee	22 March 2006	
MMC M. Makhedama	Member of the Mayoral Committee	22 March 2006	
MMC P. Ndamase	Member of the Mayoral Committee	22 March 2006	
MMC N. Malunga	Member of the Mayoral Committee	22 March 2006	
MMC J.P. Mdingi	Member of the Mayoral Committee	22 March 2006	

The Municipal Council (outside Mayoral Committee)

Betele S.	22 March 2006
Dambuza M.B.	22 March 2006
Diniso M.	22 March 2006
Dudumayo B.	22 March 2006
Gexu N.	22 March 2006
Gwadiso J.P.	22 March 2006
Hlabiso L.	22 March 2006
Jwacu N.	22 March 2006
Khonza N.	29 May 2009

Luvela T.		22 March 2006	
Mabandla T.		22 March 2006	15 February 2009
Madubedube G.N.		05 May 2009	
Mamve N.		22 March 2006	
Mandita K.		22 March 2006	
Mantanga P.N.		22 March 2006	
Marini K.		22 March 2006	
Matomane R.N.		29 May 2009	
Mayekiso M.A.		22 March 2006	
Mbelu N.		31 March 2009	
Mngoma N.		22 March 2006	
Moyake N.S.		22 March 2006	
Mpatane X.		29 May 2009	
Mtshengu A.		22 March 2006	
Mvanyashe M.N.		22 March 2006	
Myolwa D.J.		22 March 2006	
Mzamane Z.		22 March 2006	
Mzoboshe S.		22 March 2006	
Ndabeni M.		22 March 2006	
Ndabeni S.		22 March 2006	
Nduku V.H.		22 March 2006	29 May 2009
Njemla S.N.		22 March 2006	05 May 2009
Njomi L.A.		22 March 2006	27 January 2009
Songca S.		22 March 2006	29 May 2009
Mashiyi T.		22 March 2006	05 May 2009
Mhlanga M.		22 March 2006	31 March 2008
Ndabeni P.		22 March 2006	
Ndlobongela B.		22 March 2006	
Ndude L.M.		22 March 2006	
Nkosiyane N.L.		05 May 2009	
Nyengane S.		05 May 2009	
Qhosha B.		22 March 2006	
Qhuba W.S.		22 March 2006	
Sigcau N.E.		22 March 2006	
Sigcau T.		22 March 2006	
Soldati N.		22 March 2006	
Sotshangane S.M.		22 March 2006	
Stoyile M.		22 March 2006	05 May 2009
Tayi H.S.		22 March 2006	
Thiyeka N.		22 March 2006	
Tobo N.B.	Member of the Mayoral Committee	22 March 2006	
Tshiceka N.		22 March 2006	

Tshobonga N.	22 March 2006
Tshotsho M.	22 March 2006
Tsipa K.W.	22 March 2006
Wade B.J.	22 March 2006
Yalo Z.	22 March 2006

Municipal Manager

B. W. Kannemeyer

Chief Financial Officer

M. E. Moleko

Grading of Local Authority

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Auditors

Auditor-General

Bankers

First National Bank

Registered Office:

O. R. Tambo House

Physical address:

Nelson Mandela Drive
Myezo Park
Mthatha
5099

Postal address:

P/Bag X 6043
Mthatha
5099

Telephone number:

(047) 501 6400

Fax number:

(047) 532 4166

E-mail address:

mm@ortambodm.org.za

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

Approval of annual financial statements

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

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in the Statement of Financial Position of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager:

DATE: 30 September 2009

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2009

	Note	Group		Municipality	
		2009	2008	2009	2008
		R	R	R	R
ASSETS					
Current Assets					
		119,608,689	203,045,776	101,570,773	191,712,611
Cash and cash equivalents	1	89,681,299	111,274,643	72,629,560	100,649,794
Trade and other receivables from exchange transactions	2	7,046,216	54,350,259	7,046,216	54,350,259
Other receivables from non-exchange transactions	3	85,264	1,901,510	-	1,805,798
Inventories	4	17,532,672	15,412,899	17,460,348	15,365,838
Current portion of long-term receivables	5	1,302,324	103,791	1,302,324	103,791
VAT receivable	11	3,960,913	20,002,673	3,132,325	19,437,131
Non-Current Assets					
		3,293,038,233	3,122,726,367	3,284,896,872	3,117,302,665
Non-current receivables	5	-	73,366	-	73,366
Intangible assets	6	5,983,054	1,540,836	5,907,142	1,453,152
Property, plant and equipment	7	3,275,184,145	3,110,848,451	3,269,406,997	3,107,025,497
Biological assets	8	11,871,034	10,263,714	9,582,733	8,750,650
Total Assets		3,412,646,922	3,325,772,143	3,386,467,646	3,309,015,276
LIABILITIES					
Current Liabilities					
		198,640,119	177,239,135	188,259,004	172,812,422
Trade and other payables from exchange transactions	9	117,391,517	90,568,179	109,551,862	88,511,726
Consumer deposits	10	2,100	-	2,100	-
Current provisions	12	21,318,322	18,880,063	19,427,288	17,175,731
Bank overdraft	1	435,793	-	222	-
Unspent conditional grants and receipts	13	59,179,754	67,020,380	59,179,754	67,020,380
Current portion of finance lease liability	14	305,327	762,540	97,778	104,585
Operating lease liability		7,306	7,973	-	-
Non-current Liabilities					
Non-current finance lease liability	14	185,972	429,300	53,668	114,412
Total liabilities		198,826,091	177,668,435	188,312,672	172,926,834
NET ASSETS		3,213,820,832	3,148,103,708	3,198,154,974	3,136,088,442

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2009

Reserves	96,154,191	34,291,598	96,154,191	34,291,598
Accumulated surplus	3,117,666,641	3,113,812,110	3,102,000,783	3,101,796,844
Total net assets and liabilities	3,412,646,923	3,325,772,143	3,386,467,645	3,309,015,276

	Note	Group		Municipality	
		2009	2008	2009	2008
		R	R	R	R
REVENUE					
Service charges	15	56,299,990	57,165,492	56,299,990	57,165,492
Rental of facilities and equipment		777,876	784,825	86,729	30,732
Interest earned - external investments	16	12,931,335	9,186,073	11,850,165	8,707,456
Interest earned - outstanding receivables	17	3,613,434	17,429	3,347,479	17,429
Government grants and subsidies	18	851,904,026	709,782,598	851,904,026	709,782,598
Other income	19	71,773,796	5,672,145	58,561,480	1,219,567
Total revenue		997,300,458	782,608,562	982,049,870	776,923,274
EXPENSES					
Employee related costs	20	130,936,697	114,153,214	115,023,527	98 670 469
Remuneration of councillors		7,387,193	6,930,990	7,387,193	6 930 990
Bad debts	3	70,643,698	18,581,674	70,084,391	18 581 674
Depreciation and amortization	21	132,341,371	14,071,528	127,534,816	11 122 784
Repairs and maintenance		25,718,520	18,383,341	25,556,594	18 289 578
Finance costs	22	117,735	379,726	18,967	177 821
Bulk purchases	23	23,318,010	285,089	23,318,010	285 089
Contracted services	24	3,723,775	3,464,201	3,716,962	3 431 001
Grants and subsidies paid	25	11,598,218	10,055,227	71,933,628	48,768,708
General expenses	26	569,509,259	613,050,734	522,959,686	591 987 642
Total expenses		975,294,475	799,355,725	967,533,775	798,245,756
Gain on sale of assets	27	1,310,678	10,599	1,266,055	-
Impairment loss	28	(16,420,038)	-	(16,419,725)	-
Profit on fair value adjustment	29	716,238	(8,952)	841,514	-
SURPLUS / (DEFICIT) FOR THE YEAR		7,612,861	(16,745,516)	203,939	(21,322,482)

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 30 June 2009

Municipality	Note	Revaluation Reserve	Other reserves	Total Reserves	Accumulated Surplus/(Deficit)	Net Assets
		R	R	R	R	R
Balance at 30 June 2007	-		23,772,126	23,772,126	83,358,074	107,130,200
Correction of prior period errors	-		-	-	4,627,264	4,627,264
Restated balance at 1 July 2007	-		23,772,126	23,772,126	87,985,338	111,757,464
Capital grants used to purchase Property Plant and Equipment	-		16,879,898	16,879,898	(16,879,898)	-
<i>Offsetting of depreciation</i>	-		(6,360,426)	(6,360,426)	6,360,426	-
<i>Deficit for the year</i>	-		-	-	(21,322,481)	(21,322,481)
<i>Balance at 30 June 2008</i>	-		34,291,598	34,291,598	56,143,385	90,434,983
Correction of prior period errors	32		-	-	3,045,653,459	3,045,653,459
Restated balance at 30 June 2008	-		34,291,598	34,291,598	3,101,796,844	3,136,088,441
Surplus on revaluation of property of property, plant and equipment	61,862,593		-	61,862,593	-	61,862,593
Capital grants used to purchase Property Plant and Equipment	-		-	-	-	-
Offsetting of depreciation	-		-	-	-	-
Surplus for the year	-		-	-	203,939	203,939
<i>Balance at 30 June 2009</i>		61,862,593	34,291,598	96,154,191	3,102,000,783	3,198,154,974

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 30 June 2009

Group	Note	Revaluation Reserve	Other reserves	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets
		R	R	R	R	R
Balance at 30 June 2007	-		23,772,126	23,772,126	83,672,450	107,444,576
Correction of prior period errors	-		-	-	5,626,369	5,626,369
Restated balance at 1 July 2007	-		23,772,126	23,772,126	89,298,819	113,070,944
Capital grants used to purchase Property Plant and Equipment	-		16,879,898	16,879,898	(16,879,898)	-
Deferred income movement	-		-	-	6,124,820	6,124,820
<i>Offsetting of depreciation</i>	-		(6,360,426)	(6,360,426)	6,360,426	-
<i>Deficit for the year</i>	-		-	-	(16,745,516)	(16,745,516)
<i>Balance at 30 June 2008</i>	-		34,291,598	34,291,598	68,158,651	102,450,249
Correction of prior period errors	32		-	-	3,045,653,459	3,045,653,459
Restated balance at 30 June 2008	-		34,291,598	34,291,598	3,113,812,110	3,148,103,708
Surplus on revaluation of property of property, plant and equipment	61,862,593		-	61,862,593	-	61,862,593
Capital grants used to purchase Property Plant and Equipment	-		-	-	-	-
Offsetting of depreciation	-		-	-	-	-
Deferred income movement	-		-	-	(5,345,765)	(5,345,765)
Surplus from Ntinga Projects	-		-	-	598,192	598,192
Current year corrections	-		-	-	989,243	989,243
Surplus for the year	-		-	-	7,612,861	7,612,861
<i>Balance at 30 June 2009</i>		61,862,593	34,291,598	96,154,191	3,117,666,641	3,213,820,831

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts	900,919,425	728,741,982	897,784,957	723,074,123
Sales of goods and services	33,387,455	59,654,373	33,387,455	59,654,373
Grants	782,048,962	653,444,566	782,048,962	653,444,566
Interest received	12,931,335	9,186,073	11,850,165	8,707,456
Other receipts	72,551,673	6,456,970	70,498,375	1,267,728
Payments	(683,948,504)	(785,004,925)	(693,344,759)	(785,927,399)
Employee costs	(138,323,890)	(121,084,204)	(122,410,721)	(105,601,459)
Suppliers	(532,343,752)	(655,120,490)	(554,511,115)	(626,747,272)
Interest paid	(117,735)	(379,726)	(18,967)	(177,821)
Other payments	(13,163,127)	(8,420,505)	(16,403,956)	(53,400,847)
Cash generated from / (utilised by) operations	216,970,921	(56,262,943)	204,440,198	(62,853,276)
	30			
Interest earned	16,544,770	9,203,502	15,197,644	8,724,885
Finance costs	(117,735)	(379,726)	(18,967)	(177,821)
Net cash flows from operating activities	233,397,955	(47,439,167)	219,618,875	(54,306,212)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(250,389,018)	(73,829,738)	(243,585,997)	(72,081,820)
Purchase of intangible assets	(5,440,478)	(1,092,652)	(5,341,441)	(1,092,652)
Purchase of biological assets	(1,736,082)	(8,874,844)	(781,170)	(8,750,000)
Proceeds on disposal of biological assets	2,010,290	-	2,010,290	-
Proceeds on disposal of fixed assets	197,392	48,256		
Proceeds long-term receivables	73,366	25,414	73,366	-
Decrease in investment in controlled entities	-	200	-	-
Transfer from calves (weaned)	(1,009,722)	-	(1,009,722)	-
Decrease due to natural death of biological assets	1,110,488	-	1,056,088	
Net cash flows from investing activities	(255,183,764)	(83,723,364)	(247,578,586)	(81,924,472)

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of finance lease liability	(243,328)	(980,869)	(60,745)	(417,199)
Advances on long-term receivables	-	(46,524)	-	(46,524)
Net cash flows from financing activities	(243,328)	(1,027,393)	(60,745)	(463,723)
Net decrease in net cash and cash equivalents	(22,029,137)	(132,189,924)	(28,020,456)	(136,694,407)
Net cash and cash equivalents at beginning of period	111,274,643	243,464,567	100,649,794	237,344,201
Net cash and cash equivalents at end of period	31 89,245,506	111,274,643	72,629,338	100,649,794

Group		Municipality	
2009	2008	2009	2008
R	R	R	R
34,151,259	16,626,787	33,380,842	10,590,068
(435,793)	-	(222)	-
7,842	3,107	-	-
55,522,198	94,644,749	39,248,718	90,059,726
89,245,506	111,274,643	72,629,338	100,649,794
10,582,923	13,434,766	10,582,923	13,434,766
33,367,570	10,582,923	33,367,570	10,582,923
39,193,004	30,087,306	39,193,004	30,087,306
33,339,219	39,193,004	33,339,219	39,193,004
11,952	4,807	11,952	4,807
13,271	7,145	13,271	7,145
7,145	4,807	7,145	4,807
8,465	7,145	8,465	7,145
4,168	-	4,168	-
(222)	4,168	(222)	4,168
39	-	39	-
(222)	39	(222)	39
5,330,940	-	-	-
(435,571)	5,330,940	-	-
-	-	-	-
6,684,649	-	-	-
231,132	6,684,649	-	-

**OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 30 June 2009

18,945	-	-	-
976	18,945	-	-
278,187	-	-	-
976	278,187	-	-
186,803	-	-	-
766,998	186,803	-	-
186,803	-	-	-
766,998	186,803	-	-
-	1,039,064	-	-
-	-	-	-
-	1,609,404	-	-
-	-	-	-

Group		Municipality	
2009	2008	2009	2008
R	R	R	R
-	4,383	-	-
-	-	-	-
-	4,383	-	-
-	-	-	-
-	152	-	-
-	-	-	-
-	152	-	-
-	-	-	-
-	444	-	-
-	-	-	-
-	444	-	-
-	-	-	-
-	(57)	-	-
-	-	-	-
-	(57)	-	-
-	-	-	-

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OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

-	515	-	-
-	-	-	-
-	515	-	-
-	-	-	-
-	140	-	-
-	-	-	-
-	140	-	-
-	-	-	-
-	113	-	-
-	-	-	-
-	113	-	-
-	-	-	-
-	-	-	-
490	-	-	-
-	-	-	-
490	-	-	-
-	-	-	-
1,953	-	-	-
-	-	-	-
1,953	-	-	-
Group		Municipality	
2009	2008	2009	2008
R	R	R	R
15,786	21,524	-	-
-	15,786	-	-
15,786	-	-	-
-	15,786	-	-

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**OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 30 June 2009

484,245	665,631	-	-
-	484,245	-	-
484,245	665,631	-	-
-	484,245	-	-
8,148	-	-	-
-	-	-	-
1,947	-	-	-
-	-	-	-
13,196	-	-	-
-	-	-	-
23,095	-	-	-
-	-	-	-
7,842	3,107	-	-
89,681,299	111,274,643	72,629,560	100,649,794
(435,793)	-	(222)	-
Group		Municipality	
2009	2008	2009	2008
R	R	R	R
99,569,914	81,206,932	99,569,914	81,206,932
29,741,490	25,191,936	29,741,490	25,191,936
129,311,403	106,398,868	129,311,403	106,398,868
(94,174,597)	(39,556,943)	(94,174,597)	(39,556,943)
(28,090,590)	(12,491,666)	(28,090,590)	(12,491,666)
(122,265,187)	(52,048,609)	(122,265,187)	(52,048,609)
5,395,317	41,649,990	5,395,317	41,649,990
1,650,900	12,700,270	1,650,900	12,700,270
7,046,216	54,350,259	7,046,216	54,350,259

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OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

14,592,063	24,797,990	14,592,063	24,797,990
4,335,755	3,671,751	4,335,755	3,671,751
3,150,052	3,150,386	3,150,052	3,150,386
2,661,839	2,739,691	2,661,839	2,739,691
29,249,446	19,103,476	29,249,446	19,103,476
73,174,706	53,826,799	73,174,706	53,826,799
<u>127,163,861</u>	<u>107,290,093</u>	<u>127,163,861</u>	<u>107,290,093</u>
8,915,072	18,846,472	8,915,072	18,846,472
2,724,610	2,790,531	2,724,610	2,790,531
2,056,997	2,394,293	2,056,997	2,394,293
2,038,501	2,082,165	2,038,501	2,082,165
23,058,715	14,518,642	23,058,715	14,518,642
56,988,665	40,017,143	56,988,665	40,017,143
95,782,560	80,649,246	95,782,560	80,649,246
(92,092,773)	(39,556,942)	(92,092,773)	(39,556,942)
<u>3,689,787</u>	<u>41,092,304</u>	<u>3,689,787</u>	<u>41,092,304</u>
1,723,217	2,231,819	1,723,217	2,231,819
565,031	330,457	565,031	330,457
453,670	283,535	453,670	283,535
377,756	246,572	377,756	246,572
3,780,580	1,719,313	3,780,580	1,719,313
4,431,026	4,844,412	4,431,026	4,844,412
11,331,280	9,656,108	11,331,280	9,656,108
(10,894,770)	(4,684,376)	(10,894,770)	(4,684,376)
<u>436,510</u>	<u>4,971,732</u>	<u>436,510</u>	<u>4,971,732</u>
3,953,774	3,719,699	3,953,774	3,719,699
1,046,114	550,763	1,046,114	550,763
639,385	472,558	639,385	472,558
245,583	410,953	245,583	410,953
2,410,150	2,865,521	2,410,150	2,865,521
11,755,016	8,074,020	11,755,016	8,074,020
20,050,022	16,093,514	20,050,022	16,093,514
(19,277,644)	(7,807,291)	(19,277,644)	(7,807,291)
<u>772,378</u>	<u>8,286,223</u>	<u>772,378</u>	<u>8,286,223</u>
<u>4,898,675</u>	<u>54,350,260</u>	<u>4,898,675</u>	<u>54,350,260</u>
Group		Municipality	
2009	2008	2009	2008
R	R	R	R
5,602,222	6,371,566	5,602,222	6,371,566
(5,602,222)	(5,734,409)	(5,602,222)	(5,734,409)

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OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

-	637,157	-	637,157
85,264	1,264,353	-	1,168,641
801,339	3,194,918	-	3,194,918
(736,226)	(2,026,277)	-	(2,026,277)
20,151	9,389	-	-
-	86,323	-	-
85,264	1,901,510	-	1,805,798

3.2

57,783,018	39,201,344	57,783,018	39,201,344
70,643,698	18,581,674	70,084,391	18,581,674
70,216,578	16,241,964	70,216,578	16,241,964
559,307	2,339,710	-	2,339,710
-	-	-	-
(132,187)	-	(132,187)	-
128,426,716	57,783,018	127,867,409	57,783,018

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15,412,899	5,651,572	15,365,838	5,579,822
818,316	836,970	771,255	765,220
6,084,804	4,814,602	6,084,804	4,814,602
8,509,779	-	8,509,779	-
-	-	-	-
-	-	-	-
13,160,585	12,320,906	10,687,217	12,158,972
2,324,775	1,818,563	1,957,995	1,656,629
7,244,991	1,992,564	7,244,991	1,992,564
1,484,231	8,509,779	1,484,231	8,509,779
136,209	-	-	-
1,970,379	-	-	-
(11,040,812)	(2,559,579)	(8,592,912)	(2,372,956)
(2,540,287)	(1,837,217)	(2,197,949)	(1,650,594)
(6,394,758)	(722,362)	(6,394,758)	(722,362)
-	-	-	-
(135,501)	-	-	-
(1,970,266)	-	-	-
17,532,672	15,412,899	17,460,348	15,365,838
602,804	818,316	531,301	771,255
6,935,037	6,084,804	6,935,037	6,084,804
9,994,010	8,509,779	9,994,010	8,509,779
708	-	-	-
113	-	-	-

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

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Group		Municipality	
2009 R	2008 R	2009 R	2008 R
51,445	51,445	51,445	51,445
142,965	232,878	142,965	232,878
1,211,589	5,118,748	1,211,589	5,118,748
(103,675)	(2,026,276)	(103,675)	(2,026,276)
1,302,324	3,376,795	1,302,324	3,376,795
(1,302,324)	(3,303,429)	(1,302,324)	(3,303,429)
(51,445)	(51,445)	(51,445)	(51,445)
(142,965)	(232,879)	(142,965)	(232,879)
(1,107,914)	(3,019,105)	(1,107,914)	(3,019,105)
-	73,366	-	73,366
51,445	51,445	51,445	51,445
142,965	232,878	142,965	232,878
1,211,589	1,845,744	1,211,589	1,845,744
(103,675)	(2,026,276)	(103,675)	(2,026,276)
1,302,324	103,791	1,302,324	103,791

6

Group	Municipality
2009 R	2009 R
1,540,836	1,453,152
2,936,179	2,620,217
(528,602)	(528,602)
1,350,986	1,340,034
(2,217,727)	(1,978,497)
377,328	278,291
(857,617)	(746,808)
1,060,547	984,635
2,784,905	2,369,906
(1,724,358)	(1,385,271)
435,563	394,515
1,955,794	1,731,134
-	-
-	-
(1,520,231)	(1,336,619)
980,385	889,083
(697,496)	(641,878)

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1,540,836	1,453,152
2,936,179	2,620,217
(528,602)	(528,602)
1,350,986	1,340,034
(2,217,727)	(1,978,497)
-	-
-	-
-	-
5,063,150	5,063,150
(140,643)	(140,643)
4,922,507	4,922,507
5,063,150	5,063,150
(140,643)	(140,643)
5,983,054	5,907,142
-	-
-	-
-	-
-	-
-	-
-	-
-	-
1,540,836	1,453,152

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7 PROPERTY, PLANT AND EQUIPMENT

7.1 Reconciliation of Carrying Value: Municipality 2009	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R	R	R
01 July 2008	26,073,408	50,105,678	2,997,205,692	-	90,000	33,237,184	313,535	3,107,025,497
Cost/Revaluation	27,415,588	46,661,999	-	4,494,369	90,000	76,698,057	2,068,162	157,428,175
Correction of error (note 32)								
Cost/Revaluation	(1,342,180)	9,250,482	4,341,385,130	(4,494,369)	-	(15,091,306)	(1,427,495)	4,328,280,262
Accumulated depreciation	-	(2,682,929)	(1,344,179,438)	473,450	4,799	10,156,841	839,059	(1,335,388,218)
Accumulated depreciation and impairment losses	-	(3,123,874)		(473,450)	(4,799)	(38,526,408)	(1,166,191)	(43,294,722)
Acquisitions	-	2,253,867	229,469,907	-	-	11,780,124	26,649	243,530,547
Revaluations	21,872,146	39,990,447	-	-	-	-	-	61,862,593
Capital under Construction	-	-	-	-	-	55,450	-	55,450
Other adjustments	-	5,806,803	-	-	-	-	-	5,806,803
Depreciation	-	(2,613,627)	(115,852,231)	-	-	(8,036,019)	(145,488)	(126,647,365)
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
(Impairment loss)/Reversal of impairment loss	(10,345,553)	(4,621,940)	-	-	-	(1,452,232)	-	(16,419,725)
Transfers	-	-	-	-	-	-	-	-
Other movements*	-	(5,806,803)	-	-	-	-	-	(5,806,803)
30 June 2009	37,600,001	85,114,425	3,110,823,368	-	90,000	35,584,507	194,696	3,269,406,997
Cost/Revaluation	47,945,554	92,349,992	4,570,855,037	-	90,000	73,442,325	667,316	4,785,350,224
Accumulated depreciation and impairment losses	(10,345,553)	(7,235,567)	(1,460,031,669)	-	-	(37,857,818)	(472,620)	(1,515,943,227)

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7.2	Reconciliation of Carrying Value: Municipality 2008	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
		R	R	R	R	R	R	R	R
	01 July 2007	1,342,180	17,112,967	-	3,537,230	88,201	29,208,099	1,243,861	52,532,538
	Cost/Revaluation	1,342,180	19,536,975	-	3,881,303	90,000	58,456,874	2,039,022	85,346,354
	Correction of error	-	-	-	-	-	-	-	-
	Change in accounting policy	-	-	-	-	-	-	-	-
	Accumulated depreciation and impairment losses	-	(2,424,008)	-	(344,073)	(1,799)	(29,248,775)	(795,161)	(32,813,816)
	Acquisitions	26,073,408	6,509,339	-	-	-	18,241,183	29,140	50,853,070
	Capital under Construction	-	20,615,685	-	613,066	-	-	-	21,228,751
	Depreciation	-	(699,866)	-	(129,377)	(3,000)	(9,277,633)	(371,030)	(10,480,906)
	Carrying value of disposals	-	-	-	-	-	-	-	-
	Cost/Revaluation	-	-	-	-	-	-	-	-
	Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
	Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
	Transfers	-	-	-	-	-	-	-	-
	*Other movements (Correction of error note 32)	(1,342,180)	6,567,553	2,997,205,692	(4,020,919)	4,799	(4,934,465)	(588,436)	2,992,892,044
	Cost/Revaluation	(1,342,180)	9,250,482	4,341,385,130	(4,494,369)	-	(15,091,306)	(1,427,495)	4,328,280,262
	Accumulated depreciation	-	(2,682,929)	(1,344,179,438)	473,450	4,799	10,156,841	839,059	(1,335,388,218)
	30 June 2008	26,073,408	50,105,678	2,997,205,692	-	90,000	33,237,184	313,535	3,107,025,497
	Cost/Revaluation	26,073,408	55,912,481	4,341,385,130	-	90,000	61,606,751	640,667	4,485,708,437
	Accumulated depreciation and impairment losses	-	(5,806,803)	(1,344,179,438)	-	-	(28,369,567)	(327,132)	(1,378,682,940)

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

7.3	Reconciliation of Carrying Value - Group 2009	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
		R	R	R	R	R	R	R	R
	01 July 2008	26,323,408	50,105,678	2,997,205,692	-	90,000	35,993,398	1,130,275	3,110,848,451
	Cost/Revaluation	27,415,588	46,661,999	-	17,652,044	90,000	82,483,589	4,065,155	178,368,375
	Correction of error (note 32)								
	Cost/Revaluation	(1,092,180)	9,250,482	4,341,385,130	(17,652,044)	-	(15,091,306)	(1,427,495)	4,315,372,587
	Accumulated depreciation	-	(2,682,929)	(1,344,179,438)	7,613,023	4,799	10,211,726	861,855	(1,328,170,964)
	Accumulated depreciation and impairment losses	-	(3,123,874)		(7,613,023)	(4,799)	(41,610,611)	(2,369,240)	(54,721,547)
	Acquisitions	-	4,471,574	229,469,907	-	-	16,365,438	26,649	250,333,568
	Revaluations	21,872,146	39,990,447	-	-	-	-	-	61,862,593
	Capital under Construction	-	-	-	-	-	55,450	-	55,450
	Other adjustments	-	5,806,803	-	-	-	-	-	5,806,803
	Depreciation	-	(3,198,159)	(115,852,231)	-	-	(11,827,716)	(465,004)	(131,343,110)
	Carrying value of disposals	-	-	-	-	-	(152,769)	-	(152,769)
	Cost/Revaluation	-	-	-	-	-	(398,314)	-	(398,314)
	Accumulated depreciation and impairment losses	-	-	-	-	-	245,545	-	245,545
	(Impairment loss)/Reversal of impairment loss	(10,345,553)	(4,621,940)	-	-	-	(1,452,545)	-	(16,420,038)
	Transfers	-	-	-	-	-	-	-	-
	Other movements*	-	(5,806,803)	-	-	-	-	-	(5,806,803)

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30 June 2009	37,850,001	86,747,600	3,110,823,368	-	90,000	38,981,256	691,920	3,275,184,145
Cost/Revaluation	48,195,554	94,567,699	4,570,855,037	-	90,000	83,414,857	2,664,309	4,799,787,456
Accumulated depreciation and impairment losses	(10,345,553)	(7,820,099)	(1,460,031,669)	-	-	(44,433,601)	(1,972,389)	(1,524,603,311)

7.4	Reconciliation of Carrying Value - Group 2008	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
		R	R	R	R	R	R	R	R
	01 July 2007	1,342,180	17,112,967	-	10,647,559	88,201	31,983,072	2,357,324	63,531,303
	Cost/Revaluation	1,342,180	19,536,975	-	16,311,415	90,000	63,643,224	4,036,015	104,959,809
	Correction of error	-	-	-	-	-	-	-	-
	Change in accounting policy	-	-	-	-	-	-	-	-
	Accumulated depreciation and impairment losses	-	(2,424,008)	-	(5,663,856)	(1,799)	(31,660,152)	(1,678,691)	(41,428,506)
	Acquisitions	26,073,408	6,509,339	-	727,563	-	18,959,011	29,140	52,298,461
	Capital under Construction	-	20,615,685	-	613,066	-	-	-	21,228,751
	Depreciation	-	(699,866)	-	(1,949,167)	(3,000)	(10,031,450)	(690,549)	(13,374,032)
	Carrying value of disposals	-	-	-	-	-	(37,655)	-	(37,655)
	Cost/Revaluation	-	-	-	-	-	(118,646)	-	(118,646)
	Accumulated depreciation and impairment losses	-	-	-	-	-	80,991	-	80,991
	Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
	Transfers	-	-	-	-	-	-	-	-
	*Other movements (Correction of error note 32)	(1,092,180)	6,567,553	2,997,205,692	(10,039,021)	4,799	(4,879,580)	(565,640)	2,987,201,623
	Cost/Revaluation	(1,092,180)	9,250,482	4,341,385,130	(17,652,044)	-	(15,091,306)	(1,427,495)	4,315,372,587
	Accumulated depreciation	-	(2,682,929)	(1,344,179,438)	7,613,023	4,799	10,211,726	861,855	(1,328,170,964)

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30 June 2008	26,323,408	50,105,678	2,997,205,692	-	90,000	35,993,398	1,130,275	3,110,848,451
Cost/Revaluation	26,323,408	55,912,481	4,341,385,130	-	90,000	67,392,283	2,637,660	4,493,740,962
Accumulated depreciation and impairment losses	-	(5,806,803)	(1,344,179,438)	-	-	(31,398,885)	(1,507,385)	(1,382,892,511)

7.5 Details of valuation

The effective date of the revaluations was 30 June 2009. Revaluations were performed by independent professional valuers, Mr Charl Kruger (National Diploma in Property Valuers), Gesina de Sousa independent candidate valuer, Letlaka Ndamase an Valuers), mase an independent professional associated valuer (Valuation Network Property Valuers and Consultants). Valuation Network Property Valuers and Consultants is not connected to the entity.

Land and buildings are re-valued independently every 5 years. The valuation was performed using the market value method and the following assumptions were used: The income capitalisation approach used to value income producing properties and it is based on the assumption that the purchaser will pay no more for a property with a certain income flow with similar risks and benefits than for an investment elsewhere. The net income stream is converted into a present value through the capitalisation process. The capitalisation rate of return which will be required by the owner form an investment if that investment were fully let to tenants paying maket related rentals with market escalation rates.

7.4 Deemed cost used to measure items of Property, Plant and Equipment

In accordance with the allowed alternative measurement criteria as allowed by Directive 7, the Group and the Municipality used the Depreciated Replacement Cost method to determine the fair value of Infrastructure a first time recognition in the Group and the Municipality's accounting records, this in accordance with the GRAP Implementation Programme. In accordance with Directive 7 the aggregate of the items of Property, Plant and Equipment valued using deemed cost are disclosed below:

	Group			Municipality		
	Deemed Cost	Accumulated Depreciation	Carrying Value	Deemed Cost	Accumulated Depreciation	Carrying Value
Infrastructure recorded at Deemed Cost as at 30 June 2009						
Road Transport	303,780,450	122,073,973	181,706,477	303,780,450	122,073,973	181,706,477
Sanitation	363,640,311	192,786,456	170,853,855	363,640,311	192,786,456	170,853,855

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Water Supply	3,903,434,275	1,145,171,241	2,758,263,034	3,903,434,275	1,145,171,241	2,758,263,034
				4,275	4	4
	4,570,855,036	1,460,031,670	3,110,823,366	4,570,855,036	1,460,031,670	3,110,823,366

8 BIOLOGICAL ASSETS

	Trees in plantation	Cows	Bulls	Calves	Heifers	Steers	Sheep	Goats	Total
8.1 Reconciliation of Carrying Value - Municipality 2009	R	R	R	R	R	R			R
as at 1 July 2008	4,950,000	2,559,358	216,667	493,917	43,750	486,958	-	-	8,750,650
Cost/Valuation	4,950,000	2,559,358	216,667	493,917	43,750	486,958	-	-	8,750,650
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-	-
Additions	-	-	-	606,170	175,000	-	-	-	781,170
Decrease due to harvest/sales	-	(264,934)	(8,333)	-	-	(470,969)	-	-	(744,235)
Decrease due to deaths	-	(219,945)	(50,000)	(33,676)	(17,500)	(26,165)	-	-	(347,286)
Gains from changes in fair value	-	602,612	31,651	-	103,131	350,228	-	-	1,087,622
Losses from changes in fair value	-	-	-	(246,109)	-	-	-	-	(246,109)
Transfer of calves to steers and heifers	-	-	-	(708,802)	-	-	-	-	(708,802)
Transfers from calves (weaned)	-	-	-	-	732,083	277,639	-	-	1,009,722
Carrying value of disposals	-	-	-	-	-	-	-	-	-
Cost/Valuation	-	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-	-

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as at 30 June 2009	4,950,000	2,677,092	189,985	111,500	1,036,464	617,692	-	-	9,582,733
Cost/Valuation	4,950,000	2,677,092	189,985	111,500	1,036,464	617,692	-	-	9,582,733
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-	-
8.1 Reconciliation of Carrying Value - Municipality 2008	Trees in plantation	Cows	Bulls	Calves	Heifers	Steers	Sheep	Goats	Total
	R	R	R	R	R	R			R
as at 1 July 2007	-	-	-	-	-	-	-	-	-
Additions	4,950,000	2,559,358	216,667	493,917	43,750	486,958	-	-	8,750,650
Decrease due to harvest/sales	-	-	-	-	-	-	-	-	-
Decrease due to deaths	-	-	-	-	-	-	-	-	-
Gains/(losses) from changes in fair value	-	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	-	-	-	-	-
Cost/Valuation	-	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
as at 30 June 2008	4,950,000	2,559,358	216,667	493,917	43,750	486,958	-	-	8,750,650
Cost/Valuation	4,950,000	2,559,358	216,667	493,917	43,750	486,958	-	-	8,750,650
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-	-

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8.2 Non-financial information
Quantities of each biological asset:
Municipality

	Trees in plantation	Cows	Bulls	Calves	Heifers	Steers	Total
	R	R	R	R	R	R	R
as at 1 July 2008	19800	512	26	308	15	335	20996
Trees	19800	-	-	-	-	-	19800
Livestock	-	512	26	308	15	335	1196
Additions							
Newborn calves during the year	-	-	-	378	-	-	378
Purchases	-	-	-	-	35	-	35
Decrease due to harvest/sale	-	(53)	(1)	-	-	(324)	(378)
Decrease due to death	-	(44)	(6)	(21)	(6)	(18)	(95)
Transfers of calves to steers and heifers	-	-	-	-	251	191	442
Transfers from calves (weaned)	-	-	-	(442)	-	-	(442)
as at 30 June 2009	19800	415	19	223	295	184	20936
Trees	19800	-	-	-	-	-	19800
Livestock	-	415	19	223	295	184	1136

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8.3 Reconciliation of Carrying Value - Group 2009	Trees in plantation	Cows	Bulls	Calves	Heifers	Steers	Sheep	Goats	Total
	R	R	R	R	R	R			R
as at 1 July 2008	4,950,000	3,874,792	216,667	493,917	43,750	486,958	143,350	54,280	10,263,714
Cost/Valuation	4,950,000	3,874,792	216,667	493,917	43,750	486,958	143,350	54,280	10,263,714
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-	-
Additions	-	663,612	-	823,570	175,000	-	24,000	49,900	1,736,082
Decrease due to harvest/sales	-	(264,934)	(8,333)	-	-	(470,969)	-	-	(744,235)
Decrease due to deaths	-	(258,145)	(50,000)	(33,676)	(17,500)	(26,165)	(12,600)	(3,600)	(401,686)
Gains from changes in fair value	-	602,612	31,651	-	103,131	350,228	-	9,781	1,097,404
Losses from changes in fair value	-	-	(134,497)	(246,109)	-	-	(560)	-	(381,166)
Transfer of calves to steers and heifers	-	-	-	(708,802)	-	-	-	-	(708,802)
Transfers from calves (weaned)	-	-	-	-	732,083	277,639	-	-	1,009,722
Carrying value of disposals	-	-	-	-	-	-	-	-	-
Cost/Valuation	-	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-	-
as at 30 June 2009	4,950,000	4,617,938	55,488	328,901	1,036,464	617,692	154,190	110,361	11,871,034
Cost/Valuation	4,950,000	4,617,938	55,488	328,901	1,036,464	617,692	154,190	110,361	11,871,034
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-	-

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8.3 Reconciliation of Carrying Value - Group 2008	Trees in plantation	Cows	Bulls	Calves	Heifers	Steers	Sheep	Goats	Total
	R	R	R	R	R	R			R
as at 1 July 2007	-	-	-	-	-	-	-	-	-
Additions	4,950,000	3,874,792	216,667	493,917	43,750	486,958	143,350	54,280	10,263,714
Decrease due to harvest/sales	-	-	-	-	-	-	-	-	-
Decrease due to deaths	-	-	-	-	-	-	-	-	-
Gains/(losses) from changes in fair value	-	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	-	-	-	-	-
Cost/Valuation	-	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
as at 30 June 2008	4,950,000	3,874,792	216,667	493,917	43,750	486,958	143,350	54,280	10,263,714
Cost/Valuation	4,950,000	3,874,792	216,667	493,917	43,750	486,958	143,350	54,280	10,263,714
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-	-

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8.4 Non-financial information: Group

Quantities of each biological asset

	Trees in plantation	Cows	Bulls	Calves	Heifers	Steers	Sheep	Goats	Total
	R	R	R	R	R	R			R
as at 1 July 2008	19800	719	26	308	15	335	86	63	21352
Trees	19800	-	-	-	-	-	-	-	19800
Livestock	-	719	26	308	15	335	86	63	1552
Additions									
Newborn calves during the year	-	-	-	433	-	-	-	-	433
Purchases	-	29	-	-	35	-	30	-	94
	-	-	-	-	-	-	-	-	-
Decrease due to harvest/sale	-	(53)	(1)	-	-	(324)	-	-	(378)
Decrease due to death	-	(84)	(6)	(21)	(6)	(18)	(42)	(12)	(189)
Transfers of calves to steers and heifers	-	-	-	-	251	191	-	-	442
Transfers from calves (weaned)	-	-	-	(442)	-	-	-	-	(442)
as at 30 June 2009	19800	611	19	278	295	184	74	51	21312
Trees	19800	-	-	-	-	-	-	-	19800
Livestock	-	611	19	278	295	184	74	51	1512

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8.5 Operations and Principal Activities

The Adam Kok farms are utilised both for livestock production and for the production of fruit. At 30 June 2009, the farm held 415 Cows, 19 Bulls, 223 Calves being raised to be Steers and Heifers being respectively 295 Heifers and 184 Steers. The livestock is valued at fair market value (valued by Sworn Appraiser) less point of sale costs. The Ntinga O.R. Tambo Development Agency (the agency) through its decentralised operations holds livestock for experimental and educational purposes with the intent of assisting the respective communities with sustainable livestock farming. The Ikhwezi Farm is used for milk production. At 30 June 2009, the agency operations held 74 sheep, 51 goats and 251 cattle. A mass plantation of peach and apple fruit trees are held for the production of fruit, covering a total area of 18 hectares.

8.6 Biological assets pledged as security

No biological assets were pledged as security.

8.7 Assets carried at cost and accumulated depreciation and impairment losses

Biological assets are carried at fair value.

8.8 Methods and assumptions used in determining the fair value

Cattle are valued at the prevailing market rates, as determined by breed, genetic merit and age less point of sale costs. Fruit trees are valued by way of on arms length transaction that would have been applied / prevailing in replacing the existing fruit trees with fruit trees

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	Group		Municipality	
	2009	2008	2009	2008
	R	R	R	R
9 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS				
Trade creditors	105,940,009	74,191,549	104,328,338	74,191,549
Payments received in advance	2,147,543	2,406,999	2,147,543	2,406,999
Project deposits	6,011,880	1,036,116	-	-
Other creditors	3,292,085	12,933,515	3,075,981	11,913,178
Total creditors	117,391,517	90,568,179	109,551,862	88,511,726

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

10 CONSUMER DEPOSITS

Consumer deposits	2,100	-	2,100	-
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11 VAT RECEIVABLE

VAT receivable	3,960,913	20,002,673	3,132,325	19,437,131
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VAT is payable on a payment basis. VAT is paid over to SARS only when payment is received from debtors.

12 PROVISIONS

Provision for bonus (13th cheque)	3,602,521	3,023,220	3,602,521	3,023,220
Provision for leave	17,616,262	15,757,484	15,824,767	14,152,511
Provision for court order	99,539	99,359	-	-
	21,318,322	18,880,063	19,427,288	17,175,731

13 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

13.1 Unspent Conditional Grants from other spheres of Government

MIG Grants	28,612,719	34,604,039	28,612,719	34,604,039
Other	30,567,035	32,416,341	30,567,035	32,416,341
Total Unspent Conditional Grants and Receipts	59,179,754	67,020,380	59,179,754	67,020,380

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See note 17 for the reconciliation of grants and receipts. These amounts are invested in ring-fenced investments until utilised.

14 FINANCE LEASE LIABILITY

Municipality 2009	Minimum lease payment	Future finance charges	Present value of minimum lease payments
Amounts payable under finance leases	R	R	R
Within one year	112,613	(14,834)	97,779
Within two to five years	<u>72,526</u>	<u>(18,859)</u>	<u>53,667</u>
	<u>185,139</u>	<u>(33,693)</u>	151,446
Less: Amount due for settlement within 12 months (current portion)			<u>97,778</u>
			<u>53,668</u>
 Group 2009			
Within one year	362,104	(38,978)	323,126
Within two to five years	<u>193,570</u>	<u>(25,397)</u>	<u>168,173</u>
	<u>555,674</u>	<u>(64,375)</u>	491,299
Less: Amount due for settlement within 12 months (current portion)			<u>305,327</u>
			<u>185,972</u>

The average lease term is 5 years. The majority of these leases have fixed repayment terms. The agreements do not provide for contingent rental payments.

Municipality 2008	Minimum lease payment	Future finance charges	Present value of minimum lease payments
Amounts payable under finance leases	R	R	R
Within one year	118,750	(14,165)	104,585
Within two to five years	<u>124,741</u>	<u>(10,329)</u>	<u>114,412</u>
	<u>243,491</u>	<u>(24,494)</u>	218,997

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Less: Amount due for settlement within 12 months (current portion)

104,585

114,412

Group 2008

Within one year 856,417 (111,676) 744,741

Within two to five years 497,022 (49,923) 447,099

1,353,439 (161,599) 1,191,840

Less: Amount due for settlement within 12 months (current portion)

762,540

429,300

The average lease term is 5 years. The majority of these leases have fixed repayment terms. The agreements do not provide for contingent rental payments.

	Group		Municipality	
	2009	2008	2009	2008
	R	R	R	R
15 SERVICE CHARGES				
Sale of water	42,984,895	43,511,266	42,984,895	43,511,266
Sewerage and sanitation charges	14,784,444	13,654,227	14,784,444	13,654,227
Less: Interest on discounting	<u>(1,469,349)</u>	<u>-</u>	<u>(1,469,349)</u>	<u>-</u>
Total Service Charges	<u>56,299,990</u>	<u>57,165,492</u>	<u>56,299,990</u>	<u>57,165,492</u>
16 INTEREST EARNED - EXTERNAL INVESTMENTS				
Bank	1,714,652	-	1,714,652	-
Financial assets	<u>11,216,683</u>	<u>9,186,073</u>	<u>10,135,513</u>	<u>8,707,456</u>
Total interest	<u>12,931,335</u>	<u>9,186,073</u>	<u>11,850,165</u>	<u>8,707,456</u>
17 INTEREST EARNED - OUTSTANDING RECEIVABLES				
Interest earned on discounting	1,735,304	-	1,469,349	-
Interest on consumer debtors	<u>1,878,130</u>	<u>17,429</u>	<u>1,878,130</u>	<u>17,429</u>
Total interest	<u>3,613,434</u>	<u>17,429</u>	<u>3,347,479</u>	<u>17,429</u>
	Group		Municipality	
	2009	2008	2009	2008
	R	R	R	R
18 GOVERNMENT GRANTS AND SUBSIDIES				
Equitable share	260,794,564	210,420,349	260,794,564	210,420,349

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MIG Grant	436,169,320	467,109,595	436,169,320	467,109,595
Other Government Grants and Subsidies	92,925,704	32,252,654	92,925,704	32,252,654
Grant in aid income	<u>62,014,438</u>	<u>-</u>	<u>62,014,438</u>	<u>-</u>
Total Government Grants and Subsidies	<u>851,904,026</u>	<u>709,782,598</u>	<u>851,904,026</u>	<u>709,782,598</u>

18.1 Equitable Share

In terms of the Constitution, amongst other things this grant is used to subsidise the provision of basic services to the district's communities. In this regard, the district's service beneficiaries (water supply customers) receive an allocation of 6 kilolitres of free water a day. This translates to a subsidy of R21.60 per month (2008: R21,60), which is funded from this grant. Furthermore as part of service delivery, the District Municipality carts water to the urban and rural areas throughout the district.

18.2 MIG Grant

Balance unspent at beginning of year	34,604,039	98,017,142	34,604,039	98,017,142
Current year receipts	430,178,000	403,696,492	430,178,000	403,696,492
Conditions met - transferred to revenue	<u>(436,169,320)</u>	<u>(467,109,595)</u>	<u>(436,169,320)</u>	<u>(467,109,595)</u>
Conditions still to be met - remain liabilities	<u>28,612,719</u>	<u>34,604,039</u>	<u>28,612,719</u>	<u>34,604,039</u>

In terms of MFMA Circular No. 48, all conditional allocations (excluding interest earned thereon) that at year-end are not utilised must revert back to the National Revenue Fund unless the relevant receiving officer can prove to the satisfaction of the National Treasury that the unspent allocation is committed to identifiable projects. The municipality reports that at year end, all unspent conditional grants were committed to identifiable projects. Refer to note 35.

18.3 Other Government Grants and Subsidies

Balance unspent at beginning of year	32,416,341	25,341,270	32,416,341	25,341,270
Current year receipts	91,076,398	39,327,725	91,076,398	39,327,725
Conditions met - transferred to revenue	<u>(92,925,704)</u>	<u>(32,252,654)</u>	<u>(92,925,704)</u>	<u>(32,252,654)</u>
Conditions still to be met - remain liabilities	<u>30,567,035</u>	<u>32,416,341</u>	<u>30,567,035</u>	<u>32,416,341</u>

18.4 Grant in aid income

Grant in aid income represents the value of Water Infrastructure constructed by the Department of Water Affairs & Forestry during the current year for the Municipality.

	<u>62,014,438</u>	<u>-</u>	<u>62,014,438</u>	<u>-</u>
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18.5 Changes in levels of

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government grants

Based on the allocations set out in the Division of Revenue Act, (Act 12 of 2009), the following significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

	2010	2011	2012
	R	R	R
Financial management grant	750,000	1,000,000	1,250,000
Municipal systems improvement grant	1,300,000	1,000,000	1,000,000
Equitable share	324,580,000	396,607,000	433,278,000
Municipal infrastructure grant	508,470,000	599,889,000	515,018,000
Water services operating and transfer subsidy	22,187,000	19,381,000	14,298,000
	<u>857,287,000</u>	<u>1,017,877,000</u>	<u>964,844,000</u>

	Group		Municipality	
	2009	2008	2009	2008
	R	R	R	R
19 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS				
19.1 OTHER INCOME				
Sundry revenue	6,884,775	1,948,110	419,319	20,000
Tender documents	287,832	261,710	287,832	261,710
Commission received	93,786	83,682	93,786	83,682
Deposits	9,000	-	9,000	-
Lgseta - Skills Development	609,553	-	609,553	-
Insurance proceeds	-	322,953	-	322,953
VAT refund (MFMA Circular No.48 Implementation)	55,541,991	-	55,541,991	-
Proceeds received due to under-declaration	-	531,222	-	531,222
Project Income	6,746,860	2,284,823	-	-
Total	<u>70,173,796</u>	<u>5,432,500</u>	<u>56,961,480</u>	<u>1,219,567</u>
19.2 Public contributions and donations				

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Public contributions - Unconditional	1,600,000	239,645	1,600,000	-
Total public contributions and donations	1,600,000	239,645	1,600,000	-
<hr/>				
Total Other Income	71,773,796	5,672,145	58,561,480	1,219,567
<hr/>				
Reconciliation of conditional contributions				
Balance unspent at beginning of year				
Current year receipts	1,600,000	239,645	1,600,000	-
Conditions met - transferred to revenue	(1,600,000)	(239,645)	(1,600,000)	-
Conditions still to be met - remain liabilities	-	-	-	-
<hr/>				

The public contribution received was from the Provincial Department Of Transport and the Eastern Cape Development Corporation in lieu of the Investment Conference held in the District in February 2009, the contributions received were R1,500,000 and R100,000 respectively.

20 EMPLOYEE BENEFITS
EMPLOYEE RELATED COSTS
20.1 COSTS

Salaries and wages	82,635,674	73,441,340	69,330,252	59,847,472
Contributions for UIF, pensions and medical aids	13,799,647	11,857,990	13,653,460	11,681,997
Travel, motor car and other allowances	16,696,300	14,213,250	14,764,603	13,656,908
Housing benefits	4,018,355	3,587,044	4,018,355	3,587,044
Overtime	3,942,194	4,839,939	3,942,194	4,839,939
Bonus (13th cheque)	5,490,831	-	5,490,831	-
Performance bonuses	104,449	121,084	104,449	121,084
Provision for leave pay	4,211,496	6,092,566	3,719,382	4,936,024
Other employee related costs	37,750	-	-	-
Total employee costs excluding councillors	130,936,697	114,153,214	115,023,527	98,670,469
<hr/>				
Remuneration of the Municipal Manager				
Annual Remuneration	922,706	882,317	922,706	882,317
Car Allowance	79,396	79,397	79,396	79,397
Contributions to UIF, Medical and Pension Funds	1,497	1,473	1,497	1,473
Total	1,003,599	963,187	1,003,599	963,187
<hr/>				
Remuneration of the Chief Finance Officer				

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Annual Remuneration	537,187	499,783	537,187	499,783
Car Allowance	88,715	-	88,715	-
Contributions to UIF, Medical and Pension Funds	314,601	286,724	314,601	286,724
	<u>1,497</u>	<u>1,473</u>	<u>1,497</u>	<u>1,473</u>
Total	<u><u>942,000</u></u>	<u><u>787,980</u></u>	<u><u>942,000</u></u>	<u><u>787,980</u></u>

**Remuneration of the Strategic
Director - Corporate Services**

Annual Remuneration	756,840	-	756,840	-
Performance Bonus	-	-	-	-
Car Allowance	120,000	-	120,000	-
UIF	<u>1,497</u>	<u>-</u>	<u>1,497</u>	<u>-</u>
Total	<u><u>878,337</u></u>	<u><u>-</u></u>	<u><u>878,337</u></u>	<u><u>-</u></u>

**Remuneration of the Strategic
Director - Planning and Socio-
Economic Affairs**

Annual Remuneration	804,840	-	804,840	-
Car Allowance	72,000	-	72,000	-
UIF	<u>1,497</u>	<u>-</u>	<u>1,497</u>	<u>-</u>
Total	<u><u>878,337</u></u>	<u><u>-</u></u>	<u><u>878,337</u></u>	<u><u>-</u></u>

Group

Municipality

2009

2008

2009

2008

R

R

R

R

**20.1 EMPLOYEE RELATED
COSTS(continued)**

**Remuneration of the Internal Audit
Manager**

Annual Remuneration	707,787	574,085	707,787	574,085
Leave Pay	105,680	-	105,680	-
Car Allowance	144,000	212,422	144,000	212,422
UIF	<u>1,497</u>	<u>1,473</u>	<u>1,497</u>	<u>1,473</u>
Total	<u><u>958,964</u></u>	<u><u>787,980</u></u>	<u><u>958,964</u></u>	<u><u>787,980</u></u>

**Remuneration of Director - Municipal
Operations & Reporting**

Annual Remuneration	558,376	-	558,376	-
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Leave Pay	69,700	-	69,700	-
Car Allowance	193,200	-	193,200	-
UIF	1,497	-	1,497	-
Total	822,773	-	822,773	-
Remuneration of Council Secretary				
Annual Remuneration	631,577	-	631,577	-
Car Allowance	120,000	-	120,000	-
UIF	1,497	-	1,497	-
Total	753,074	-	753,074	-
Remuneration of Political Advisor				
Annual Remuneration	851,345	780,305	851,345	780,305
Car Allowance	75,600	75,600	75,600	75,600
UIF	1,497	1,473	1,497	1,473
	928,442	857,378	928,442	857,378
Remuneration of Director - Office of the Executive Mayor				
Annual Remuneration	537,242	471,904	537,242	471,904
Leave Pay	74,153		74,153	
Car Allowance	314,604	314,603	314,604	314,603
UIF	1,497	1,473	1,497	1,473
Total	927,496	787,980	927,496	787,980
Remuneration of Individual Executive Directors				
		Technical Services	Corporate Services	Community Services
		R	R	R
2009				
Annual Remuneration		631,578	639,154	679,578
Travel, motor car, accommodation, subsistence and other allowances		120,000	112,424	72,000
Contributions to UIF, Medical and Pension Funds		1,497	1,497	1,497
Total		753,075	753,075	753,075
REMUNERATION OF COUNCILLORS				
Executive Mayor	538,575	486,567	538,575	486,567

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Speaker	236,972	216,829	236,972	216,829
Mayoral Committee members	3,778,310	3,526,859	3,778,310	3,526,859
Councillors	2,833,336	2,700,735	2,833,336	2,700,735
Councillors' pension and Medical contribution	-	-	-	-
Total Councillors' Remuneration	7,387,193	6,930,990	7,387,193	6,930,990

20.1	EMPLOYEE RELATED COSTS(continued)	Group		Municipality	
		2009	2008	2009	2008
		R	R	R	R

In-kind Benefits

The Executive Mayor and Executive Committee Members are full-time. The Speaker is part-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor is provided with personal body guards. The Executive Mayor is entitled to stay at the mayoral residence owned by the Council at less than market related rate. The Executive Mayor has use of the Council owned vehicle for official duties.

Remuneration paid by the Municipal Entity

Remuneration of the Chief Executive Officer

Annual Remuneration	748,976	445,823	-	-
Allowances	90,485	43,668	-	-
Performance Bonus	20,012	-	-	-
Company Contributions to UIF, Medical and Pension Funds	89,357	44,297	-	-
Total	948,830	533,788	-	-

Remuneration of the Chief Financial Officer

Annual Remuneration	533,681	437,508	-	-
Allowances	72,335	69,070	-	-
Performance Bonus	46,709	5,757	-	-
Company Contributions to UIF, Medical and Pension Funds	52,570	53,502	-	-
Total	705,295	565,837	-	-

Remuneration of the Senior Manager - Community Development

Annual Remuneration	-	42,238	-	-
Performance Bonus	-	-	-	-
Company Contributions to UIF, Medical and Pension Funds	-	-	-	-
Total	-	42,238	-	-

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**Remuneration of the
Corporate Services
Manager**

Annual Remuneration	354,437	306,169	-	-
Allowances	71,918	68,320		
Performance Bonus	35,530	23,953	-	-
Company Contributions to UIF, Medical and Pension Funds	<u>79,781</u>	<u>77,107</u>	<u>-</u>	<u>-</u>
Total	<u>541,666</u>	<u>475,549</u>	<u>-</u>	<u>-</u>

**Remuneration of the Senior Manager
Agricultural Development**

Annual Remuneration	468,157	395,806	-	-
Allowances	92,993	60,660		
Performance Bonus	69,367	42,960	-	-
Company Contributions to UIF, Medical and Pension Funds	<u>87,911</u>	<u>91,031</u>	<u>-</u>	<u>-</u>
Total	<u>718,428</u>	<u>590,457</u>	<u>-</u>	<u>-</u>

**Remuneration of the Senior Manager
Municipal Support**

Annual Remuneration	485,572	387,317	-	-
Allowances	72,993	61,574		
Performance Bonus	64,351	9,663	-	-
Company Contributions to UIF, Medical and Pension Funds	<u>56,071</u>	<u>58,057</u>	<u>-</u>	<u>-</u>
Total	<u>678,987</u>	<u>516,611</u>	<u>-</u>	<u>-</u>

**Remuneration of the
Company Secretary**

Annual Remuneration	424,747	321,952	-	-
Allowances	74,296	45,924		
Performance Bonus	38,158	30,993	-	-
Company Contributions to UIF, Medical and Pension Funds	<u>37,025</u>	<u>39,884</u>	<u>-</u>	<u>-</u>
Total	<u>574,226</u>	<u>438,753</u>	<u>-</u>	<u>-</u>

**BOARD AND COMMITTEE
FEES**

Board Chairperson

Fees	27,000	16,000	-	-
Travel claim	6,554	2,900		
			-	-
Other board and committee	580,523	226,841		

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			-	-
members				
Total board and committee fees	614,077	245,741	-	-
		Group	Municipality	
	2009	2008	2009	2008
	R	R	R	R
21 DEPRECIATION AND AMORTISATION EXPENSE				
Property, plant and equipment	131,343,111	13,429,650	126,647,365	10,480,906
Intangible assets	998,260	641,878	887,451	641,878
Total Depreciation and Amortisation	132,341,371	14,071,528	127,534,816	11,122,784
22 FINANCE COSTS				
Finance lease	117,735	379,726	18,967	177,821
23 BULK PURCHASES				
Water	23,318,010	285,089	23,318,010	285,089
24 CONTRACTED SERVICES				
Contracted services for:				
Security services	3,723,775	3,464,201	3,716,962	3,431,001
	3,723,775	3,464,201	3,716,962	3,431,001
25 GRANTS AND SUBSIDIES PAID				
Ntinga O.R. Tambo Development Agency *	-	-	67,674,976	48,508,058
Municipal support **	3,972,556	-	3,972,556	-
Expectra 758 trading as Emfundisweni SDRC	5,501,277	6,835,115		
Repo Wild 78 (Pty) Ltd t/a Ikhwezi Farm Enterprises	-	588,987	-	-
Kei Fresh Produce Market Tammarron Trading (Pty) Ltd t/a as Umzikantu Red Meat Abattoir	1,838,288	1,379,500	-	-
	-	990,976	-	-

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
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Support to Traditional Authorities	286,096	260,650	286,096	260,650
	11,598,218	10,055,227	71,933,628	48,768,708

* Ntinga O.R. Tambo Development Agency is an entity of the municipality responsible for the Economic Development objectives of the municipality. Accordingly and as a means to enable it to fulfill its mandate, it is recipient of allocated grant funding from the District Municipality.

** The District Municipality supported three of its local municipalities namely: Mhlontlo Local Municipality, Ingquza Hill Local Municipality and Port St Johns Local Municipality.

	Group		Municipality	
	2009	2008	2009	2008
	R	R	R	R
26 GENERAL EXPENSES				
Included in general expenses are the following:-				
2010 Sports development programme	879,648	-	879,648	-
Accommodation and travel	847,350	289,551	-	-
Advertising and promotion	599,987	804,429	547,713	778,899
Assessment rates	634,288	1,205,310	634,288	1,205,310
Audit committee allowances	566,047	240,055	43,168	8,000
Audit fees	3,261,351	2,971,793	1,924,700	1,723,607
Bank charges	436,833	313,978	383,538	282,840
Branding and promotion	249,233	-	-	-
Ceremonial function	121,438	3,568	121,438	3,568
Child protection services	58,171	50,658	58,171	50,658
Cleaning	278,654	159,928	243,312	137,627
Communication	2,199,007	954,543	2,199,006	954,543
Community participation and road shows	979,873	1,351,267	1,014,348	1,351,267
Conditional grant expenditure	370,994,490	487,755,318	370,994,490	487,755,318
Conference and workshop	692,765	288,954	533,380	271,235
Consulting and professional fees	2,942,241	839,704	2,682,563	376,646
Corporate expenditure	181,330	188,406	181,330	188,406
Corporate gifts	188,649	144,925	184,078	144,925
Council receptions	127,123	86,685	127,123	86,685
Courier and postage	290,219	202,284	280,176	195,094

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
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District sports council	89,232	87,298	89,232	87,298
Donation	-	274,456	-	-
Employee assistance programme	20,200	14,700	20,200	14,700
Entertainment	141,688	8,000	139,996	-
Farm operations	6,518,893	142,728	6,518,893	142,728
Financial academic assistance	1,768,145	607,435	1,768,145	607,435
Interest and penalties	461,050	-	184,752	-
Free basic services	14,332,774	49,554,609	14,332,774	49,554,609
GIS Land audit and land manna	170,130	-	170,130	-
Group life assurance scheme	1,747,369	-	1,747,369	-
Hire - equipment and machinery	1,158,921	793,880	1,151,498	971,701
Hiv and Aids (Inkciyo Practice)	1,906,866	1,433,215	1,906,866	1,433,215
Housing projects - launches	267,268	101,490	267,268	101,490
Insurance	1,187,481	1,294,071	880,638	1,021,588
Inter-governmental relations	52,554	97,131	52,554	97,131
Internal audit fees	307,798	91,544	-	-
International relations	11,584	356,102	11,584	356,102
Internship programme	1,364,194	-	1,364,194	-
Subtotal carried forward	418,034,843	552,708,016	413,638,562	549,902,626
		Group	Municipality	
	2009	2008	2009	2008
	R	R	R	R
Subtotal brought forward	418,034,843	552,708,016	413,638,562	549,902,626
Investment conference	5,849,199	105,563	5,849,199	105,563
Investment write-off	-	200	-	-
Investor mobilisation	136,458	-	136,458	-
Legal fees	541,981	369,295	468,429	369,295
Library services	285,359	120,032	285,359	120,032
License fees	700,161	636,111	664,060	627,857
Mandela month	1,634,736	-	1,634,736	-
Mayoral reception fund	178,943	176,232	178,943	176,232

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
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Mayor's intervention fund	2,044,594	494,495	2,044,594	494,495
Mayor's sectoral engagement	887,170	729,682	887,170	729,682
Membership fees	4,019	9,597	-	9,597
Mfundisweni road	190,533	-	190,533	-
Moral regeneration programmes	181,035	-	181,035	-
Municipal health services	297,950	2,475,528	297,950	2,475,528
Other operational expenditure	23,984,229	5,069,190	21,162,257	4,254,247
O.R. Tambo month	1,512,044	2,150,972	1,512,044	2,150,972
Office rental	448,745	408,592	130,483	100,931
Poverty relief programme	4,641,582	2,749,067	4,641,582	2,749,067
Primary health care	145,360	52,200	145,360	52,200
Printing and stationery	2,533,847	1,674,901	2,167,067	1,512,967
Project expenses	36,079,823	14,000,529	-	-
Protective clothing	852,647	-	852,647	-
Public transport	328,277	4,262	328,277	4,262
Relocation costs	95,068	81,409	38,510	15,738
Revenue generation and enhancement	971,789	590,181	971,789	590,181
Safety and security program	311,252	246,101	311,252	246,101
Salga fees	1,144,834	398,952	1,144,834	398,952
Scientific disaster management	347,322	-	347,322	255,865
Skills development and capacity building	905,809	645,537	905,809	645,537
SMME Development programme	498,788	617,448	498,788	-
Social and community facilities	175,300	302,160	175,300	-
Social relief programme	1,043,806	80,455	1,043,806	80,455
Sports, arts, culture and herita	993,490	615,913	993,490	615,913
Spus - children	1,301,553	663,507	1,301,553	663,507
Spus - old age	286,207	494,499	286,207	494,499
Spus - physically challenged	345,505	268,126	345,505	268,126
Spus - women	698,925	193,871	698,925	193,871
Spus - youth	1,637,866	860,915	1,637,866	860,915
Stocks and material	5,982,873	545,313	5,982,873	722,361
Storm water management plan	592,918	-	592,918	-
Taxi programme assistance	143,400	110,080	143,400	110,080
Telephone cost	3,882,076	3,542,311	3,731,552	3,356,443
Tourism education and awareness	192,896	-	192,896	-

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
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Tourism marketing	1,156,105	926,918	1,156,105	926,918
Transfer of sports facilities	375,107	-	375,107	-
Travel and subsistence	7,543,544	6,089,566	6,671,880	5,289,709
Upper Mhlahlane	3,320,885	-	3,320,885	-
Motor vehicle fuel and oil	7,967,057	5,138,351	7,205,656	4,181,715
Village water committees	11,403,393	-	11,403,393	-
Waste management	36,693	17,220	36,693	17,220
Water plant hire	1,005,733	120,804	1,005,733	120,804
Water purification chemicals	5,492,128	3,676,669	5,492,153	3,676,669
Water quality monitoring	1,847,071	-	1,847,071	-
Water services operating and transfer	1,168,679	-	1,168,679	-
Water week event	144,010	-	144,010	-
Waterfall park school	485,289	-	485,289	-
Whippery support	894,411	-	894,411	-
Workmen's Compensation Fund	1,567,994	1,425,935	955,333	956,483
Workplace training	1,875,942	1,464,027	1,875,942	1,464,027
WSA Business plan implementation	180,005	-	180,005	-
Total general expenses	569,509,259	613,050,734	522,959,686	591,987,642

No extraordinary expenses were included in general expenses

	Group		Municipality	
	2009	2008	2009	2008
	R	R	R	R
27 GAIN ON SALE OF ASSETS				
Biological assets	2,010,290		2,010,290	-
Cost of sale	(744,236)		(744,236)	-
Various Assets	197,392	58,855	-	-
Cost of Sale	(152,769)	(48,256)	-	-
Total Gain on Sale of Assets	1,310,678	10,599	1,266,055	-

28 IMPAIRMENT LOSS

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
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for the year ended 30 June 2009

Property, plant and equipment

In the current year, land and buildings and plant and equipment were revalued to determine the fair value and the recoverable value, this in compliance with the statement on Property, Plant and Equipment. Some assets subject to this revaluation, returned assets that had the fair values substantially less than the carrying value, thus indicating that such assets had been impaired. Accordingly, such impairment was recognised immediately to bring the previously reported carrying values to the fair value / recoverable amount.

	<u>16,420,038</u>	<u>-</u>	<u>16,419,725</u>	<u>-</u>
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29 PROFIT / LOSS ON FAIR VALUE ADJUSTMENT

Biological assets carried at fair value

	<u>716,238</u>	<u>(8,952)</u>	<u>841,514</u>	<u>-</u>
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Group		Municipality	
2009	2008	2009	2008

30 CASH (UTILISED IN) / GENERATED BY OPERATIONS

	R	R	R	R
Surplus / (deficit) for the year	7,612,861	(16,745,516)	203,939	(21,322,482)
Adjustment for:-				
Prior year adjustment effect	-	3,045,653,459	-	3,045,653,459
Depreciation and amortization	132,341,371	14,071,528	127,534,816	11,122,784
Gain on disposal of biological assets	(1,310,678)	(10,599)	(1,266,055)	-
Finance costs	117,735	379,726	18,967	177,821
Fair value adjustments	(716,238)	8,952	(841,514)	-
Impairment loss	16,420,038	-	16,419,725	-
Interest earned	(16,544,770)	(9,203,502)	(15,197,644)	(8,724,885)
Other non-cash item	(3,758,332)	(2,995,506,078)	-	(2,988,980,

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
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195)

Operating surplus before working capital changes:	134,161,988	38,647,970	126,872,234	37,926,502
Increase in inventories	(2,119,773)	(9,776,524)	(2,094,510)	(9,785,786)
Decrease in trade receivables from exchange transactions	47,304,043	2,981,219	47,304,043	2,488,881
Decrease /(increase) in other receivables from non-exchange transactions	1,816,246	(376,743)	1,805,798	(376,743)
(Increase)/decrease in current portion of long-term receivables	(1,198,533)	455,464	(1,198,532)	455,464
Decrease in VAT receivable	16,041,760	10,224,527	16,304,805	10,224,527
Increase/(decrease) in trade and other payables from exchange transactions	26,823,338	(7,386,696)	21,040,136	(12,753,961)
Increase in consumer deposits	2,100	-	2,100	-
Increase in provisions	2,438,259	17,175,731	2,251,557	17,175,731
Decrease in unspent conditional grants and receipts	(7,840,626)	(107,942,596)	(7,840,626)	(107,942,596)
Decrease in current portion of finance lease liability	(457,213)	(265,295)	(6,807)	(265,295)
Decrease operating lease liability	(667)	-	-	-
Cash (utilised in)/generated from operations	216,970,921	(56,262,943)	204,440,198	(62,853,276)

31 CASH AND CASH EQUIVALENTS

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

Bank balances and cash	89,681,299	111,274,643	72,629,560	100,649,794
Bank overdraft	(435,793)	-	(222)	-
Net cash and cash equivalents (net of bank overdrafts)	89,245,506	111,274,643	72,629,338	100,649,794

Group		Municipality	
2009	2008	2009	2008
R	R	R	R

32 CORRECTION OF ERROR

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
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In the prior year, the following errors occurred in the annual financial statements and the respective comparative amounts have been restated as follows:

Infrastructure assets previously omitted from the financial statements	(2,997,205,692)	(2,997,205,692)
Lease liability overstated	(508,420)	(508,420)
Unspent Conditional Grants and Receipts overstated (net effect)	(63,752,648)	(63,752,648)
Investment bank accounts understated	(2,399,176)	(2,399,176)
Main operating bank account overstated in the prior year	9,171,712	9,171,712
Property Plant and Equipment: Net overstatement of opening balances of Non-Infrastructure Assets	4,313,648	4,313,648
Intangible assets: Overstatement of Accumulated Amortisation	(811,432)	(811,432)
Overtime not expensed: previously allocated to the payroll clearing accounts thus understating the payroll creditors	358,284	358,284
Stale cheque incorrectly captured	61,495	61,495
Payments in respect of prior years paid in current year	5,089,768	5,089,768
Sundry revenue previously misallocated	28,351	28,351
Biological assets understated in prior year	650	650
	<hr/>	<hr/>
Net effect on Statement of Financial Position and net effect on Accumulated Surplus Opening Balance	<u>(3,045,653,459)</u>	<u>(3,045,653,459)</u>

33 CHANGE IN ESTIMATE

The useful life of parkhomes was reduced in the current year from 30 years to 15 years. The effect of this revision has increased the depreciation charges for the current and future periods by R10,680.

34 ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT

34.1 Contributions to organised local government

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
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Opening balance	-	398,952	-	398,952
	1,139,534	-	1,139,534	-
Amount paid - current	(1,139,534)	-	(1,139,534)	-
Amount paid - previous years	-	(398,952)	-	(398,952)
Balance unpaid (included in payables)	-	-	-	-
34.2 Audit fees				
Opening balance	1,025,061	9,450	300,693	-
Current year audit fee	3,562,046	2,971,793	2,225,395	1,723,607
Amount paid - current year	(3,560,203)	(1,956,182)	(2,223,552)	(1,422,914)
Amount paid - previous years	(1,025,061)	-	(300,693)	-
Balance unpaid (included in payables)	1,843	1,025,061	1,843	300,693
34.3 PAYE and UIF				
Opening balance	(610)	(418)	(418)	(418)
Current year payroll deductions	26,471,486	19,513,030	21,971,538	16,311,390
Amount paid - current year	(26,471,068)	(19,513,222)	(21,971,120)	(16,311,390)
Amount paid - previous years	192	-	-	-
Balance unpaid (included in payables)	-	(610)	-	(418)
	Group		Municipality	
	2009	2008	2009	2008
	R	R	R	R
34.4 Pension and Medical Aid Deductions				
Opening balance	(2,138)	-	1,335	-
Current year payroll deductions and Council Contributions	28,550,667	12,284,329	26,494,326	10,330,898
Amount paid - current year	(28,384,104)	(12,286,467)	(26,494,326)	(10,329,563)
Amount paid - previous years	2,138	-	(1,335)	-
Balance unpaid (included in payables)	166,563	(2,138)	-	1,335
34.5 Councillor's arrear consumer accounts				

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The following Councillors had arrear accounts outstanding for more than 90 days as at: -

	Total	Outstandin g less than 90 days	Outstandi ng more than 90 days
	R	R	R
As at 30 June 2009			
Councillor J.P Gwadiso	6,603	487	6,116
Councillor F.N Soldati	5,426	461	4,966
Councillor M.J Ndamase	4,405	675	3,730
Councillor S Ndabeni	4,222	309	3,913
Councillor B.N Tobo	1,047	129	918
Councillor Jwacu	4,234	159	4,075
Councillor M.N Mvanyashe	2,036	120	1,917
Total Councillor Arrear Consumer Accounts	27,973	2,340	25,634

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

As at 30 June 2008			
Councillor J.P Gwadiso	5,006	1,078	3,928
Councillor F.N Soldati	8,741	381	8,360
Councillor M.J Ndamase	3,043	380	2,663
Councillor S Ndabeni	3,213	233	2,980
Councillor B.N Tobo	559	519	40
Councillor Jwacu	4,719	2,591	2,128
Councillor M.N Mvanyashe	1,614	101	1,513
	26,895	5,283	21,612
	Group	Municipality	
	2009	2008	2009
	R	R	R

34.6 Expenditure incurred in terms of Paragraph 36(1)(a) and (b) of the Municipal Supply Chain Management Policy

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for the year ended 30 June 2009

Paragraphs 36(1)(a) and (b) of the Municipality's supply chain management policy stipulate that the accounting officer may dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only:

- in an emergency;
- if such goods or services are produced or available from a single provider only;
- for the acquisition of special works of art or historical objects where specifications are difficult to compile;
- acquisition of animals for zoos and/or nature and game reserves; or
- in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

Expenditure in emergency situations	2,852,193		2,852,193	
Expenditure in respect of single service providers	<u>509,751</u>		<u>509,751</u>	
Total value of expenditure	<u>3,361,944</u>	-	<u>3,361,944</u>	-

35 CAPITAL COMMITMENTS

35.1 Commitments in respect of capital expenditure

- Approved and contracted for	81,900,715	28,547,649	80,701,700	27,698,000
Infrastructure	53,215,781	-	53,215,781	-
Community	4,385,919	-	4,385,919	-
Other	24,299,015	28,547,649	23,100,000	27,698,000
- Approved but not yet contracted for	667,518,665	7,507,374	663,296,633	-
Infrastructure	663,296,633	4,750,000	663,296,633	-
Other	4,222,032	2,757,374	-	-
Total	<u>749,419,380</u>	<u>36,055,023</u>	<u>743,998,333</u>	<u>27,698,000</u>

This expenditure will be financed from:

- Government Grants	726,319,380	8,357,023	720,898,333	-
- Own resources	<u>23,100,000</u>	<u>27,698,000</u>	<u>23,100,000</u>	<u>27,698,000</u>
	<u>749,419,380</u>	<u>36,055,023</u>	<u>743,998,333</u>	<u>27,698,000</u>

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		Group		Municipality	
		2009	2008	2009	2008
		R	R	R	R
36	CONTINGENT LIABILITY				
36.1	Claims for damages	<u>7,603,687</u>	<u>7,771,526</u>	<u>7,603,687</u>	<u>7,771,526</u>

**SCHEDULE OF CURRENT
YEAR LISTING OF
CONTINGENT LIABILITIES
AS AT 30 JUNE 2009**

NATURE OF THE CLAIM

The municipality is being sued for failure to honour a cession agreement, dating back to 2004. Council is contesting the claim based on legal advice.	268,298				
Summons have been received for failure to honour a contract. On the basis of legal advice the municipality is contesting the claim.	3,320,136	-	268,298	-	
Three claims (by two separate former service providers) have been lodged against the municipality. They all are in lieu of services rendered. On the basis of legal opinion, the municipality is contesting all three claims.	230,397	-	3,320,136	-	
The municipality is being sued for breach of agreement resulting to loss of earnings. On the basis of legal opinion the municipality is contesting this claim.	2,000,000	-	230,397	-	
The municipality is being sued for damages suffered in a motor accident. On the basis of legal opinion the municipality is contesting the claim.	200,000	-	2,000,000	-	
The municipality is being sued for damages to a service provider's plant originating in April 2009. On the basis of legal advice the municipality is contesting the claim.	916,804	-	200,000	-	
Four separate claims have been lodged for damage to the telephone infrastructure. The municipality is contesting the claim.	448,849	-	916,804	-	
		-	448,849	-	

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
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<u>Section 21 Companies</u>	<u>Proportion of control held</u>	<u>Principal activity of the entity</u>
Expectra 758 Trading as Emfundisweni Skills Development and Resource Centre	Total	A community based skills development sector with a bias to agricultural and craft skills
Kei Fresh Produce Market	Total	A commercial fresh produce market where private farming agencies sell fresh produce to retailers

Community owned trusts

<u>Name of Trust</u>	<u>Proportion of control held</u>	<u>Principal activity of the entity</u>
Lambasi CPC	Operational	A community based milling and poultry
Qaukeni Chicken Abattoir	Operational	Chicken abattoir services

37.5 Related party transactions

Grants paid to related parties

Ntinga O.R. Tambo Development Agency	-	-	67,674,976	48,508,058
Expectra 758 Trading as Emfundisweni SDRC	5,501,277	6,835,115	-	-
Repo Wild 78 (Pty) Ltd t/a Ikhwezi Farm Enterprises	-	588,987	-	-
Kei Fresh Produce Market	1,838,288	1,379,500	-	-
Tammaron Trading (Pty) Ltd Trading as Umzikantu Red Meat Abattoir	-	990,976	-	-
	<u>7,339,565</u>	<u>9,794,578</u>	<u>67,674,976</u>	<u>48,508,058</u>

37.6 Amounts owing to related parties

Expectra 758 Trading as Emfundisweni SDRC	44,972	-	-	-
Kei Fresh Produce Market	3,500	-	-	-
Ntinga O.R. Tambo Development Agency	-	-	363,816	-
	<u>48,472</u>	<u>-</u>	<u>363,816</u>	<u>-</u>

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

37.7 Amounts owed by related parties

Kei Fresh Produce Market	1,270	-	-	-
	Group		Municipality	
	2009	2008	2009	2008
	R	R	R	R

38 OPERATING LEASES

At the reporting date the group has outstanding commitments under non-cancellable operating leases which fall due as follows:

Operating leases - lessee

Within one year	148,955	-	106,648	-
In the second to fifth year inclusive	139,569	-	89,233	-
After five years	-	-	-	-
Total	288,524	-	195,881	-

39 EVENTS AFTER THE REPORTING DATE

No material fact or circumstance has occurred between the accounting date and the date of this report.

40 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The following areas involve a significant degree of estimation uncertainty:

- Useful lives and residual values of property, plant, and equipment.
- Recoverable amounts of property, plant and equipment
- Provision for doubtful debts
- Impairment of assets
- The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:
 - Impairment of assets
 - Provisions

41 RISK MANAGEMENT

41.1 Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents and consumer debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

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Consumer debtors comprise a widespread customer base. Management evaluates credit risk relating to consumer debtors on an ongoing basis. While there are well documented challenges in this regard, credit risk management takes of the form of the monitoring of credit limits.

Financial assets exposed to credit risk at year end were as follows:

First National Bank - current and investment accounts
Standard Bank Limited - Investment accounts
Meeg Bank - Investment accounts
Nedbank - Investment accounts
Consumer debtors - Trade and other receivables

These balances represent the maximum exposure to credit risk.

41.2 Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

At year end, financial instruments exposed to interest rate risk were as follows:

- Call deposits

42 RESTATEMENT OF COMPARATIVE INFORMATION

Group		Municipality	
2009	2008	2009	2008
R	R	R	R

43 RETIREMENT BENEFIT INFORMATION

Post- Retirement Medical Benefit

The Municipality does not make Provision for post retirement medical benefits.

Pension and Retirement Fund Benefits

The following are defined contribution plans: the Cape Joint Pension; the Municipal Employee Provident Fund; Eastern Cape pension fund; Eastern Cape Gratuity Fund; the National Fund for Municipal workers, Municipal Employee Pension Fund and Southern Negotiated Retirement Fund on the basis of a fixed contribution and is charged against income as incurred.

44 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

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44.1 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance:	-	376,880	-	-
Fruitless and wasteful expenditure current year	251,777	206,621	202,318	-
Condoned or written off by Council aor the Board	(49,459)	(381,183)	-	-
To be recovered – contingent asset	-	-	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>202,318</u>	<u>202,318</u>	<u>202,318</u>	<u>-</u>

<u>Incident</u>	<u>Disciplinary steps / Criminal proceedings</u>
-	-
Penalties and interest on late submission of P.A.Y.E. return, total penalties incurred amount to R184 752. Erroneous salary payments were made to two deceased employees and one retired employee for an average period of two months after the fact. The total amount involved was R17 566.	N/A
Interest of R247 was incurred as a result of late payment of monthly rental payable.	None
Interest and penalties amounting to R49 192 were incurred in respect of Workmens Compensation.	None

44.2 Irregular expenditure

Reconciliation of irregular expenditure

Opening balance	-
Irregular expenditure current year	-
Condoned or written off by Council	-
Transfer to receivables for recovery – not condoned	-
Irregular expenditure awaiting condonement	-

Incident	Disciplinary steps / Criminal proceedings
None	N/A

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APPENDIX B: GROUP
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
for the year ended 30 June 2009

	Cost / Revaluation							Accumulated Depreciation						Transfer s	Other move ments	Carrying Value
	Opening Balance	Revaluations	Additions	Disposals	Under Constructio n	Other Adjustment	Closing Balance	Opening Balance	Depreciati on	Disposals	Impairme nt loss	Other Adjustments	Closing Balance			
	R		R	R	R		R	R	R	R	R		R			
Land	26,323,408	21,872,146	-	-	-	-	48,195,554	-	-	-	10,345,553	-	10,345,553	-	-	37,850,001
Buildings	35,296,796	39,990,447	4,471,574	-	20,615,685	(5,806,803)	94,567,699	5,806,803	3,198,159	-	4,621,940	(5,806,803)	7,820,099	-	-	86,747,600
Infrastructure																
Road Transport	301,245,420	-	2,535,030	-	-	-	303,780,450	97,563,469	24,510,504	-	-	-	122,073,973	-	-	181,706,477
Sanitation	348,961,587	-	14,678,724	-	-	-	363,640,311	185,202,234	7,584,222	-	-	-	192,786,456	-	-	170,853,855
Water Supply	3,599,627,819	-	212,256,153	-	91,550,304	-	3,903,434,276	1,061,413,735	83,757,506	-	-	-	1,145,171,241	-	-	2,758,263,035
	4,249,834,826	-	229,469,907	-	91,550,304	-	4,570,855,037	1,344,179,438	115,852,232	-	-	-	1,460,031,670	-	-	3,110,823,367
Other Assets																
Parking area	3,754,467	-	-	-	-	-	3,754,467	2,704,366	628,494	-	-	-	3,332,860	-	-	421,607
Park homes	-	-	477,338	-	-	-	477,338	-	4,173	-	-	-	4,173	-	-	473,165
Fencing	1,045,391	-	-	-	-	-	1,045,391	1,045,381	-	-	-	-	1,045,381	-	-	10
Security Systems	510,542	-	-	-	-	-	510,542	107,213	72,956	-	-	-	180,169	-	-	330,373
Plant & Equipment	33,332,458	-	4,138,258	(200,469)	-	-	37,270,247	18,021,191	4,727,060	(91,142)	1,452,232	-	24,109,341	-	-	13,160,906
Emergency Equipment	2,475,971	-	-	-	-	-	2,475,971	447,343	165,065	-	-	-	612,408	-	-	1,863,563
Tools & Equipment	876,000	-	655,446	-	-	-	1,531,446	196,999	94,993	-	-	-	291,992	-	-	1,239,454
Motor vehicles	11,226,014	-	2,891,918	(165,123)	-	-	13,952,809	3,141,723	2,961,203	(127,117)	-	-	5,975,809	-	-	7,977,000
Furniture & Fittings	6,125,516	-	2,541,451	-	-	-	8,666,967	2,211,298	999,767	-	-	-	3,211,065	-	-	5,455,902
Office Equipment	2,813,554	-	2,819,458	(16,007)	-	-	5,617,005	1,162,746	906,155	(10,571)	313	-	2,058,643	-	-	3,558,362
Computer Equipment	5,232,370	-	2,841,446	(16,715)	55,450	-	8,112,551	2,360,625	1,267,760	(16,715)	-	-	3,611,670	-	-	4,500,881
Other Assets	-	-	123	-	-	-	123	-	90	-	-	-	90	-	-	33
	67,392,283	-	16,365,438	(398,314)	55,450	-	83,414,857	31,398,885	11,827,716	(245,545)	1,452,545	-	44,433,601	-	-	38,981,256
Total carried forward	4,378,847,313	61,862,593	250,306,919	(398,314)	112,221,439	(5,806,803)	4,797,033,147	1,381,385,126	130,878,107	(245,545)	16,420,038	(5,806,803)	1,522,630,923	-	-	3,274,402,224

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
APPENDIX B: GROUP
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
for the year ended 30 June 2009

	Cost / Revaluation							Accumulated Depreciation						Transfers	Other movements	Carrying Value
	Opening Balance	Revaluations	Additions	Disposals	Under Construction	Other Adjustment	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss	Other Adjustments	Closing Balance			
	R		R	R	R		R	R	R	R	R		R	R	R	R
Total brought forward	4,378,847,313	61,862,593	250,306,919	(398,314)	112,221,439	(5,806,803)	4,797,033,147	1,381,385,126	130,878,107	(245,545)	16,420,038	(5,806,803)	1,522,630,923	-	-	3,274,402,224
Heritage Assets																
Paintings & Artifacts	90,000	-	-	-	-	-	90,000	-	-	-	-	-	-	-	-	90,000
Finance Lease Assets																
Office Equipment	640,667	-	26,649	-	-	-	667,316	327,132	145,488	-	-	-	472,620	-	-	194,696
Motor Vehicles	1,996,993	-	-	-	-	-	1,996,993	1,180,253	319,516	-	-	-	1,499,769	-	-	497,224
	2,637,660	-	26,649	-	-	-	2,664,309	1,507,385	465,004	-	-	-	1,972,389	-	-	691,920
Total	4,381,574,973	61,862,593	250,333,568	(398,314)	112,221,439	(5,806,803)	4,799,787,456	1,382,892,511	131,343,111	(245,545)	16,420,038	(5,806,803)	1,524,603,312	-	-	3,275,184,144

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
APPENDIX B: GROUP
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
for the year ended 30 June 2009

	Cost / Revaluation							Accumulated Depreciation						Transfer s	Other move ments	Carrying Value
	Opening Balance	Revaluations	Additions	Disposals	Under Constructio n	Other Adjustment	Closing Balance	Opening Balance	Depreciatio n	Disposals	Impairme nt loss	Other Adjustments	Closing Balance			
	R	R	R	R	R		R	R	R	R	R		R			
Land	1,342,180	-	26,073,408	-	-	(1,092,180)	26,323,408	-	-	-	-	-	-	-	-	26,323,408
Buildings	19,536,975	-	6,509,339	-	20,615,685	9,250,482	55,912,481	2,424,008	699,866	-	-	2,682,929	5,806,803	-	-	50,105,678
Infrastructure																
Road Transport	-	-	-	-	-	301,245,420	301,245,420	-	-	-	-	97,563,469	97,563,469	-	-	203,681,951
Sanitation	-	-	-	-	-	348,961,587	348,961,587	-	-	-	-	185,202,234	185,202,234	-	-	163,759,353
Water Supply	-	-	-	-	-	3,599,627,819	3,599,627,819	-	-	-	-	1,061,413,735	1,061,413,735	-	-	2,538,214,084
Water Supply: Under Construction	-	-	-	-	-	91,550,304	91,550,304	-	-	-	-	-	-	-	-	91,550,304
	-	-	-	-	-	4,341,385,130	4,341,385,130	-	-	-	-	1,344,179,438	1,344,179,438	-	-	2,997,205,692
COMMUNITY ASSETS																
Buildings: Community Centres	16,311,415	-	727,563	-	613,066	(17,652,044)	-	5,663,856	1,949,167	-	-	(7,613,023)	-	-	-	-
Other Assets																
Parking area	4,689,955	-	-	-	-	(935,488)	3,754,467	401,724	156,332	-	-	2,146,310	2,704,366	-	-	1,050,101
Park homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fencing	1,348,075	-	715,460	-	-	(1,018,144)	1,045,391	1,303,544	282,793	-	-	(540,956)	1,045,381	-	-	10
Security Systems	210,514	-	158,064	-	-	141,964	510,542	6,713	60,205	-	-	40,295	107,213	-	-	403,329
Plant & Equipment	8,190,830	-	6,113,126	-	-	19,028,502	33,332,458	2,451,027	941,768	-	-	14,628,396	18,021,191	-	-	15,311,267
Emergency Equipment	3,826,806	-	499,051	-	-	(1,849,886)	2,475,971	765,880	269,392	-	-	-587,929	447,343	-	-	2,028,628
Tools & Equipment	-	-	-	-	-	876,000	876,000	-	-	-	-	196,999	196,999	-	-	679,001

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Motor vehicles	28,117,901	-	6,497,962	(64,241)	-	(23,325,608)	11,226,014	17,647,383	5,356,132	(45,027)	-	(19,816,765)	3,141,723	-	-	8,084,291
Furniture & Fittings	6,700,848	-	2,461,018	-	-	(3,036,350)	6,125,516	2,893,863	1,070,882	-	-	(1,753,447)	2,211,298	-	-	3,914,218
Office Equipment	1,942,486	-	1,198,404	(41,853)	-	(285,483)	2,813,554	1,302,291	409,939	(34,180)	-	(515,304)	1,162,746	-	-	1,650,808
Computer Equipment	7,606,526	-	1,315,926	(12,552)	-	(3,677,530)	5,232,370	4,729,745	1,416,721	(1,784)	-	(3,784,057)	2,360,625	-	-	2,871,745
Other Assets	1,009,283	-	-	-	-	(1,009,283)	-	157,982	67,286	-	-	(225,268)	-	-	-	-
	63,643,224	-	18,959,011	(118,646)	-	(15,091,306)	67,392,283	31,660,152	10,031,450	(80,991)	-	(10,211,726)	31,398,885	-	-	35,993,398
Heritage Assets																
Paintings & Artifacts	90,000	-	-	-	-	-	90,000	1,799	3,000	-	-	(4,799)	-	-	-	90,000
Total carried forward	100,923,794	-	52,269,321	(118,646)	21,228,751	4,316,800,082	4,491,103,302	39,749,815	12,683,483	(80,991)	-	1,329,032,819	1,381,385,126	-	-	3,109,718,176

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
APPENDIX B: GROUP
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
for the year ended 30 June 2009

	Cost / Revaluation							Accumulated Depreciation						Transfer s	Other move ments	Carrying Value
	Opening Balance	Revaluations	Additions	Disposals	Under Constructio n	Other Adjustment	Closing Balance	Opening Balance	Depreciatio n	Disposals	Impairme nt loss	Other Adjustments	Closing Balance			
	R		R	R	R		R	R	R	R	R	R	R	R	R	R
Total brought forward	100,923,794	-	52,269,321	(118,646)	21,228,751	4,316,800,082	4,491,103,302	39,749,815	12,683,483	(80,991)	-	1,329,032,819	1,381,385,126	-	-	3,109,718,176
Finance Lease Assets																
Office Equipment	2,039,022	-	29,140	-	-	(1,427,495)	640,667	795,161	371,030	-	-	(839,059)	327,132	-	-	313,535
Motor vehicles	1,996,993	-	-	-	-	-	1,996,993	883,530	319,519	-	-	(22,796)	1,180,253	-	-	816,740
	4,036,015	-	29,140	-	-	(1,427,495)	2,637,660	1,678,691	690,549	-	-	(861,855)	1,507,385	-	-	1,130,275
Total	104,959,809	-	52,298,461	(118,646)	21,228,751	4,315,372,587	4,493,740,962	41,428,506	13,374,032	(80,991)	-	1,328,170,964	1,382,892,511	-	-	3,110,848,451

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APPENDIX B: MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
for the year ended 30 June 2009

	Cost / Revaluation							Accumulated Depreciation						Transfers	Other movements	Carrying Value
	Opening Balance	Revaluations	Additions	Disposals	Under Construction	Other Adjustment	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss	Other Adjustments	Closing Balance			
	R		R	R	R		R	R	R	R		R	R			
Land	26,073,408	21,872,146	-	-	-	-	47,945,554	-	-	-	10,345,553	-	10,345,553	-	-	37,600,001
Buildings	35,296,796	39,990,447	2,253,867	-	20,615,685	(5,806,803)	92,349,992	5,806,803	2,613,627	-	4,621,940	(5,806,803)	7,235,567	-	-	85,114,425
Infrastructure																
Road Transport	301,245,420	-	2,535,030	-	-	-	303,780,450	97,563,469	24,510,504	-	-	-	122,073,973	-	-	181,706,477
Sanitation	348,961,587	-	14,678,724	-	-	-	363,640,311	185,202,234	7,584,222	-	-	-	192,786,456	-	-	170,853,855
Water Supply	3,599,627,819	-	212,256,153	-	91,550,304	-	3,903,434,276	1,061,413,735	83,757,506	-	-	-	1,145,171,241	-	-	2,758,263,035
	4,249,834,826	-	229,469,907	-	91,550,304	-	4,570,855,037	1,344,179,438	115,852,232	-	-	-	1,460,031,670	-	-	3,110,823,367
Other Assets																
Parking area	3,754,467	-	-	-	-	-	3,754,467	2,704,366	628,494	-	-	-	3,332,860	-	-	421,607
Park homes	-	-	477,338	-	-	-	477,338	-	4,173	-	-	-	4,173	-	-	473,165
Fencing	1,045,391	-	-	-	-	-	1,045,391	1,045,381	-	-	-	-	1,045,381	-	-	10
Security Systems	510,542	-	-	-	-	-	510,542	107,213	72,956	-	-	-	180,169	-	-	330,373
Plant & Equipment	31,276,400	-	1,430,819	-	-	-	32,707,219	17,254,915	2,349,176	-	1,452,232	-	21,056,323	-	-	11,650,896
Emergency Equipment	2,475,971	-	-	-	-	-	2,475,971	447,343	165,065	-	-	-	612,408	-	-	1,863,563
Tools & Equipment	876,000	-	655,446	-	-	-	1,531,446	196,999	94,993	-	-	-	291,992	-	-	1,239,454
Motor vehicles	9,624,261	-	1,684,146	-	-	-	11,308,407	2,236,618	2,062,704	-	-	-	4,299,322	-	-	7,009,085
Furniture & Fittings	5,355,776	-	2,448,225	-	-	-	7,804,001	1,779,879	837,679	-	-	-	2,617,558	-	-	5,186,443
Office Equipment	2,381,324	-	2,669,523	-	-	-	5,050,847	855,799	825,420	-	-	-	1,681,219	-	-	3,369,628
Computer Equipment	4,306,619	-	2,414,627	-	55,450	-	6,776,696	1,741,054	995,359	-	-	-	2,736,413	-	-	4,040,283
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	61,606,751	-	11,780,124	-	55,450	-	73,442,325	28,369,567	8,036,019	-	1,452,232	-	37,857,818	-	-	35,584,507
Total carried forward	4,372,811,781	61,862,593	243,503,898	-	112,221,439	(5,806,803)	4,784,592,908	1,378,355,808	126,501,878	-	16,419,725	(5,806,803)	1,515,470,608	-	-	3,269,122,300

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
APPENDIX B: MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
for the year ended 30 June 2009

	Cost / Revaluation							Accumulated Depreciation					Transfers	Other movements	Carrying Value	
	Opening Balance	Revaluations	Additions	Disposals	Under Construction	Other Adjustment	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss	Other Adjustments				Closing Balance
	R		R	R	R		R	R	R	R	R	R	R	R	R	R
Total brought forward	4,372,811,781	61,862,593	243,503,898	-	112,221,439	(5,806,803)	4,784,592,908	1,378,355,808	126,501,878	-	16,419,725	(5,806,803)	1,515,470,608	-	-	3,269,122,300
Heritage Assets																
Paintings & Artifacts	90,000	-	-	-	-	-	90,000	-	-	-	-	-	-	-	-	90,000
Finance Lease Assets																
Office Equipment	640,667	-	26,649	-	-	-	667,316	327,132	145,488	-	-	-	472,620	-	-	194,696
Total	4,373,542,448	61,862,593	243,530,547	-	112,221,439	(5,806,803)	4,785,350,224	1,378,682,940	126,647,366	-	16,419,725	(5,806,803)	1,515,943,228	-	-	3,269,406,996

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APPENDIX B: MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
for the year ended 30 June 2009

	Cost / Revaluation						Accumulated Depreciation						Transfers	Other movements	Carrying Value	
	Opening Balance	Revaluations	Additions	Disposals	Under Construction	Other Adjustment	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss	Other Adjustments				Closing Balance
	R	R	R	R	R		R	R	R	R		R				R
Land	1,342,180	-	26,073,408	-	-	(1,342,180)	26,073,408	-	-	-	-	-	-	-	-	26,073,408
Buildings	19,536,975	-	6,509,339	-	20,615,685	9,250,482	55,912,481	2,424,008	699,866	-	-	2,682,929	5,806,803	-	-	50,105,678
Infrastructure																
Road Transport	-	-	-	-	-	301,245,420	301,245,420	-	-	-	-	97,563,469	97,563,469	-	-	203,681,951
Sanitation	-	-	-	-	-	348,961,587	348,961,587	-	-	-	-	185,202,234	185,202,234	-	-	163,759,353
Water Supply	-	-	-	-	-	3,599,627,819	3,599,627,819	-	-	-	-	1,061,413,735	1,061,413,735	-	-	2,538,214,084
Water Supply: Under Construction	-	-	-	-	-	91,550,304	91,550,304	-	-	-	-	-	-	-	-	91,550,304
	-	-	-	-	-	4,341,385,130	4,341,385,130	-	-	-	-	1,344,179,438	1,344,179,438	-	-	2,997,205,692
COMMUNITY ASSETS																
Buildings:																
Community Centres	3,881,303	-	-	-	613,066	(4,494,369)	-	344,073	129,377	-	-	(473,450)	-	-	-	-
Other Assets																
Parking area	4,689,955	-	-	-	-	(935,488)	3,754,467	401,724	156,332	-	-	2,146,310	2,704,366	-	-	1,050,101
Park homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fencing	1,348,075	-	715,460	-	-	(1,018,144)	1,045,391	1,303,544	282,793	-	-	(540,956)	1,045,381	-	-	10
Security Systems	210,514	-	158,064	-	-	141,964	510,542	6,713	60,205	-	-	40,295	107,213	-	-	403,329
Plant & Equipment	6,273,772	-	5,974,126	-	-	19,028,502	31,276,400	1,851,430	774,358	-	-	14,629,127	17,254,915	-	-	14,021,485
Emergency Equipment	3,826,806	-	499,051	-	-	(1,849,886)	2,475,971	765,880	269,392	-	-	-587,929	447,343	-	-	2,028,628
Tools & Equipment	-	-	-	-	-	876,000	876,000	-	-	-	-	196,999	196,999	-	-	679,001

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
APPENDIX B: MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
for the year ended 30 June 2009

Motor vehicles	26,643,842	-	6,306,027	-	-	(23,325,608)	9,624,261	16,945,177	5,092,237	-	-	(19,800,796)	2,236,618	-	-	7,387,643
Furniture & Fittings	6,037,819	-	2,354,307	-	-	(3,036,350)	5,355,776	2,563,248	962,967	-	-	-1,746,336	1,779,879	-	-	3,575,897
Office Equipment	1,572,719	-	1,094,088	-	-	(285,483)	2,381,324	1,033,478	337,117	-	-	(514,796)	855,799	-	-	1,525,525
Computer Equipment	6,844,089	-	1,140,060	-	-	(3,677,530)	4,306,619	4,219,599	1,274,946	-	-	(3,753,491)	1,741,054	-	-	2,565,565
Other Assets	1,009,283	-	-	-	-	(1,009,283)	-	157,982	67,286	-	-	(225,268)	-	-	-	-
	58,456,874	-	18,241,183	-	-	(15,091,306)	61,606,751	29,248,775	9,277,633	-	-	(10,156,841)	28,369,567	-	-	33,237,184
Heritage Assets																
Paintings & Artifacts	90,000	-	-	-	-	-	90,000	1,799	3,000	-	-	(4,799)	-	-	-	90,000
Total carried forward	83,307,332	-	50,823,930	-	21,228,751	4,329,707,757	4,485,067,770	32,018,655	10,109,876	-	-	1,336,227,277	1,378,355,808	-	-	3,106,711,962

	Cost / Revaluation							Accumulated Depreciation						Transfers	Other movements	Carrying Value
	Opening Balance	Revaluations	Additions	Disposals	Under Construction	Other Adjustment	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss	Other Adjustments	Closing Balance			
	R		R	R	R		R	R	R	R	R		R	R	R	R
Total brought forward	83,307,332	-	50,823,930	-	21,228,751	4,329,707,757	4,485,067,770	32,018,655	10,109,876	-	-	1,336,227,277	1,378,355,808	-	-	3,106,711,962
Finance Lease Assets																
Office Equipment	2,039,022	-	29,140	-	-	(1,427,495)	640,667	795,161	371,030	-	-	(839,059)	327,132	-	-	313,535
Total	85,346,354	-	50,853,070	-	21,228,751	4,328,280,262	4,485,708,437	32,813,816	10,480,906	-	-	1,335,388,218	1,378,682,940	-	-	3,107,025,497

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
APPENDIX C: GROUP
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2009

	Cost / Revaluation						Accumulated Depreciation							
	Adjusted Opening Balance	Revaluation Amount	Additions	Disposals	Under Construction	Other Adjustments	Closing Balance	Adjusted Opening Balance	Additions	Disposals	Impairment	Other Adjustments	Closing Balance	Carrying value
	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Executive & Council	13,797,995	1,467,945	533,360	-	-	-	15,799,300	2,315,902	2,257,377	-	594,085	-	5,167,364	10,631,936
Finance & Admin Planning & Development	62,649,842	51,040,952	6,045,793	(398,314)	55,450	(5,806,803)	113,586,920	16,804,276	9,983,079	(245,545)	8,211,244	(5,806,803)	28,946,251	84,640,669
Health Community & Social Services	24,161,270	9,353,696	3,300,440	-	-	-	36,815,406	257,400	702,042	-	6,756,562	-	7,716,004	29,099,402
Public Safety	1,289,882	-	60,840	-	-	-	1,350,722	716,677	148,498	-	-	-	865,175	485,547
Road Transport	3,384,577	-	-	-	-	-	3,384,577	2,039,278	327,415	-	-	-	2,366,693	1,017,884
Water & Sanitation Infrastructure	4,122,778	-	-	-	-	-	4,122,778	1,830,380	271,830	-	-	-	2,102,210	2,020,568
Housing	1,770,702	-	-	-	-	-	1,770,702	604,218	359,833	-	-	-	964,051	806,651
Public Works	4,219,475	-	1,288,815	-	20,615,685	-	26,123,975	1,119,441	464,009	-	650,566	-	2,234,016	23,889,959
Other Functions	4,264,135,707	-	238,896,935	-	91,550,304	-	4,594,582,946	1,356,195,871	116,479,498	-	145,908	-	1,472,821,277	3,121,761,669
	10,795	-	-	-	-	-	10,795	4,215	1,542	-	-	-	5,757	5,038
	-	-	207,385	-	-	-	207,385	-	39,139	-	-	-	39,139	168,246
	2,031,950	-	-	-	-	-	2,031,950	1,004,853	308,849	-	61,673	-	1,375,375	656,575
Total	4,381,574,973	61,862,593	250,333,568	(398,314)	112,221,439	(5,806,803)	4,799,787,456	1,382,892,511	131,343,111	(245,545)	16,420,038	(5,806,803)	1,524,603,312	3,275,184,144

OR TAMBO DISTRICT MUNICIPALITY AND ITS ENTITY
APPENDIX C: MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2009

	Cost / Revaluation						Accumulated Depreciation						
	Adjusted Opening Balance	Revaluation Amount	Additions	Under Construction	Other Adjustments	Closing Balance	Adjusted Opening Balance	Additions	Transfers	Impairment	Other Adjustments	Closing Balance	Carrying value
	R	R	R	R		R	R	R	R	R		R	R
Executive & Council	13,797,995	1,467,945	533,360	-	-	15,799,300	2,315,902	2,257,377	-	594,085	-	5,167,364	10,631,936
Finance & Admin	54,617,316	51,040,952	6,045,793	55,450	(5,806,803)	105,952,708	12,594,705	5,287,333	-	8,210,931	(5,806,803)	20,286,166	85,666,542
Planning & Development	24,161,270	9,353,696	3,300,440	-	-	36,815,406	257,400	702,042	-	6,756,562	-	7,716,004	29,099,402
Health	1,289,882	-	60,840	-	-	1,350,722	716,677	148,498	-	-	-	865,175	485,547
Community & Social Services	3,384,577	-	-	-	-	3,384,577	2,039,278	327,415	-	-	-	2,366,693	1,017,884
Public Safety	4,122,778	-	-	-	-	4,122,778	1,830,380	271,830	-	-	-	2,102,210	2,020,568
Road Transport	1,770,702	-	-	-	-	1,770,702	604,218	359,833	-	-	-	964,051	806,651
Water & Sanitation	4,219,475	-	1,288,815	20,615,685	-	26,123,975	1,119,441	464,009	-	650,566	-	2,234,016	23,889,959
Infrastructure	4,264,135,707	-	241,500,647	104,367,347	-	4,610,003,701	1,356,195,871	116,479,498	-	145,908	-	1,472,821,277	3,137,182,424
Housing	10,795	-	-	-	-	10,795	4,215	1,542	-	-	-	5,757	5,038
Public Works	-	-	207,385	-	-	207,385	-	39,139	-	-	-	39,139	168,246
Other Functions	2,031,950	-	-	-	-	2,031,950	1,004,853	308,849	-	61,673	-	1,375,375	656,575
Total	4,373,542,447	61,862,593	252,937,280	125,038,482	(5,806,803)	4,807,573,999	1,378,682,940	126,647,365	-	16,419,725	(5,806,803)	1,515,943,227	3,291,630,772

2008				2009		
Actual Income	Actual Expenditure	Surplus / (Deficit)		Actual Income	Actual Expenditure	Surplus / (Deficit)
R	R	R		R	R	R
2,594,059	47,315,329	(44,721,270)	Executive & Council	12,446,508	71,904,359	(59,457,851)
216,725,875	30,620,943	186,104,932	Finance & Admin	411,315,027	229,041,266	182,273,761
7,963,000	59,986,840	(52,023,840)	Planning & Development	4,156,149	86,624,092	(82,467,943)
280,000	3,198,318	(2,918,318)	Health	245,614	1,663,382	(1,417,768)
1,900,000	5,902,935	(4,002,935)	Community & Social Services	104,623	7,290,098	(7,185,474)
1,500,000	8,253,293	(6,753,293)	Public Safety	2,806,356	13,615,905	(10,809,548)
-	-	-	Sport & Recreation	-	4,006,366	(4,006,366)
2,000,000	539,832	1,460,168	Environmental Protection	733,808	2,562,443	(1,828,634)
-	-	-	Waste Management	-	-	-
-	9,889,666	(9,889,666)	Road Transport	44,828,938	179,958,502	(135,129,564)
20,339,452	106,715,860	(86,376,408)	Water	464,128,870	354,593,310	109,535,561
529,316,775	528,478,354	838,421	Other	58,561,480	43,872,649	14,688,831
782,619,161	800,901,370	(18,282,209)		999,327,374	995,132,370	4,195,004
782,619,161	800,901,370	(18,282,209)	Total	999,327,374	995,132,370	4,195,004

2008				2009		
Actual Income	Actual Expenditure	Surplus / (Deficit)		Actual Income	2009 Actual Expenditure	2009 Surplus / (Deficit)
R	R	R		R	R	R
2,594,059	47,315,329	(44,721,270)	Executive & Council	12,446,508	71,904,359	(59,457,851)
211,029,988	27,965,327	183,064,661	Finance & Admin	394,037,523	215,754,829	178,282,694
7,963,000	59,986,840	(52,023,840)	Planning & Development	4,156,149	86,624,092	(82,467,943)
280,000	3,198,318	(2,918,318)	Health	245,614	1,663,382	(1,417,768)
1,900,000	5,902,935	(4,002,935)	Community & Social Services	104,623	7,290,098	(7,185,474)
1,500,000	8,253,293	(6,753,293)	Public Safety	2,806,356	13,615,905	(10,809,548)
-	-	-	Sport & Recreation	-	4,006,366	(4,006,366)
2,000,000	539,832	1,460,168	Environmental Protection	733,808	2,562,443	(1,828,634)
-	-	-	Waste Management	-	-	-
-	9,889,666	(9,889,666)	Road Transport	44,828,938	179,958,502	(135,129,564)
20,339,452	106,715,860	(86,376,408)	Water	464,128,870	354,593,310	109,535,561
529,316,775	528,478,354	838,421	Other	58,561,480	43,872,649	14,688,831
776,923,274	798,245,754	(21,322,480)		982,049,870	981,845,933	203,937
776,923,274	798,245,754	(21,322,480)	Total	982,049,870	981,845,933	203,937

2.7.2 Budget to Actual comparison

2.7.2.1 Water and Sanitation Revenue

O R Tambo District Municipality is a water services authority and provider. During the year under-review, a total of R46, 7 million was projected to be collected, 86% of this collectable revenue was targeted to be collected. As at 30 June 2009, the actual collections amounted to R45, 42 million. That represented 97, 26%.

2.7.2.2 VAT Refunds

The other source of revenue during the year under-review was VAT refunds. The total budget amount during the year under-review was R94, 79 million. The actual collected refunds for the year ended 30 June 2009 was R93, 96 million. That represented 99, 12%.

2.7.2.3 Conditional Grants

All the grants as gazetted in the Division of Revenue Act were received. These grants were as follows:

- Municipal Infrastructure Grant amounting to R430, 178 million. Of this amount, about R401 million was spent as at 30 June 2009 and the difference was spent a month and half after year end.
- Municipal System Improvement Grant amounting to R735 000. This amount was fully spent at the end of the year.
- Financial management Grant amounting to R500 000. This amount was fully spent at the end of the year.
- Equitable share was received in full to the value of R 260, 5 million.

2.7.2.4 Operational Budget Spending

The district municipality spent 86, 7% of its operational expenditure budget during the year under-review.

2.7.3 Grants and Transfers Spending

Project name	Donor name	BF amount	01/07 to 30/09		01/10 to 30/12		01/01 to 30/03		¼ to 30/06		Total	
			Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent
FMG	NT	R 458 395	R 5 000 000	R 460 896		R 371 300		R 450 119		R 116 050	R 958 395	R 1 398 365
WATER SERVICES OPERATING GRANT	DWAF	3 459 908	R 6 639 530	R 5 849 840		R 6 579 730		R 6 138 823		R 6 159 729	R 23 019 000	R 31 346 960
MIG	DPLG	34 604 039	R 117 127 000	R 116 397 235	R 127 160 237	R 92 732 199	R 37 497 000	R 69 666 627		R 30 343 298	R 407 396 000	R 309 139 355
LED DEAT GRANT	DEDEA		R 5 600 000	R 520 305		R 655 792		R 1 762 764		R 255 268	R 5 600 000	R 3 194 129
IDP	DPLG	R 650 799		R 69 757	R 1 198 000	R 935 393		R 135 807		R 273 332	R 1 198 000	R 1 414 289
MSIG	DPLG	R 243 184	R 735 000	R 474 541				R 17 545		R 357 875	R 735 000	R 849 961
RURAL HOUSING GRANT	HOUSING		R 6 196 198	R 6 832 023	R 17 451 337	R 4 775 751	R 10 452 329	R 14 415 203	R 4 109 659	R 8 252 139	R 38 209 525	R 34 275 116
ATTIC	HEALTH	382 227	R 2 214 262	R 644 036		R 297 289		R 1 110 257		R 304 689		R 2 356 274
FIRE AND EMERGENCY	DPLG	R 312 569		R 103 486	R 2 000 000	R 2 067 353		R 71 877			R 2 000 000	R 2 242 716
LIBRARIES GRANT	DSRAC			R 322 714	R 4 100 000	R 546 327		R 1 026 265		R 358 860	R 4 100 000	R 2 254 166

2.7.4 Meeting of Donors' requirements in respect of conditional grants

The Donor's requirements in respect of the conditional grants were met.

2.7.5 Long term contracts entered into by the municipality

O R Tambo District Municipality has entered into a long term contract with First National Bank for a period of five years as its primary banker

2.7.6 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 expenditure of capital budget			
		Target set for the year R566,9 million	Achievement level during the year R526,8million	Achievement percentage during the year is 93%
2	Salary budget as a percentage of the total operational budget			
		Target set for the year 35% (R139,6m/R400,7m)	Achievement level during the year 36% (R118,6m/R329,3m)	Achievement percentage during the year is -1%
3	Total actual trade creditors as a percentage of total actual revenue			
		Total Trade Creditors R109,5 million	Total Revenue R982 million	Achievement percentage during the year 11%
4	Total municipal own revenue as a percentage of the total actual budget			
		Target set for the year 17% (R165,2m/R967,4m)	Achievement level during the year 13% (R133,2m/R982m)	Achievement percentage during the year -4%
5	RATE OF MUNICIPAL CONSUMER DEBT REDUCTION		R 45,420 000	97,26%
6	PERCENTAGE OF MIG BUDGET APPROPRIATELY SPENT	100%	R 401 000 000	92%
7	PERCENTAGE OF MSIG BUDGET APPROPRIATELY SPENT	100%	R 735 000	100%

CHAPTER 3
ACHIEVEMENTS PER ANNUAL SERVICE DELIVERY TARGETS

3.1 BUDGET AND TREASURY OFFICE

BUDGET AND TREASURY				
District Priority 4: FINANCIAL VIABILITY AND MANAGEMENT				
Area of focus: SOUND FINANCIAL MANAGEMENT AND REPORTING SYSTEMS				
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION
Ensure Appropriate financial reporting per legislation	Reports submitted to N.T. on time.	All DORA reports submitted by the 10 th of every month.	All DORA reports for the year have been submitted timely to the National Treasury and Provincial Treasury departments and other relevant departments	None
	Submission of Annual Financial Statements on time.	Submission of AFS by 30 August 2009.	The Annual financial Statements for the year ended 30 June 2009 were also submitted to the Office of the Auditor General by the end of 30 August 2009. The consolidated annual financial statements were also submitted by the end of 30 September 2009.	None
	Timely submission of reports per section 71 of the MFMA.	Submission of section 71 reports to the accounting officer by not later than 10 working days.	Section 71 reports have been submitted to the accounting officer's office.	None
	Timely submission of reports per section 52 of the MFMA	Submit section 52 reports to Executive Mayor for tabling in the council meeting 30 days after the end of each quarter.	All section 52 reports have been submitted for tabling by the Executive Mayor.	None

BUDGET AND TREASURY				
District Priority 4: FINANCIAL VIABILITY AND MANAGEMENT				
Area of focus: SOUND FINANCIAL MANAGEMENT AND REPORTING SYSTEMS				
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION
Ensure development and implementation of financial management policies	Financial management system in place.	Fundraising for the acquisition of alternative financial management system.	Not achieved - No funds raised for alternative financial management system	Service provider for raising funds only appointed after year end.
	Unqualified audit reports.	Receive unqualified audit report.	Issues raised in the 07/08 audit addressed substantially. As a result a qualified audit opinion has been received for 08/09 financial year.	Incomplete billing and leave management reports.
	Complete reconciliation of the General ledger	Monthly reconciliation of the general ledger and clearing of suspense accounts.	All suspense accounts have been cleared and general ledger reconciled.	None
	Approved and implemented fraud prevention policy.	Implementation of the fraud prevention policy.		
Development of appropriate procedures and controls	Continuous review and implementation of procedures and controls.	Development of the customer service charter by 30 November 2008.	Customer Service charter developed	
Management, security and control of council assets	Existence and completeness of fixed assets register.	Assets register updated monthly.	Asset register updated monthly with the new acquisitions and assets bar-coded.	None
	Approved assets mgt and fleet mgt policies.	Periodic reviewed and approved assets mgt and fleet mgt policies.	Asset mgt and fleet mgt Policies have been reviewed but not yet approved.	These were not reviewed to the full extent of compliance with Generally Recognized Accounting Practice and the relevant directives issued by Accounting Standard Board.
	Reconciled assets register.	Compile infrastructure fixed assets register.	Infrastructure asset register was compiled for the year ended 30	None

BUDGET AND TREASURY				
District Priority 4: FINANCIAL VIABILITY AND MANAGEMENT				
Area of focus: SOUND FINANCIAL MANAGEMENT AND REPORTING SYSTEMS				
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION
			June 2009.	
Ensure municipal support and capacity building	Municipal support programme fully implemented.	Local Municipalities fully supported.	Municipalities have been supported both financially and administratively but in full.	Municipal support personnel have been utilized internally due to shortages in staff.
Improve service efficiency and reduce downtime on system.	Reduced downtime. Improved system usage. Improved access controls.	Acquisition of sufficient uninterrupted power suppliers. All system users trained on usage of the system. Passwords continuously changed during the year.		
District Priority: FINANCIAL VIABILITY AND MANAGEMENT				
Area of focus: REVENUE ENHANCEMENT AND EXPENDITURE PLANNING AND MANAGEMENT				
Ensure appropriate revenue and expenditure planning	Acquisition of assets for revenue enhancement. Implement Credit Control policy Proper budgeting and implementation. Tabling of the budget time table by 30 August 2008.	Mega conference facility Debt collection of outstanding levies. Submit to departmental heads budget pockets. Adhere to the adopted dates per the budget timetable.	Conference facility not yet constructed. Service provider was appointed and has assisted in collections and reconciliations. Monthly budget statements and expenditure patterns submitted to departmental heads. Budget process was adhered to and dates adhered to.	The land is not yet identified. None None None
Ensure appropriate billing, collection and customer relations.	Credit control policy implemented. Customers billed accurately and timeously.	Collect 86% of 46.7million (of collectable revenue) through implementation of credit control policy by 30 June 2009	97,26 %of R46.7 million collectable revenue was collected by 30 June 2009. The actual collection in monetary terms was R45,42 million.	Credit control policy not fully implemented.

BUDGET AND TREASURY				
District Priority 4: FINANCIAL VIABILITY AND MANAGEMENT				
Area of focus: SOUND FINANCIAL MANAGEMENT AND REPORTING SYSTEMS				
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION
	Customer queries attended to timeously.Regular meetings with consumers.			

OVERVIEW OF TARGETS FOR THE NEXT YEAR

DISTRICT PRIORITY		
AREA OF FOCUS: Sound financial management and reporting systems		
OBJECTIVE	KPI	ANNUAL TARGETS (2009/2010)
Management, security and control of council assets	Reconciled assets register.	Compile infrastructure fixed assets register in line with directive 7. Maintain the non infrastructure fixed asset register and ensure that is fully GRAP 17 compliant.
Ensure development and implementation of financial management policies	Unqualified audit reports.	Receive unqualified audit report
Ensure appropriate billing, collection and customer relations	Credit control policy implemented. Customers billed accurately and timeously. Customer queries attended to timeously. Regular meetings with consumers.	Increased revenue collection by ?% Complete data base of customers Improved customer relations

3.2 OFFICE OF THE MUNICIPAL MANAGER

OBJECTIVES	PERFORMANCE INDICATORS	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
DISTRICT PRIORITY 1. GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
1.2 INTERGOVERNMENTAL RELATIONS (IGR), AND Organs of state power					
1.2.1 Ensure functional IGR environment, oversight and coordination	All IGR structures in place as per IGR ACT, 90% compliance with the IGR Act	Technical IGR structures in place and functional CIP stakeholders meetings each quarter	Municipal manager's forum in place and functional CIP meetings held	No variation	N/A
1.3 IMPLEMENTATION OF BATHO PELE & ANTI CORRUPTION					
1.3.1 Ensure application of Batho Pele Principles	Functional District Batho Pele Forums, Customer satisfaction index	Customer service charter developed	Not achieved	Insufficient capacity for the department	Recruit qualified staff and fill vacant positions in the unit to undertake the function
1.3.2 Ensure and maintain fraud and corruption free environment	Clean governance achieved.	Annual risk assessment conducted.	The risk assessment was done. Approach followed was to review and update the one performed in the previous financial year.	N/A	N/A
		Quarterly reports on risk management	Not fully achieved	There are departments that do not report on the management of risks when preparing quarterly performance reports.	Reports on management of risks are part of the standing agenda items in audit committee meetings.
		Roll-out and training on fraud prevention and detection strategy.	The policy has been adopted by council. It has been circulated to senior management.	The policy is still to be circulated to all staff.	The policy will be workshopped to all councillors and circulated to all staff members.
1.4 FUNCTIONALITY OF Audit committees and Internal Audit Units					
1.4.1 Ensure compliance with relevant legislation	Percentage reduction in audit findings that relate to compliance matters.	All management issues raised on audit report attended to	Achieved	N/A	N/A

OBJECTIVES	PERFORMANCE INDICATORS	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
1.4.2 Ensure Improved, effective and efficient district wide audit environment	Fully functional and effective internal audit units and audit committees in place in all LMs, DM and the development agency.	All local municipalities to have audit committees - link to municipal support program	The district municipality and the three local municipalities that are part of the shared function have functional audit committees. The committee of the district was appointed in January 2009.	The district municipality experienced difficulties in attracting suitably qualified people to serve in the audit committee hence the committee became functional with effect from January 2009.	
		Shared internal audit function implemented.	Three municipalities, that is, Mhlontlo, Port St Johns and Ingquza Hill are supported by the district municipality's internal audit function. They have their own audit committees.	None	N/A
2. INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT					
2.1 Credible integrated Development planning					
2.1.1 Ensure IDP & CBP development & monitoring capacity	Credible IDP and Sector Plans in place, Functional institutional arrangements.	Council approved IDP 08/09 Review,	IDP 08/09 Review was approved	No variation	N/A
		IDP & DGDS Rep Forum and engagement	IDP & DGDS Representative forum meetings held	No variation	N/A
		Support to LMs and CBP	Support of LMs occurred on an adhoc basis, not coordinated as planned	No institutional capacity to coordinate support LMs	Recruit competent staff in next financial year
		Cabinet lekgotla reports submitted	Report submitted	No variation	N/A
2.2 Statutory sound and accountable public institution					
2.2.3 Effective performance management, monitoring & evaluation	Signed performance contracts & SDBIP full compliance legislation and national guidelines	Approval of the reviewed PMS policy,	PMS policy not reviewed	Only managed to appoint a service provider to develop PMS guidelines that would inform the policy review	To Finalise the guidelines and review policy
		cascading PMS to all staff members.	PMS not cascaded to lower levels	Pending approval of guidelines and policy	To be implemented in the next financial year

OBJECTIVES	PERFORMANCE INDICATORS	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
2,4 Sound labor relations, HR management & development					
2.4.1 Ensure sound labour & bargaining environment, employee assistance,	Advertise in accessible media, reduce staff turn over rate, suitable qualified staff in place	All budgeted posts filled	Not achieved	Delay in the recruitment processes in the whole organisation	N/A
3. FINANCIAL VIABILITY AND MANAGEMENT					
3.1 SOUND FINANCIAL MANAGEMENT AND REPORTING SYSTEMS					
3.1.5 Ensure municipal support & capacity building	1. Municipal support programme fully implemented.	Municipal support programme	Not implemented	No capacity to implement	Recruit competent staff in next financial year
3.2 REVENUE AND EXPENDITURE PLANNING AND MANAGEMENT					
4. LOCAL ECONOMIC DEVELOPMENT					
4.1 BUSINESS DEVELOPMENT AND INVESTMENT PROMOTION					

3.3 OFFICE OF THE SPEAKER

SPEAKER'S OFFICE				
District Priority 1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION
1.1.1 Ensure councillor support, commitment & accountability for stable governance and delivery of services	1. Effective Oversight Responsibilities	1. Oversight Report for 2006/2007 and 2007/2008 adopted 2. Hire Equipment and machinery 3. Space acquisition for Council Hansard 4. Recording Equipment for Council proceedings 5. Alterations to the Council Chamber	1 Achieved for both financial years. 2. Achieved 3. Space acquired 4. Achieved CCTV audio visual cameras have been installed in the Council Chamber on the 6 th September 2008. 5. Pigeon Holes for councillors have been installed and alterations have been made in the Council Chamber gallery	1. None 2. None 3. None 4. None 5. None
1.1.2 Enhance Public Participation and Strengthen Governance at ward level	1. Functional Ward Committees	1. 162 Ward Committees Audited for functionality 2. Training of ward Committees	162 Wards have been audited and are functional in terms of holding meetings 2. Skills Audit has been done, but no training	1. None 2. Not enough budget. DPLG promised to intervene.
	Council and Council committees accessible to the public	Establishment of Section 79 Committees	Achieved.	None
1.2.1 Ensure functional IGR environment, oversight and co-ordination	Fully Functional District Speaker's Forum	Quarterly meetings of the District Speakers' Forum	Achieved	None
	Whippery Support	Functional Whippery Forums	-Whippery forums were held quarterly -Councillor workshop on service delivery	None

SPEAKER'S OFFICE				
District Priority 1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION
	Sitting of Council Meetings in terms of legislation	Quarterly Council meetings	Achieved	None
	Review of Council Resolutions Register	Annual Review of Council Resolutions	Achieved	None

3.4 HUMAN RESOURCES

District Priority: GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
1.3.1 Ensure application of Batho Pele Principles	Functional District Batho Pele Forums, Customer satisfaction index	Training all Councillors and officials, Conduct awareness campaigns , Batho Pele forum	9 Officials trained on service standards and customer service charter	Funds allocated for Batho Pele were reallocated to other programmes	
District Priority: INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
2.3 Management Reform & Improvement					
2.3.1 Improve institutional systems and organizational design	Quality job descriptions in place	All posts in the organogram evaluated and graded	Posts not job evaluated	According to the SALGBC collective agreement posts in a municipality could only be job evaluated once	Benchmarking of the posts
2.3.2 Develop, attract and retain key and scarce skills			Bursaries were offered to .. officials		
2.4 Sound labour relations, HR management & development					
2.4.1 Ensure sound labour & bargaining environment, employee	Advertise in accessible media, reduce staff turnover rate, suitable qualified staff in place	All budgeted posts filled	Not achieved	New organogram was approved mid financial year and new posts were not job evaluated or benchmarked	
		Staff skills audit conducted	Skills audit done		

District Priority: GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
assistance		implement staff training	Following training took place: •		
		30 x unemployed graduates and young professionals (Internships)	50 interns appointed	Stipend was reviewed and more graduates were appointed	
		Implement IDP, Municipal Finance and Admin, Water and Sanitation (learnerships)	Learnerships not implemented. National skills funds administered by the Office of the Premier provided for the following learnerships: • Professional Cookery • New venture creation • Water learnership • Agriculture Dept of Water Affairs provided for the learnership on Water and Sanitation	Funding not adequate	
		Identification and assessment of unrecognized skills (RPL)	Identification done but not assessments	R200 000 allocated not adequate and was later reallocated to other programmes	
		EE plan adopted by Council	No plan	The department of Local Government and Traditional Affairs (DLGTA) withdrew support by TAP	Request DLGTA to assist with appointment of the service provider
		Population of new organogram	Organogram not fully populated	Migration of officials from old organogram to the new organogram not finalized	Awaiting announcement by Council on the collective agreement on placement
	Healthy working relations with LLF	Quarterly interaction and engagement with LLF	7 meetings (including a two day workshop) took place during the financial year		
2.4.2Sound occupational	Occupational Health and Safety structures and	Establishment of Health and Safety Committee.	OHS committee established Health and Safety		

District Priority: GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
health and safety environment	procedures in place	Training of Health and Safety Representatives Conducting of risk assessment audit	representatives trained Hazard Identification and Risk Assessment (HIRA) done		
2.4.3 Structured skills training & development and career pathing		Approval of Workplace Skills Plan	WSP submitted to LGSETA		
		Implementation of training and Development intervention as per WSP			
		Implementation of mentorship programme as per succession planning policy	No plan	The department of Local Government and Traditional Affairs (DLGTA) withdrew support by TAP	Request DLGTA to assist with appointment of the service provider
		Staff retention strategy approved by council	No plan	The department of Local Government and Traditional Affairs (DLGTA) withdrew support by TAP	Request DLGTA to assist with appointment of the service provider
		Scarce skills bursary Skills audit	Skills audit done		

2. OVERVIEW OF TARGETS FOR THE NEXT YEAR

DISTRICT PRIORITY: GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
AREA OF FOCUS:		
OBJECTIVE	KPI	ANNUAL TARGETS (2009/2010)
Ensure application of the Batho Pele principles	Service standards and service charters	Each department to have a service charter.
DISTRICT PRIORITY: INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT		
AREA OF FOCUS: SOUND LABOUR RELATIONS, HR MANAGEMENT AND DEVELOPMENT		
OBJECTIVE	KPI	ANNUAL TARGETS (2009/2010)
Ensure development of the EE plan	Development of the EE plan	Approval of the EE plan
	Approval of the HR policy manual	Approval of the HR policy manual

3.5 LEGAL SERVICES

District Priority: INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT					
Area of focus: Statutory sound and accountable public institution					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
Development & application of policies, by-laws and systems	Provide Legal wise technical and oversight management	(not provided)	Legal wise technical and oversight management provided successfully.	Nil	Nil

2. OVERVIEW OF TARGETS FOR THE NEXT YEAR

DISTRICT PRIORITY: INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT		
AREA OF FOCUS: Statutory sound and accountable public institution		
OBJECTIVE	KPI	ANNUAL TARGETS (2009/2010)
Provide Legal wise technical and oversight management	% reduction in litigation cases/fees paid defending legal judgments against the DM	Investigation and provision of advice on fraud and corruption incidents
	% reduction in time taken to resolve disputes	Legal advice & opinion given on draft contracts, disputes & corruption incidents
	All policies and by-laws approved by council comply with legislation	Interpretation and Legal advice given on policies, by-laws, rules and standing orders before adoption by council

3.6 INFORMATION COMMUNICATION AND TECHNOLOGY MANAGEMENT

District Priority:					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
Ensure effective and efficient systems for managing council records	Records Management Plan, Policy and Procedures approved and implemented	Submit Records Management Policy for approval	Submit Records Management policy to Standing Committee, Mayoral Committee and then to Council for approval	Records Management Policy was submitted to the Standing Committee for adoption and was adopted	
		Request Proposals for Updating the File Plan & Appoint Service Provider	Identify service providers and request for quotations	One service provider has been identified but quotations not yet received as the service provider needs to assess the Organizational Structure to enable them to provide a quotation	File Plan compilation depends on the Organizational structure. Due to non approval of the Organogram it became impossible to get quotations nor appoint service provider
	Records Managed & Stored in a secure environment according to best practice	Customize Store-room	Fix Glass Door and Install security gate	Orders have been sent	There was a delay in getting quotations hence the Glass door and security gate have not been installed
		Customize Software & Index Records	Installation of Indexing System & Training of key staff on its use	The Indexing System has been installed and the Senior Registry Clerk and ICT Project Manager have been trained	
Improve IT efficiency and reduce downtime on systems	Improved ICT controls & Service Management	Create awareness to ICT Policies & Procedures	Submit ICT Policies for Approval & Conduct 1 workshop to Senior Management	ICT Policies not yet submitted for approval	ICT Policy not yet ready for submission to the Standing Committee
	Secure & Accessible Network	Appoint Service Provider to assess current network infrastructure	Select suitable service provider and Send order t	Service Provider appointed & Assessment of Network Infrastructure has been	

District Priority:					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
				completed	
	Improved Information Management Systems	Appoint service provider to assess status of Info System and Develop a Master Information Systems	Select service provider and send order	The service provider appointed to conduct the Assessment of the Network Infrastructure also assessed the status of Information Systems. State Information Technology Agency(SITA) also had been requested previously to conduct such an assessment submitted the report which includes the Master Information Systems Plan	
		Update information on website	Request for information from Senior Managers and update website	Website updated with information received	
Geographic Information Systems development and utilization	Municipal reports available from District Information Management System	Capturing projects internally ,e.g. infrastructure	Collect information on projects to be captured	The District Information Management System was presented to Senior Management to create awareness on the value of its use to ensure that delays are minimized when information is requested on projects	Infrastructure projects have not been fully captured on DIMS due to delays in obtaining the information
	Utilization of GIS System	Appoint Service Providers to develop Street database	Select Service Provider and send order	None	Delays in requesting for proposals
	Integrated spatial Information Management System in place	Commission service provider to collect: financial information, land use, zoning, bulk infrastructure and verify	Send Request to Service Provider	None	Delay in securing a date for the D:ICT and service provider to meet

District Priority:					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
		deeds information			
Councillor support, commitment & Accountability for stable governance and delivery of services	Establishment of Council Library/Information Resource Centre	Acquire & Catalogue Information Resources	None	Responses to requests for Information needs were not received from Senior Managers	Councillor support, commitment & Accountability for stable governance and delivery of services
Ensure effective and efficient systems for managing council records	Records Management Plan, Policy and Procedures approved and implemented	Monitor usage and compliance to policy & procedures		None	Records Management Policy was misplaced by PA to Chairperson of Standing Committee Workshops could not be conducted because the RM Policy is not yet approved by Council
		Request Proposals for Updating the File Plan & Appoint Service Provider		None	File Plan compilation depends on the Organizational structure. Due to delays in approval of the Organogram it became impossible to get quotations nor appoint service provider
	Records Managed & Stored in a secure environment according to best practice	Move records to store room and Index them		The Project is underway and is due for completion on 31 July 2009	
Improve IT efficiency and reduce downtime on systems	Improved ICT controls & Service Management	Create awareness to ICT Policies & Procedures		None	ICT Policy not yet submitted for approval
		Improve IT efficiency and reduce downtime on systems	Improved ICT controls & Service Management	Create awareness to ICT Policies & Procedures	
			Secure & Accessible Network	Assessment current network infrastructure	

District Priority:					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
				Update information on website	
				Increase bandwidth	
		Improve IT efficiency and reduce downtime on systems	Improved ICT controls & Service Management	Create awareness to ICT Policies & Procedures	
			Secure & Accessible Network	Assessment current network infrastructure	
				Update information on website	
Geographic Information Systems development and utilization	Municipal reports available from District Information Management System	Capturing projects internally.		None	There is no interest in the organization to utilize DIMS.
	Utilization of GIS System	Appoint Service Providers to develop Street database		Project has been completed	
	Integrated spatial Information Management System in place	Commission service provider to collect: financial information, land use, zoning, bulk infrastructure and verify deeds information		Project has been completed	
Geographic Information Systems development and utilization	Municipal reports available from District Information Management System	Capturing projects internally.		None	There is no interest in the organization to utilize DIMS.
	Utilization of GIS System	Appoint Service Providers to develop Street database		Project has been completed	

District Priority:					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
Management, security and control of council asses	Security and Risk Management Policy and procedures developed, approved and implemented	Create awareness to Security & Risk Management Policy & Procedures		None	Non availability of the Head: Security Services due to other commitments in the Mayor's Office
	Safe and secure work environment for Municipal officials and assets	Appointment of MISS Specialist		None	Available service providers are not accredited
Management, security and control of council asses	Security and Risk Management Policy and procedures developed, approved and implemented	Create awareness to Security & Risk Management Policy & Procedures		None	Non availability of the Head: Security Services due to other commitments in the Mayor's Office
	Safe and secure work environment for Municipal officials and assets	Appointment of MISS Specialist		None	Available service providers are not accredited
	Safe and secure work environment for Municipal officials and assets	Appointment of MISS Specialist		None	Available service providers are not accredited
Councillor support, commitment & Accountability for stable governance and delivery of services					
		Conduct Information needs Analysis	Distribute questionnaire and collate data	None	Delay in appointment of Interns who according to plan would conduct the Information Needs Analysis
Ensure effective and efficient systems for managing council records	Records Management Plan, Policy and Procedures approved and implemented	Review & develop current RM policy & procedures	Hold Policy Development Workshop to review and update Policy & Procedures	RM Policy & Procedures have been reviewed and updated.	Ensure effective and efficient systems for managing council records
		Submit Records Management Policy for	Submit Records Management policy to	Records Management Policy was submitted to	Records Management Policy not submitted to Council for approval due

District Priority:					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
		approval	Standing Committee, Mayoral Committee and then to Council for approval	the Standing Committee for adoption and was adopted	to non submission to the Mayoral Committee
		Request Proposals for Updating the File Plan & Appoint Service Provider	Identify service providers and request for quotations	One service provider has been identified but quotations not yet received as the service provider needs to assess the Organizational Structure to enable them to provide a quotation	File Plan compilation depends on the Organizational structure. Due to non approval of the Organogram it became impossible to get quotations nor appoint service provider
	Records Managed & Stored in a secure environment according to best practice	Assess current Store-room & identify short-comings	Assess current Store-room & identify short-comings	Current Records Store-room has been assessed. Quotations have been requested to fix broken glass door and to install a security gate	
		Customize Store-room	Fix Glass Door and Install security gate	Orders have been sent	There was a delay in getting quotations hence the Glass door and security gate have not been installed
	Records Managed & Stored in a secure environment according to best practice	Assess current Store-room & identify short-comings	Assess current Store-room & identify short-comings	Current Records Store-room has been assessed. Quotations have been requested to fix broken glass door and to install a security gate	
		Customize Store-room	Fix Glass Door and Install security gate	Orders have been sent	There was a delay in getting quotations hence the Glass door and security gate have not been installed
	Records Managed & Stored in a secure environment according to best practice	Assess current Store-room & identify short-comings	Assess current Store-room & identify short-comings	Current Records Store-room has been assessed. Quotations have been requested to fix broken glass door and to install a security gate	

District Priority:					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
		Customize Store-room	Fix Glass Door and Install security gate	Orders have been sent	There was a delay in getting quotations hence the Glass door and security gate have not been installed
		Customize Store-room	Fix Glass Door and Install security gate	Orders have been sent	There was a delay in getting quotations hence the Glass door and security gate have not been installed
		Customize Store-room	Fix Glass Door and Install security gate	Orders have been sent	There was a delay in getting quotations hence the Glass door and security gate have not been installed
		Purchase, Customize Software & Index Records	Purchase & Installation of Indexing System & Training of key staff on its use	The Indexing System has been installed and the Senior Registry Clerk and ICT Project Manager have been trained	
Improve IT efficiency and reduce downtime on systems	Improved ICT controls & Service Management	Review & update ICT Policies & Procedures	Hold Policy Development Workshop to review and update Policy & Procedures	ICT Policies & Procedures reviewed and updated	ICT Policy not yet ready for submission to the Standing Committee
		Create awareness to ICT Policies & Procedures	Submit ICT Policies for Approval & Conduct 1 workshop to Senior Management	ICT Policies not yet submitted for approval	N/A
	Secure & Accessible Network	Appoint Service Provider to assess current network infrastructure	Select suitable service provider and Send order t	Service Provider appointed & Assessment of Network Infrastructure has been completed	N/A
Improve IT efficiency and reduce downtime on systems	Improved ICT controls & Service Management	Review & update ICT Policies & Procedures	Hold Policy Development Workshop to review and update Policy & Procedures	ICT Policies & Procedures reviewed and updated	ICT Policy not yet ready for submission to the Standing Committee
		Create awareness to ICT Policies & Procedures	Submit ICT Policies for Approval & Conduct 1 workshop to Senior Management	ICT Policies not yet submitted for approval	

District Priority:					
Area of focus:					
OBJECTIVES	Key Performance Indicator	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
	Secure & Accessible Network	Appoint Service Provider to assess current network infrastructure	Select suitable service provider and Send order t	Service Provider appointed & Assessment of Network Infrastructure has been completed	
	Secure & Accessible Network	Appoint Service Provider to assess current network infrastructure	Select suitable service provider and Send order t	Service Provider appointed & Assessment of Network Infrastructure has been completed	Secure & Accessible Network

2. OVERVIEW OF TARGETS FOR THE NEXT YEAR

DISTRICT PRIORITY		
AREA OF FOCUS		
OBJECTIVE	KPI	ANNUAL TARGETS (2009/2010)
Improve IT efficiency	Increased bandwidth to all	Update licences Upgrade Servers Increase bandwidth Design Intranet Implement Disaster Recovery Plan ICT Repairs Conduct Awareness to ICT Policies
Geographic Information Systems Development and Utilization	GIS Support, GIS Land Audit and Land Management, DIMP	Capturing Financial Info.for all LMs, Link system to Internet, Training of staff members.
Management, security and control of council assets	Safe and secure work environment for municipal officials and assets	Outsourced security Surveillance Equipment Maintenance Security Systems and Municipal Gates Maintenance LDV for site inspections Cleaning Materials and Services

INFRASTRUCTURE CLUSTER

3.7 WATER, TECHNICAL AND ENGINEERING SERVICES

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
District Priority: BASIC SERVICE DELIVERY					
Area of focus: 5.1 Provide Potable Water to all communities					
5.1.1 Reduce water services backlog	Number of Households connected	22900 households	20 597 households	Two contracts were terminated due to poor performance resulting in delays while waiting for the appointments of new contractors.	Balance of the connections will be concluded within the first two months of the new financial year
5.1.2 Operation and Maintenance of water infrastructure	Refurbishment of water schemes	468 water schemes to be refurbished	91% of schemes are functional 16 schemes in Mhlontlo 97 in Mbizana 13 Coffee Bay 46 Ngquza Hill 103 Ilibode 13 Mqanduli 17 Ngqeleni 20 Mthatha	Some subsurface scheme such as boreholes dried out and could not be refurbished	Schemes will be incorporated into Regional Schemes.
	No. of springs protected	33 springs	35 springs protected	In-house capacity used which resulted into savings	N/A
	No. of faulty meters replaced	300 meters	699 meters replaced	Additional meters replaced to enhance revenue collection	N/A
	Refurbishment of DWAF schemes	Refurbishment of 293 DWAF schemes	62 schemes under refurbishment	Only 62 schemes could be refurbished due budget constrains and the extent of state of the collapse was huge. DWAF funding	Refurbishment of additional Schemes will be budgeted in the new financial year (DWAF funding)
5.1.3 Water Service policy, planning and implementation monitoring	No. of schemes complying with SANS 241 standards	468 schemes (202) comply with SANS 241 quality standards	88% compliance	Untreated sources such as boreholes and spring	Installation of chlorine dosing equipments and supply community with Jik
	Supply water and sewer purification chemicals to plants	100% supply to 20 water treatment works and 4 sewer treatment	100%	None	N/A
	Prepare an Infrastructure	To be completed asset	95% complete	Consultant appointed late	To be completed

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
	Asset register	register by 30/09/08			within three months of the new financial year
	No of employees trained on the job.	120 employees	117 learner ship 20 Computer literacy 36 plumbing 24 pipe laying 96 learner-ships	None	N/A
	Prepare business plans, WSP contract, Communication strategy and customer service charter for Water Service Provision	To be complete by year end	Draft WSP contract is in place. Business plan is still at planning Communication Strategy complete Customer service charter and customer satisfaction index draft document available	None	N/A
	Quantity of water supplied to communities	Deliver 270 000 litres	30 970 375 litres	Persistent water shortages in all areas	Refurbishment of existing schemes
	Purchase of relevant trucks and equipment	4 trucks	1 water trucks and 3 honey suckers procured	None	N/A
	Ensuring that the water resources are not polluted or degraded by sewer spillages and blockages	100% leakages are repaired	90% repaired.	Persistent problems with detection of spillages. Inadequate staffing and resources	
	Ensure appropriate billing, collection & customer relations. Improved collection rates.	To improve revenue collected from previous financial year. To implement credit control policy. To conduct regular meetings with customers.	1. Credit control policy implemented. 2. Customers billed accurately & on time. 3. Customer queries attended to on time. 4. Regular meetings with consumers 5. 45.4m collected	None	N/A
Area of focus: 5.2 Provide adequate sanitation					
5.2.1 Reduce sanitation backlog	No. of households provided with adequate sanitation	40000 households	43 208 households	A lot of structures were constructed during the 1st quarter	
5.2.2 Operation and maintenance of sanitation infrastructure	Refurbishment of sewer pump stations	18 pump stations	100 % progress on 6 pump stations planed for financial year	Only 6 sewer pump stations refurbished due to budget constrains (DPLGTA did not transfer all the promised	Additional pumps will be budgeted in the financial year

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
				funding	
Area of focus: 5.3 Provide infrastructure for Local economic development					
5.3.1 Construction of new roads, new social and economic amenities.	No. of km of access roads constructed	Construct 100km of access road	114.46 Km	None	N/A
	Number of disaster centers. Number of ward offices	Construction of 9 ward offices	Out of 9 offices on construction, 2 are at 90% completion, 3 at 30% completion and 4 are at 15% progress	Award of suppliers for materials delayed and the actual construction started later than planned.	Ensure that SCM Committees sit timeously
5.3.2 Operation and Maintenance of roads and facilities infrastructure	No. of km maintained	70km of access road	84 Km	None	N/A
	Maintain existing social infrastructure	Rehabilitation of existing ward offices (9)	3	Only 3 ward office that could be maintained with the available budget. Huge price hike in construction materials	Proper budgeted
	Investigate use of alternative technology and get council approval	Complete by year end	98% complete.	Project started late in March 2009	Project to be completed within two months in the new financial year
	Audit of conditions and need for bridges and storm water drainage	Complete by year end	95% complete.	Project started late in March 2009	Project to be completed within two months in the new financial year
	Audit of the current roads backlogs		95% complete.	Project stated in March 2009	Project to be completed within two months in the new financial year
	Thusong Centres: Feasibility study and business plans	Complete by year end	Project cancelled	The Thusong centers have been viewed as not viable at this stage. Request to re-allocate funding into water project was not approved and the funding will now be used as a saving due to unforeseen and unavoidable expenditure which was approved by Council.	Mbizana LM busy with the feasibility study.
	Projects to be awarded under EPWP learnership programme	15 to be trained	15 Contractors appointed.	None	N/A
2.4.2 Sound occupational	Develop Occupational Health & Safety policy	To be completed by year end	Project completed	An amount of R274 048.00 was allocated for this project	N/A

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGETS (2008/2009)	ACTUAL PERFORMANCE	REASON FOR VARIATION	Corrective measures
health and safety environment				however the OHS policy developed internal and no consultant was appointed.	

PLANNING AND SOCIO-ECONOMIC AFFAIRS CLUSTER

3.8 PLANNING AND DEVELOPMENT

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
4. LOCAL ECONOMIC DEVELOPMENT					
4.1 BUSINESS DEVELOPMENT AND INVESTMENT PROMOTION					
Capacity Building and Institutional transformation	Appointment of relevant personnel.	Filling of critical posts	Target not achieved Critical posts filled, namely: <ul style="list-style-type: none"> Junior Economic researcher. SMME officer. Tourism research officer. 	Placement process still to be finalised.	Placement and absorption to be finalised next financial year.
	Investment Site Mapping done.	Investment Site Mapping done.	Investment site mapping done and consolidated into 3 booklets distributed for the Investment Conference.	None	NONE
LED Strategy Reviewal	LED Strategy finalized.	Council approved Led Strategy.	Not achieved LED Strategy review process in progress and not yet finalized.	Lack of continuity of the review process due to non-functioning of the LED forum and its sub-forums. LED Review process had to be revised.	Conduct stakeholder analysis and finalise the establishment of sub-forums as a platform for the review process
Functional institutions to sustainable LED programme delivery	Establish LED sub-forums: Agric, mari-culture & Forestry, Tourism.	Fully established LED sub-forums: Agric, mari-culture & Forestry, Tourism.	Not achieved. LED Forum established on the 17 th September 2008 but later declared null and void.	The District LED Forum declared invalid due to lack of fully established LED Sub-Forums reporting to the District LED Forum	Initiate processes for the full functioning of LED Sub-forums
	Business plan developed for funding.	Business plan developed for funding	Three business plans developed for funding and funds received for the 09/10 financial year. (LED Strategy, Economic Research capacity building and WBPIS)	N/A	N/A
4.2 STRENGTHEN ECONOMIC RESEARCH CAPACITY					
Promote community participation during implementation of DM projects.	350 project steering committees established and trained on relevant skills	350 project steering committees established and trained on relevant skills	627 project facilitated	N/A	N/A
	1500 community members trained	Training of 1500 community members	284 community members trained	N/A	N/A
Ensure Ongoing Economic research	Approved Socio Economic Survey Document	Approval of Socio Economic Survey	Socio Economic Survey Document adopted by Council	N/A	N/A

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
capacity		Document			
	To avail Socio Economic Survey Documents to relevant stakeholders	Circulate socio economic survey document to relevant stakeholders and implement. Initiation of the Ward Based Planning Information System	Socio-Economic Survey Document was circulated to all LMs, Mayors and the Ward Based Planning Information System established on 16 th October 2008.	N/A	N/A
4.3 MAXIMISE ECONOMIC BENEFIT OF ECONOMIC DEVELOPMENT PILLARS					
Agricultural Development	50 agricultural projects conducted M & E	50 agricultural projects monitored and evaluated for performance after training	50 projects trained, monitored and evaluated	N/A	N/A
	20 project received training on poultry management and diseases monitored and evaluated	20 projects trained in poultry management and diseases (total membership 130). Monitoring and Evaluation after training.	37 projects monitored and evaluated on poultry management and diseases	N/A	N/A
	20 Agricultural projects received training on business skills	20 agricultural projects trained business skills 170 members) and awarded certificates of attendance.	73 projects trained on business skills	N/A	N/A
	Poultry structure construction and provided with equipment	Poultry structure and equipment completed	Funds were taken to other programme	N/A	N/A
	Agricultural development and marketing plan completed	ADMP document completed	Not Achieved	The project is planned to be developed the Ntinga.	In sourcing the development through Ntinga Development Agency.
4.4 FOCUS ON SMME & COOPERATIVES DEVELOPMENT					
Ensure implementation of cooperatives & SMME Programme	Submission of Co-operatives strategy to council for approval	Council Approved Co-operatives strategy	Not fully achieved Draft Co-operatives Development strategy developed workshop and input on the draft still in progress.	The draft document received late from the service provider.	The developed co-operatives strategy with huge gaps. To procure service provider to develop the strategy.
	Implementation of O R Tambo District Municipality	Conduct baseline study on co-operatives,	Achieved. The base line study & co-	N/A	N/A

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
	co-operatives programme	development of co-operatives framework.	operatives framework have been developed.		
	Implementation of DEDEA funded projects for OR Tambo District	Implementation of OR Tambo Heritage Project Developed	- A tender has been issued for an EIA for The OR Tambo Retreat Lodge, it is currently at the evaluation stage	N/A	N/A
		Wild Coast Fishing Co operative established	Service provider for EIA appointed Phase one completed and EIA on final stage. Water license and application for electricity in progress. Phase two to begin that include real construction of the site.	N/A	N/A
		Masikhuphuke Essential Oils project established	- Feasibility study - Business plan - Fencing - Building Renovation - Purchases of Tractor - Purchases of Office Equipment. - Purchases of Seeds - Purchases of Diesel - Electrical Equipment	N/A	N/A
		Siyaphambili Woodworkers Co-operative established	- Installation of Electricity - Purchase of Machinery - Purchase of protective clothing - Purchasing of consumables	N/A	N/A
Tourism Development					
1. Arts and craft development	Arts and Craft development strategy adopted by council and being implemented	Arts and craft development strategy plan completed in June 2009	None	Expected support from did not materialize.	To be developed next financial year.
		Training for crafters and artist in all LMs	Arts and craft audit done, workshop held, training held, exposure trip held for 50 crafters from six local municipalities and no positive response from Ntabankulu LM	N/A	N/A
2. Tourism Marketing		O.R Tambo Tourism	It has been outsourced and	Negative Variance	Hand-over the

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
		website established	service provider has been commissioned by the ICT department	There was a change of management with ICT department which was giving technical support in the project	project to IT once design is complete.
		Three billboards to be established at the strategic entrance to the district	None	Negative variance Legislation regarding the installation of billboards has red tapes and thus the project was then cancelled for the financial year.	To be continued and fast tracked next financial year
3. Tourism awareness & Promotion	Tourism safety campaign held	Tourism awareness campaign held during September Month	<ul style="list-style-type: none"> • Tourism safety workshop held • Campaign held, using media engagement and information distribution 	N/A	N/A
4. Tourism product development & SMME Support	<ul style="list-style-type: none"> • Training for product owners held • Exhibition shows and tourism indaba attended 	Training for product owners in 3 sectors <ul style="list-style-type: none"> • Hospitality • Tour Operators • Tourist Guides Exhibition shows and tourism indaba attended	The eastern cape tourism board provided the training for the said sectors,	N/A	N/A
	4 local tourism organizations functional	Strengthening 4 local tourism organisations	KSD established their LTO, Nyandeni LTO was established	The established LTO are struggling to function, due to lack of funds and expertise The regional local tourism organisation established is subject to the DTO workshop and outcomes	Workshop planned to present a suitable institutional arrangement for the DTO establishment.
	<ul style="list-style-type: none"> • Tourism development policy in place • Tourism development plan available and ready to be implemented • Reviewed tourism marketing strategy completed • Reviewed tourism planning framework in 	<ul style="list-style-type: none"> • Tourism development policy • Tourism development plan • Reviewed tourism marketing strategy • Reviewed tourism planning framework • Arts and craft development 	Business Plans developed and proposals drawn to seek funding for the policies proved to be unsuccessful.	Negative Variance DBSA approached for funding without success.	Resource mobilization and a workshop to present the ideal DTO and framework regarding the review and development of tourism planning policy documents.

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
	place <ul style="list-style-type: none"> Arts & craft development strategy and implementation plan, approved by the council and implemented 	strategy and implementation plan approved by the council and implemented			
Land, Survey and Planning.					
Ensure adequate land use planning, development and management	Development Plan for Tsolo Junction Developed	Plan Completed	Terms of reference have been developed, advertised and awaiting appointment of service provider.	delays in procurement processes.	To be continued and fast tracked next financial year
	Langeni Development Plan Developed	Plan Completed	Only terms of references have been developed	A claim lodged by a service provider on the project deliverable for some work conducted. Lack of supporting documentation delayed the implementation of the project	Investigation of the validity of the claim and advertise for tender.
	Land Use Management Framework in place	Plan completed	Terms of reference have been developed, advertised and awaiting appointment of service provider.	delays in procurement processes	To be continued and fast tracked next financial year
Transport planning					
Integrated and coordinated Public transport system	A vehicle donated to the OR Tambo Regional Council	Vehicle donated and memorandum of understanding between the municipality and OR Tambo Regional Taxi Council. Memorandum drafted	Target Achived	N/A	N/A
	An updated district integrated transport plan (DITP)	DITP update	Workshops have been conducted on the 12 and 16 of January 2009 respectively and draft document approved by council. Final document has been submitted to the Provincial Department of Transport for approval by the MEC	N/A	N/A

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
	Bus and taxi operators trained on the diversification program	70 bus and taxi operators trained on the diversification program	70 bus and taxi operators have been trained on the diversification program	N/A	N/A
	Established LTF for each LM	Six(6) forums have been established	Six local LTF were established in Mhlontlo, KSD, PSJ, Nyandeni, Mbizana and Ingquza Hill Local Municipalities	None attendance by stakeholders as well some resistance by the Ntabankulu Local Municipality	Stakeholder mobilization for the establishment of Ntabankulu Transport Forum
District Wide Environmental Management					
Build institutional capacity of all municipalities	Environmental Management Plan	Council Approved EMP	EMP development is still in development stage, service provider appointed in the 4 th quarter of the year.	Delays and non compliance of service providers to the procurement requirements are the causes of verification	To be continued and fast tracked next financial year
	Consolidation of IWMPs	Council approved district Waste Management Plan	IWMP review and consolidation is still on a developing stage, service provider appointed in the 4 th quarter of the year.	Delays and non compliance of service providers to the procurement requirements are the causes of variation	To be continued and fast tracked next financial year
Implement environmental management programmes and alignment	River Health programme	Council approved state of the river report	Mthatha SOR has been submitted to the province for adoption and approval. And Umzimvubu SOR is till on a developing stage	N/A	N/A
	Waste management	Council approved district wide IWMP's	IWMP review and consolidation is still on a developing stage, service provider appointed in the 4 th quarter of the year.	Delays and non compliance of service providers to procurement requirements are the causes of variation	To be continued and fast tracked next financial year
	Environment awareness	Conduct environmental education programs	Awareness programs have been conducted in all LMs	N/A	N/A
Mainstream environmental management is all developments	Environmental impact assessment reports - housing	EIA reports for All Rural Housing Projects	EIA programs for the all the planned rural housing projects have been exempted from EIA hence no need to conduct EIA.	N/A	N/A

2. OVERVIEW OF TARGETS FOR THE NEXT YEAR

OBJECTIVES	KEY PERF. INDICATORS	ANNUAL TARGET
		2009/2010
4. LOCAL ECONOMIC DEVELOPMENT		
4.1 BUSINESS DEVELOPMENT AND INVESTMENT PROMOTION		
4.1.1 Promote Public investment in economic infrastructure	Functional business Infrastructure. Viable business partnerships in place.	Fort Donald Development, Planning and actual development of Phase 1 of the Project Facilitate R0.25bn of new investments in the district.
4.1.2 Ensure conducive Institutional & policy environment	Functional institutions to sustainable LED Programmes Delivery	Established LED Sub-forums: Agric, Mari-culture, Forestry and Tourism
4.1.3 Public Private Partnerships		PPP establishment for Adam Kok Farms and Some Investment Projects
4.2 STRENGTHEN ECONOMIC RESEARCH CAPACITY		
4.2.1 Ensure on going economic research capacity building	Data capturing for WBPIs	Ward operations and data capturing centers operating Social Facilitation Plan in Place and Council Approval
Community awareness campaign and capacity building	Community awareness on government services	162 wards visited Phase 1: Awareness Campaigns Phase 2 : Host workshops (trainings on Acts & Policies)
4.2.2 Develop functional models & strategies for economic growth and development	Record of Activities Engaged	Support to Local Municipalities Local Economic Development Programme Business plan Development for funding
4.3 MAXIMISE ECONOMIC BENEFIT OF ECONOMIC DEVELOPMENT PILLARS		
4.3.1 Tourism Development, Marketing, and Promotion	Training and Capacity building for Tourism SMMEs and Co-operatives	Support and capacity building for 30 SMMEs, Training for 35 tourist guides and 17 community trusts
	Training and Capacity Building of Arts and Craft Product Owners	19 production centres established for the recently trained projects, supported 3 Workshops for performing artists Establishment of a functional DTO Support to LTOs
	Tourism Education and Awareness	cleaning campaigns, township tours, competition Tourism safety campaigning in all LMs
4.3.2 Agricultural development	Improved revenue generated, food security and poverty eradication through agrarian transformation	Ngweni Agricultural projects Acquisition of Machinery, Equipment and inputs for the Poultry structure Funding for Agric projects 7 LMs.

OBJECTIVES	KEY PERF. INDICATORS	ANNUAL TARGET
		2009/2010
4.3.4 Forestry development	Forestry sub-sector forum established	2 sub-sector form meetings held
4.3.5 Mariculture & aquaculture development	Fisheries sub-sector forum established	2 sub-sector form meetings held
4.4 FOCUS ON SMME & COOPERATIVES DEVELOPMENT		
4.4.1 Build capacity of SMME and cooperatives	Co-operative Support	40 Co-operative registered, monitored and mentored
	Grant Funded Projects	Kwam Rural Momen's Project
		Wild Coast Fishing
		Ntabankulu Cultural Village
	O.R Tambo Retreat Lodge Mbizana	
4.4.2 Marketing and Networking for SMME and cooperatives	Successful marketing of SMMEs and Co-operatives	SMME & Co-operatives Portal, Inclusion of SMMEs and Co-operatives in the Website and development of marketing Material
5. BASIC SERVICE DELIVERY		
5.4 Integrated and coordinated Public transport system		
5.4.1 Public transport policy and planning	Consultancy services provided to mainstream the district taxi organisations into business. 100 taxi people trained.	Office equipment and an administrator donated to the integrated public transport system.
	An updated intergrated transport plan	An Updated District Transport plan
	Consultancy services provided to mainstream the district taxi organisations into business. 100 taxi people trained.	Consulting Services provided. Registration of Co-operatives
	Development of Transport Facilities prioritized in the Audit Needs Analysis	Development of Taxi ranks and walk ways in Local Municipalities as per the audit needs analysis conducted in Local Municipalities
5.4.2 Implementation and compliance	Strengthen District Transport Forum and Local Transport Forums	All Transport forums fully functional in all LMs
5.7 Ensure sustainable, orderly land distribution and development		
5.7.1 Address Institutional matters affecting land development	Development of a District Planning Strategy	Development of a District Planning Strategy

OBJECTIVES	KEY PERF. INDICATORS	ANNUAL TARGET
		2009/2010
5.7.2 Land, survey and planning	Langeni Development Zone (Planning)	Development of Langeni Development Zone plan SDF
	LUMS and Policies for LMs	Develop LUM plans for LMs
	Tsolo Junction	Monitor the progress of the project
5.8 district wide environmental management		
5.8.1 Build institutional capacity of all municipalities	Environmental Management Plan in place	Workshop and Implementation of EMP
	IWMP in place	Workshop and Implementation of IWMP
5.8.2 Implement environmental management programmes and alignment	River Health Program	Implementation of identified / recommended project for ensuring sustainable rivers.
	Waste management.	Mobilization and assisting local municipalities on implementing and creation of waste management programs .
	Environmental Awareness.	Environmental Awareness in the region.
	Environmental risk assessment.	Developed environmental risk assessment guidelines.
	Environmental Audit.	Developed environmental Audit.
5.8.3 Mainstream Environmental issues in all development	Support all development programs in the region	Support all development programs in the region

3.9 HOUSING

KEY PERFORMANCE AREA	OBJECTIVES	KEY PERFORMANCE INDICATORS	ANNUAL TARGET 2008/2009	ACTUAL PERFORMANCE	PERFORMANCE VARIATION	CORRECTIVE MEASURE
Promote the development of sustainable human settlement.	Completion of outstanding units in all Housing projects.	<input type="checkbox"/> Construction of outstanding units and toilets.	780 Housing units to be completed	804 units completed	Target exceeded	None
			3000 toilets to be completed.	3303 toilets completed	Target exceeded	None
		<input type="checkbox"/> Official handing over of Housing projects to Beneficiaries <input type="checkbox"/>	6 Project Launches.	Four projects launched <ul style="list-style-type: none"> ▪ Upper Tabase RHP ▪ Old payne ▪ Kwenxura ▪ Hadini 	The 2 (two) other completed projects could not be launched due to financial constraints.	We are going to request additional funding during budget adjustment.
	Special programs	<input type="checkbox"/> Submission of application for Emergency housing Projects	4 project applications to be submitted to ECDOH	All the 4 (four) applications submitted.	Target achieved	
		<input type="checkbox"/> Functional Housing Forums	Identification of Stakeholders, Development of Terms of Reference (TOR) and meetings.	2 meetings held on:- 14/08/08 16/10/08	Only 2 of the 6 planned meetings took place - Other scheduled meetings could not take place due to members having other commitments like taking part in programs like, the national elections, IDP road show and others.	The schedule for 2010 will be issued in the meeting that will sit on the 28 Jan. 2010. sittings will be aligned with the Technical Munimec meetings whose schedule will also be issued on the same meeting of the 28 Jan. 2010
	Housing Consumer Education	<input type="checkbox"/> Awareness Campaigns on Housing Policies and Education on maintaining habitable homes.	Informed Communities on Housing Policies and programs. 4000 people to be trained.	2000 community members trained.	Workshops for other Municipalities had to be re-scheduled for later dates. The LMs could not manage to invite the necessary numbers we requested.	To arrange a workshop/meeting for housing official of L.M's aimed at reinforcing the importance of this programme
Policy formulation		<input type="checkbox"/> Development of District Housing Strategy and Housing Charter	District Housing Strategy and Charter completed	Not Done	Funds were re allocated during the budget review process	A call for proposals has been made and the project is still awaiting adjudication.

3.10 COMMUNITY AND SOCIAL SERVICES

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
5.9 ENSURE SAFE AND SECURE COMMUNITY LIVELIHOODS					
5.9.1 Prioritize Crime prevention & law enforcement	Strengthened CPFs.	Two workshops conducted	Two workshops for CPFs were conducted in Mhlontlo and Port St Johns	None	N/A
		Two LSFs established	One Local Safety Forum established in Mbizana One district Safety forum was established in each of the following LMs: Mhlontlo, Mbizana, Ingquza Hill and Nyandeni	None	N/A
		Twenty CPF Members	40 CPF members and Village committees launched and trained in Nyandeni and Mhlontlo	None	N/A
			CPF's in all participating stations in the district were trained Identification kit as in reflector jackets and whistles were given to:- Mbizana: Mzamba police area CPF , rechargeable torches were also given to Mzamba CPF . KSD: Lindile and Cikirha. Mhlontlo: Sulenkama. Nyandeni: Ndungunyeni. Ingquza Hill: Mthontsasa	None	N/A
	Safer schools programmes conducted.	Conduct one safer school workshop	One workshop conducted for ten schools where Phingilili J.S.S was used as a venue	None	N/A
			Safer schools program was done as follows: Mbizana: Greenville S.S.S., Plangeni J.S.S Biniza J.S.S Ntabankulu: Mabhudu J.S.S Bhonxa J.S.S. KSD: Phingilili J.S.S, AV Plaartjie S.S.S, Ngangelizwe High, Mbuqe J.S.S, Ikhwezi Skills Centre. A joint safer schools committee in KSD schools has been formed.	None	N/A
	A district patrolers'	Thirty Patrollers	Patrollers were trained as part of the CPF	None	N/A

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
	programme is established in coastal areas	Trained	capacity building program in Wild Coast Area A 4x4 vehicle has been purchased to assist in monitoring coastal safety Coastal Safety equipment for life savers has also been purchased and are awaiting delivery.	None	N/A
			A total number of 52 district patrollers were recruited and deployed through the tourism board. They were also trained in Flagstaff as part of the training given to CPFs An additional 24 life savers are trained targeting Ingquza Hill , Msikaba and Mkhambathi areas and Mbizana Municipality targeting Xholobeni Mthethu Nomlacu and Mt Zion areas	None	N/A
	Crime prevention strategy	One local crime prevention strategy	One local crime prevention strategy developed (Copy available)	None	N/A
	A district patrollers' programme is established in coastal areas	Twenty Patrollers Trained	This programme is incorporated in the above as CPFs were made to participate in the patroller's programme.	None	N/A
	Draft Crime Prevention Strategy available	Plan Available	OR Tambo district integrated crime prevention strategy developed has been developed and is awaiting processes for council adoption. Community safety plans/crime prevention strategy developed for Mbizana, Mhlontlo and Ingquza Hill Municipalities.	The district workshop on crime prevention was not completed as there are outstanding LMs workshops	The plan will be tabled for Council approval next financial year
5.10.1. Integrated disaster risk management planning and monitoring	Scientific disaster risk assessment done.	Integrated disaster risk profile plotted on the GIS	Service Provider was appointed and the training of Stakeholders was done. Collection, Collation, synthesis of data and plotting of information on the District GIS system not yet done.	There is a delay in the Service Provider appointed by the Province to conduct Scientific Risk Assessment.	Bilateral engagements will be entered to between the Province and ORTDM
	Disaster Summit	Consultations with relevant stake	The Budget was diverted and food parcels were purchased for victims and assisted in	The budget was diverted to Disaster	This will be done next financial year

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
		holders and establishment of teams	the funerals of Disaster Victims in Ntabankulu, Ngquza and Mhlontlo.	Response be cause of unavailability of funds in that particular vote.	
5.10.2. Build institutional capacity and preparedness	Disaster management information easily accessible when needed. Institutional capacity in place to implement a district wide disaster management	Adjudication and appointment of the Service Provider Procurement and installation of the system Training of Disaster Officials, Call Centre Staff, and Technical Committee on the use of the system.	Nil	There were Technical delays from the Province and as such our budget was taken to ITC to purchase laptops for the disaster officers.	Assistance will be sought from Provincial Disaster management Center for this activity
5.10.3. Disaster Intervention and response	Establishment of response teams. Protective clothing for volunteers and staff	Recruitment and Training of response teams in all 6 Local Municipalities under the jurisdiction of O.R Tambo	Response teams were recruited in all six Local Municipalities. Training was done in Mbizana , Ntabankulu and Mhlontlo.	Training could not be done at Nyandeni, Port St Johns and Ngquza Hill because funds were diverted to post disaster response intervention programs.	In-service training will be given during disaster management field work activities like awareness campaigns, response and recovery
5.10.3. Establishment of the Centre.	Provision of offices for disaster satellite centres Fencing of Ntabankulu satellite centre	2 parkhomes purchased Satellite centre fenced	Mhlontlo parkhome purchased and delivered to the site Nyandeni parkhome purchased and delivered to the site Nil	None Task falls under infrastructure department.	N/A Interdepartmental bilaterals
5.11 Provide Fire & Emergency Services					
5.11.1 Integrated fire and emergency risk management planning and monitoring	Volunteers trained. Fire by-laws established. Fire vehicle for Mhlontlo to be purchased.	Draft by laws presented to management	Activities of ORT Fire Bylaw placed on 2009-2010 IDP for prioritization Tender for this vehicle could not be placed	Documents irretrievable due to laptop theft No funding	Restarting the program from scratch Activity will be deferred to next financial year
	Facilitate Fire	Emergency response	Staff placed within Ingqusha Hill x2 &	None	N/A

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
	Emergency Rescue Response	on as per need basis	Ntabankulu LM X2		
5.11.2 Build institutional capacity and preparedness	Fully equipped fire fighting service. Protective clothing procured.	Fire fighting courses / training First group of x15 trainees on selective training modules on community veldt / forest fire management /	No training could be done. Fire training of staff and volunteers placed on hold due to non funding / March fire training postponed	Lack of funding for training HR & Departmental budget	In-service training for staff and volunteers. HR will also be approached.
		Training of total of x45 volunteers for areas of Mbizana, Ingguzu Hill and PSJ	Not done	No funds for the activity	In-service training for staff and volunteers. HR will also be approached.
5.11.3 Emergency rescue and response	Fire engine for PSJ Im purchased (replacement unit) - X2 fire water tankers upgraded - X1 Fire Command & Control vehicle	Tenders placed through SCMU and Fire inputs submitted	Adjudication process through SCMU	Adjudication process through SCMU	Deferred to next financial year - funds permitting
5.12 PREVENT, REDUCE AND MANAGE HIV&AIDS, STI'S AND TB PROVIDE FIRE & EMERGENCY SERVICES					
5.12.2 Training and capacity building	Moral regeneration workshops in LM	14 Workshops	13 out of 14 workshops on Life Skills awareness & Parenting skills for teenagers & teenage mothers was conducted in all local municipalities.	Two (2) workshops were conducted in each of the seven LMs with the exception of KSD which had only one (1) workshop.	KSD Workshop will form part of next financial year's plan
5.13 PROTECTION AND PROMOTION OF RIGHTS FOR VULNERABLE GROUPS					
5.13.1 Mainstreaming of the interests of vulnerable groups	14 ECD fully equipped and functioning	14 ECDC equipped with educational material.	16 ECDC Material purchased for non funded Early Childhood Development Centres	2 ECDC materials were purchased for each LM. There were extra two commitments made in KSD LM and the already promised the material. Some of the material is not delivered yet	Delivery will be prioritized for next financial year
	Children's register introduced	4 registers purchased	None.	This program was viewed as the duplication of Ward	None. Funds were diverted to related efforts

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
				Based Planning & Information Systems (WPIS) run by Planning Department.	
5.14 DISTRESSED INDIGENT FAMILIES					
5.14.1 Improve livelihood of indigent families under distress	Families in distress receive material support.	10 families supported	19 destitute families received material support towards the burial of their loved ones. Families affected with Disaster receive material support.	None	N/A
5.15					
5.15.1 Waste disposal and recycling	Clean, safe, healthy and appealing environment	28 uncontrolled solid waste tipping sites and a landfill Identification of illegal dumping areas.	42 inspections of Uncontrolled solid waste tipping site was visited. 37 Illegal dumping areas were identified and attended (cleaned) Kei Market Produce, Transido Hill Crest, Vulindlela Heights, Pick n Pay, Zimbane valley and Kwezi, Circus Triangle, Highburry route, Gladys King, Rail Station, Vulindlela Heights, Trasido Kwezi Extention, Mbuqe, Maidem Farm, Zingisa, Ultra Shell, Marambeni, Mandela, Gladys King School, Fortgale, Zimbane Valley, Phase Extension.	None	N/A
5.15.2 Monitoring of water and food samples	Food and water samples tested	350 water samples	483 Water samples were taken and analyzed at NHLS. Conducted follow ups to all water sources where high Coliform and high content of E.coli have been isolated.	None	N/A
5.15.3.1. Ensure that communities consume good quality and safe foodstuff.	Healthy status	140 Food samples and environment swabs specimen	215 Food samples and surface swabs were taken and analyzed at NHLS.	None	N/A
5.15.2.2. Ensure that food preparation and processing premises complies with R918 and have valid COA's.	Certificate of acceptability to inspected businesses.	160 business inspections	168 Business premises were inspected and necessary processes have been followed.	None	N/A
5.15.2.3. Health status and hygiene of	Improved healthy status.	1000 people	Education to 1576 people on health and hygiene.	None	N/A

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
communities is promoted.			Strengthen health education programme by selecting a team to look at the Municipal Health By-Law.		
5.15.3 Devolution of municipal health service	Municipal health services devolved	Workshop on section 78	Service provider submitted the section 78 assessment preliminary report. We're waiting for submission of final devolution framework from ID1 Consulting company. The framework will be submitted for council approval next financial year	Delay in the finalization of the S78 framework.	Will be prioritized next financial year
5.16 ENSURE DEVELOPMENT OF SPORT, HERITAGE, ARTS AND CULTURE					
5.16.1 Build capacity to coordinate and implement sports, heritage arts and culture development	District sports council revitalised	Launch of District Sports Council	The District Sports Council is available but not well functioning. Plans to revive it are underway.	Processes towards revival of the District Sports Council not moving as swiftly as one had hoped due to unforeseen challenges of having to mobilize the Local Sport Councils first.	Will be prioritized next financial year
			<p>Training provided for PSJ LM (Mahlathini) & Nyandeni LM (United Warriors) Soccer clubs - on club management and fitness.</p> <p>Supported Under 17 District Boxing tournament at KSD with medals and trophies</p> <p>Supported OR Tambo Regional Boxers with transportation costs to attend the Provincial Championships in Grahamstown.</p>	None	N/A
	Sports talent identified, supported and developed	Boxing and Baseball	<p>Boxing Equipments have been sourced and are waiting for delivery to Khulani Boxing Club in Ngangelizwe in KSD</p> <p>Six Soccer kits have been sourced waiting for political direction for delivery to six teams at Mpeni</p> <p>The Cheetahs Athletics Club with members spreading throughout the whole OR Tambo</p>	<p>Still waiting for Baseball Federation to prioritize their programmes</p> <p>Delivery to Mpeni Area in Mbizana delayed therefore deferred for next year</p>	Bilateral with the Baseball Federation

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
			District was launched and O.R Tambo DM Contributed with T-Shirts and Golf Shirts.		
			2010 District Forum was revived culminating into establishment of work-streams. Work-stream plans (departmental sector plans) available as a draft, still need comprehensive consultation as there was minimal participation from LMs	Low representatives from other local municipalities	Consultations will be enhanced next financial year
			Still waiting for the responses from Local Municipalities viz. Mhlontlo, KSD, Nyandeni, Mbizana, Ngquza and PSJ as only Ntabankulu was represented at the consultative workshop at the Wild Coast	Some LM's did not attend the workshop and the District has to consolidate their inputs.	Consultations will be enhanced next financial year
	Mayoral cup tournaments conducted	2010 Soccer legends tournament	2010 Soccer Legends tournament was held on the 13 th of December 2008 at Rotary Stadium Cultural Festival was held at WSU on the 12 th of December 2008 and 15 Cultural Groups were participated from Seven Local Municipalities. Soccer kits and soccer balls provided to Eight Clubs in Ngquza Hill Municipality in Kanywayo, Tawuka and Coka (KTC) Areas	None	N/A
	Sports facilities leveled and transferred to Clubs	Two (2) cricket fields and one soccer field (Ngquza and PSJ)	Cricket field in Flagstaff and KSD were leveled. Soccer field of Mthatha International School (due to an agreement to use their fields) in KSD and Mahlathini Sport Ground in PSJ were levelled Pool pumps at Mthatha International School were repaired	None	N/A
5.16.2 Link sport, heritage, arts and culture to economic development	Heritage sector plan developed	Planning	Planning meetings to prepare for a workshop to develop a heritage plan sit. List of heritage sites is compiled	The program will be informed by the information to be collected from various stakeholders in a	Consultations will be enhanced next financial year

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
				summit.	
		Heritage Celebrations	Participated in the OR Tambo Month by organizing and coordinating all sports related activities	None	N/A
5.16.3 Preservation and conservation of heritage resources	District and Provincial Choral festivals held. Memorial Lecture held. Sports involving Ekurhuleni Metro. Student composition competition.	Planning and consultations for the OR Tambo Month Arts groups and Choir competition	District Choir competition conducted on the 27 September as part of the O R Tambo Month celebrations in WSU - Mthatha branch. O.R Tambo District Choir Festival and Provincial were held during September and October 2008 respectively	None	N/A
	Heritage celebration	Heritage celebrations held	Mhlontlo Heritage Celebrations were held during October 2008	None	N/A
5.17 SUPPORT TO LIBRARY AND INFORMATION SERVICES					
5.17.1 Promote a culture of reading, library usage and lifelong learning.	Community libraries increase.	3 Community libraries	Efforts to improve accessibility and viability of existing community facilities such as Community Hall, schools, etc. included: School-Community Library launch at Libode on November 20, 2008. Renovations and refurbishment at Nyathi Rural Library (<i>PSJ, Ward 14</i>) is completed. Ikwezi Community Library is under construction. Public libraries at Tsolo and Mqanduli are identified and ready for refurbishment and minor renovation.	None	N/A
	Number of equipped community libraries.	All libraries at 7 Local Municipalities	Basic library furniture and equipment was purchased for 12 public libraries (7LM's). Luna J.S.S. and Tutor Ndamase S.S.S. were	None	N/A
				Identification of community facilities delayed at Mhlontlo and KSD LM as availability of buildings has to be checked and consultation processes have to be followed.	More consultation with the affected municipalities

OBJECTIVES	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES
			supported by library furniture and equipment.	Waiting for official handing over.	
	INTERNET installed.	6 Community libraries	To provide efficient access to library and electronic information resources, cabling for INTERNET connection was done for Flagstaff, Lusikisiki, Libode, Norwood, Reference, Mbizana, Ntabankulu and Qumbu.	ICT and Management Support Department are busy with the Internet Service Provide for connection.	Means to speed up the process will be explored
	Up-to-date library material.	5 Community libraries.	Acquisition and recommendation of library materials to all 12 public libraries that were allocated R93,000.00 each to purchase relevant library materials such as books, cassettes, magazines etc., during Book Exhibition on	None	N/A
	Library outreach programmes in remote areas.	3 Library Annual Events.	To enhance promotion and marketing of library services, literacy Day (<i>Mbizana LM</i>), Readathon Week (<i>Nyandeni LM</i>), Library Week (<i>Ngquza Hill</i>), World Book Day and Poetry Day (<i>KSD LM</i>) were done.	None	N/A
	Librarians and library users trained.	20 Schools participate in library user education.	To capacitate library staff and clientele, all public librarians attend Basic Cataloguing and Marketing course on March 10-12, 2009. They also attend Sabinet training facilitated by WSU. Forty (40) schools attend library annual events	None User education is an ongoing process.	N/A

PART 3: OVERVIEW OF TARGETS FOR THE NEXT FINANCIAL YEAR

OBJECTIVES	KEY PERF. INDICATORS	ANNUAL TARGET
		2009/2010
District priority 5. BASIC SERVICE DELIVERY		
5.9 Ensure safe and secure community livelihoods		
5.9.1 Prioritize Crime prevention & law enforcement	Strengthened CPFs. Safer schools programs conducted.	Community Safety summit Development of an integrated crime prevention strategy
	A district patrollers' programme is established in coastal areas	50 patrollers are trained within 2 LMs
5.10 Ensure effective disaster management		
5.10.1 Integrated disaster risk management planning and monitoring	Disaster summit conducted.	Disaster summit conducted.
5.10.2 Build institutional capacity and preparedness	Disaster management information installed. Communication radios for 7 wards.	Community awareness program in all Local Municipalities.
5.10.3 Disaster Intervention and response	Coordinated disaster response and recovery intervention strategy	Conduct Disaster impact analysis and development of response and recovery plans.
5.11 Provide Fire & Emergency Services		
5.11.1 Integrated fire and emergency risk management planning and monitoring	Volunteers trained. By laws established.	OR Tambo Fire Bylaws adopted & approved by Council
5.11.2 Build institutional capacity and preparedness	Fully equipped fire fighting service. Protective clothing procured.	Enhance District fire institutional capacity building/ training community & fire staff ensuring effective fire & emergency response on guidelines of SANS (SA. National Standards) 10900 Community Fire Protection
5.11.3 Emergency rescue and response	Fire engine for PSJ Im purchased. Two fire water tankers upgraded. Fire response recovery.	Fire Grant funding key projects: Provision of Emergency Relief / Provincial Business Plan Purchase Fire engine Port St. Johns Upgrading fire water tankers Tender Command & Control vehicle Fire Services
5.12 Provision of sustainable district health services		
5.12.1 Waste disposal and recycling	Landfill sites monitored.	Control 6 uncontrolled solid waste tipping sites and a controlled solid waste site. Identification of illegal dumping

OBJECTIVES	KEY PERF. INDICATORS	ANNUAL TARGET
		2009/2010
5.12.2 Monitoring of water and food samples	Food and water samples tested	350 water samples will be taken from all drinking water sources including sewerage works.
		160 food samples and surface swabs collected for bacteriological and chemical analysis
5.12.3 Devolution of municipal health service	Municipal health services devolved	Transfer\receive 56 Environmental Health Practitioners from the province to DM.
	Primary Health Care Primary Health Care	8 Primary Health Care centres supported.
5.13 Ensure development of sport, heritage, arts and culture		
5.13.1 Build capacity to coordinate and implement sports, heritage arts and culture development	Sports talent identified, supported and developed	2010 soccer legends tournament
	Mayoral cup tournaments conducted	Three mayoral cups tournaments in three LMs 3 sport codes supported
	District Sport Council	District Sport Council strengthened
	Transfer of sport facilities	Transfer of 4 sport facilities
5.13.2 Link sport, heritage, arts and culture to economic development	Heritage sector plan developed	District heritage structure strengthened
5.13.3 Preservation and conservation of heritage resources	Annual events held in commemoration of O.R Tambo and Nelson Mandela months	Identification of and support to heritage sites
5.14. Support to library and information services		
5.14.1 Provide basic library furniture and equipment required for community library services.	Number of furnished & equipped community libraries	4 Public/ community libraries supported
5.14.2 Promote a culture of reading, library usage and lifelong learning.	Literacy programme in place	?? Literacy support programmes conducted
DISTRICT PRIORITY 6. SOCIAL TRANSFORMATION		
6.1 Prevent, reduce and manage HIV&AIDS, STI's and TB		
6.1.2 Training and capacity building	Moral Regeneration	3 workshops on Life Skills awareness & Parenting skills for teenage mothers at schools and Organized Youth

OBJECTIVES	KEY PERF. INDICATORS	ANNUAL TARGET
		<i>2009/2010</i>
6.2.2 Mainstreaming of the interests of vulnerable groups	ECD fully equipped and functioning	Seven Early Childhood Development Centres (ECDC) are equipped with educational equipment
	Child Protection Services	Child Protection Services rendered
6.3 Distressed indigent families		
6.3.1 Improve livelihood of indigent families under distress.	Families in distress receive material support.	100 Families affected by disaster related incidents receive material support.

3.11 OFFICE OF THE EXECUTIVE MAYOR

OBJECTIVES	PERFORMANCE INDICATORS	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
HIV/AIDS & ATICC UNIT						
Prevent, reduce and manage HIV/AIDS, STI's and TB						
Training and Capacity building	Health Care workers trained	Relevant stake holders trained	Achieved The following were trained: Support groups, DM employees, NGOs and Taxi drivers on HIV/AIDS programs.	N/A	N/A	Certificates
		315 Health Care workers trained	253 health professionals trained	Annual target was reduced by provincial department due to lack of refund		Certificates
Co-ordination and mainstreaming	Established and Functioning Local AIDS Council	DAC quarterly meetings Mainstreaming workshop	4 quarterly meetings held. Mainstreaming workshop held.	N/A	N/A	Attendance register
Prevention and support to infected and affected	Functioning of Non-medical VCT and HTA sites	Five Non-medical VCT and five HTA sites supported	Non-Medical VCT sites and 5 High Transmission Sites supported (Mthatha Shell Ultra City, Tsolo Junction, Mbizana Taxi Rank, Ngqeleni Village and PSJ second beach.	N/A	N/A	Office furniture
	Functioning AIDS forums	Established AIDS forums	5 Ward Aids Forums at KSD and 2 in Nyandeni Ward	N/A	N/A	Attendance registers
	Functioning support groups	16 established support group	25 support groups established	N/A	N/A	Attendance register Database
	One step down for facility	Home Based Care in step down implemented in all LM's	Three functioning step down facilities functioning in K.S.D, Ntabankulu	Home based care program is being done in all LMs.	N/A	Home Based care Kits medical equipment & a video cassette
	One Wellness Centre		Facilitation for the establishment was done	Human Resources competence.		Human Resource Department

OBJECTIVES	PERFORMANCE INDICATORS	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		Two awareness campaigns, eight HIV/AIDS road shows and Imbizos to be done	Awareness campaigns done in all Lms	N/A	N/A	Attendance register
		248 000 condoms to be distributed	Achieved	N/A	N/A	Register
VIP PROTECTION UNIT						
		Day to day protection of the Executive Mayor and Councilors	Achieved	N/A	N/A	N/A
		Shooting practice	None	Due tight schedule	N/A	N/A
		Purchase of uniform	Achieved	N/A	N/A	Receipts
		Communication radio's has been purchased	Achieved	N/A	N/A	Receipts
		Physical training of staff members	None	Due to tight schedule	N/A	N/A
COMMUNICATIONS UNIT						
		State of the District Address	Held in O.R. Tambo D.M. hall	N/A	N/A	DVD
		Communication Strategy Review	Held in Port Alfred	Waiting for the adoption next financial year	N/A	
		Media Awards	Not achieved	Due to realignment of programs		
		Publication of Quarterly Newsletter	Inggayi was published (O.R. Tambo newsletter)	N/A	N/A	Copy of Newsletter
		Publication of District Marketing Material	Achieved	N/A	N/A	Adverts & Slots

OBJECTIVES	PERFORMANCE INDICATORS	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
5.13 Protection and promotion of rights for vulnerable groups						
SPU YOUTH						
5.13.1 Improve access to facilities & opportunities		Leadership workshop	None	N/A	N/A	Attendance register
		Launch of district youth council	None	Launch of district youth council could not be launched due to challenges of National and Provincial	Scheduled for the next financial year	
		Miss O.R.Tambo DM	Miss Avile Skiti was crowned as Miss O.R. Tambo.	N/A	N/A	Vehicle & DVD
		Youth in business networking Indaba	None	N/A	Scheduled for the next financial year .	
		Financial support in community structures	8 soccer teams and 2 soccer fields constructed in Seaview-Mbizana.	N/A	N/A	Football equipment
		Youth development month	Held in Coffee Bay (KSD)	N/A	N/A	DVD
		Support three informal business initiatives	Young Women Poultry Project funded in Baziya-KSD. Siyakhala Youth Company (Civil and Engineering) registered	Due to insufficient funds	To be processed next financial year	Registration documents
SPU GENDER						
Mainstreaming of the interests of vulnerable groups		Establish Rural Movement office in each LM	4 offices established (Gogozayo A/A Mqanduli-KSD, Gxulu A/A Libode-Nyandeni, Zalu Hill-Ingquza Hill Fort Donald-Mbizana	3 offices will be formed after the formation of remaining Local Municipalities	To be completed next financial year	Office Equipment

OBJECTIVES	PERFORMANCE INDICATORS	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		Establishment of Womens consortium	None	Post vacant	Scheduled for the next financial year	
		Women's day celebration	Held at Ndwalane-PSJ	N/A	N/A	DVD
		16 Days of activism campaign	Held in Mzamba-Mbizana.	N/A	N/A	DVD
PEOPLE WITH DISABILITIES						
		Purchase Braille equipment	None	The post moved to Communication Department	To be processed by Communication's unit	
		Employ Brailleist	None	The post moved to Communication Department		
		Support of Local Disabled Organisation	Masimanyane Arts & Craft business funded	N/A	N/A	
		International day of disabled persons	Attended	N/A	N/A	List of people attended the event
		Awareness week for deaf and blind	Held in Mthatha Town Hall and Efata	N/A	N/A	Photos
		Sign Language and training	None	None availability of the Instructor	Scheduled for the next financial year	
SPU CHILDREN		Launch of District Council	Not Achieved	More support will be given to LMs to ensure the implementation of the programs.	Scheduled for the next financial year .	
		Develop Local Plan of Action	Developed in 5 LM's		Two LM's to be assisted next financial year	Attendance register
		Child protection month	Awareness done in Quakeni Great Place focusing in abduction cases in Cele A/A-Lusikisiki	N/A	N/A	Register
		Human rights month	Achieved	N/A	N/A	DVD / Register

OBJECTIVES	PERFORMANCE INDICATORS	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		Back to school campaign	Held in Ntabankulu	N/A	N/A	DVD
		Children's month	Held in Ncambedlana East-KSD	N/A	N/A	DVD
		Child Development	Equipment distributed to all LM's . Vulinkethe Community-KSD and Ndwalane centres-PSJ trained.	N/A	N/A	Equipment , DVD & database
SPU OLD AGE						
		Launch of District Co-ordinating Council	Not Achieved	Tight schedule	Scheduled for the next financial year	
		Induction Workshop	Held in KSD	N/A	N/A	Attendance register
		Elderly Month	Held in Mdumazulu-Nyandeni	N/A	N/A	Photos/ DVD
		End of the year function	Not Achieved		To be done in the next financial year	DVD
ACADEMIC FINANCIAL ASSISTANCES						
		Fifteen of intake of new students	40 students offered bursaries			Acceptance letters
		Computer provision for students	Four lap tops provided			
POVERTY RELIEF PROGRAM						
Improve livelihood of indigent families under distress		750 temporal employments	750 casual workers benefited from cleaning and greening in all LM's on rotation basis.	N/A	N/A	Attendance reister

OBJECTIVES	PERFORMANCE INDICATORS	ANNUAL TARGET	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		1500 food parcel distributed	1300 food parcels were distributed in identified house holds.	N/A	N/A	Register
O .R TAMBO MONTH						
Preservation and conservation of heritage resources		District wide celebration's held	Held in Mbizana, Ekurhuleni, and Mthatha.	N/A	N/A	DVD
NELSON MANDELA DAY		Celebration of Mandela day	Held in Walter Sisulu stadium	N/A	N/A	DVD

ANNEXTURES

ANNEXURE1. AUDITOR GENERAL'S REPORT

ANNEXURE2. REPORT OF THE AUDIT COMMITTEE

This report is prepared in terms of section 121(4)(g) of the Municipal Finance Management Act no. 56 of 2003.

The audit committee has the responsibility to report that it has regulated its affairs in compliance with the audit committee charter, and has discharged its responsibilities set out therein.

Scope and main activities of the audit committee

For part of the 2008/2009 financial year there was no functional audit committee at the municipality. The existing committee was appointed by council in January 2009. This has resulted in the committee not fully carrying out its responsibilities. During the 2008/2009 financial year the committee reviewed and made recommendations on the following areas:

Management should make the management action plan a living document. This could be achieved by preparing monthly formal progress reports on the implementation of the plan. In addition to this, the internal audit unit would conduct regular follow up audits on the implementation of the plan.

When addressing audit findings management should address root causes which may be due to one or two of the following factors:

Staffing shortages and capacity of existing personnel in the finance department;

Gaps with existing policies and procedures;

Inadequate legal compliance monitoring mechanisms;

Staff training on municipal policies as well as legislation such as MFMA;

Lack of decisive action taken against people that flout municipal policies and systems.

With regards to distribution losses that were not calculated we recommended that in addition to what is planned for KSD municipality, the action plan should indicate how and when this finding will be resolved with respect to other local municipalities.

The subsidy of R21.60 per month should be reviewed since figures that were used when it was first calculated are likely to have changed now. The accuracy of this figure should be checked at-least annually.

Response plans that are prepared by management should not be limited to the audit report but be extended to include all issues contained in the management letter.

The Committee considered the reports from the internal audit without management responses. The reports had identified the inadequacy and ineffective internal controls on the following areas:

The billing process;

Usage of vehicle fuel and oil;

Safeguarding of assets (laptops and cameras); and

Processes of paying suppliers.

Review of the 2008/2009 annual financial statements;

The audit committee is required to report its findings to Council, identifying any matters in respect of which it considers that action or improvement is needed, and make recommendations as to the steps to be taken.

The audit committee has also been assigned responsibilities of providing advice on risk management and performance management. Management of the municipality manages and monitors the assessment and control of risks on a prioritized basis throughout the organisation. The Internal Auditors use this risk control framework to prepare their audit coverage plans and to undertake audit work in the higher risk areas identified.

Composition of the audit committee

Name	Gender	Designation	Profession
Mrs. T. Njozela	Female	Chairperson	Finance and auditing
Mr. J.L. Moshesh	Male	Member	Legal
Mrs. N. Galeni	Female	Member	Finance and auditing
Miss. N. Mangisa	Female	Member	Finance

There has been no resignation in the committee during the 2008/2009 financial year.

Meetings and attendance

The committee met once during the 2008/2009 financial year. The chairperson of the audit committee normally invites the Municipal Manager, the Chief Finance Officer, the head of internal audit, the office of the Auditor General and other heads of departments to attend audit committee meetings. During committee meetings, external auditors are allowed to talk with the committee in the presence of management.

Attendance of the meeting by members of the audit committee was as follows:

MEMBER	24 April 2009
Mrs. T. Njozela	Present
Mr. J.L. Moshesh	Present
Mrs. N. Galeni	Present
Miss. N. Mangisa	Present

Internal audit

The audit committee would receive presentations from the head of internal audit about the results of work undertaken by the unit.

Overview

As a result of the inactivity of the committee for part of 2008/2009 financial year, the Audit Committee has concluded that it has not fully acted in accordance with its terms of reference.

Mrs. T. Njozela
Chairperson - Audit Committee

ANNEXURE 3. APPROVED ORGANISATIONAL STRUCTURE

ANNEXURE 4. COUNCIL RESOLUTION ADOPTING THE ANNUAL REPORT

ANNEXURE 5. NTINGA O.R. TAMBO DEVELOPMENT AGENCY ANNUAL REPORT