

UTHUNGULU



Serious about service delivery







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1. Foreword by the Mayor

The 2008/2009 financial year was a triumphant one for the uThungulu District Municipality, a vindication of the effort we have invested in bringing services to our people.

We were recognized as the leading District Municipality in KZN, after winning the inaugural KZN Municipal Excellence Award in November 2008, and barely a month later, our foothold in the Province was reinforced, when we were the runner-up in the National Vuna Municipal Awards in the District category. We were the only KZN district to feature in the top three of the National awards.

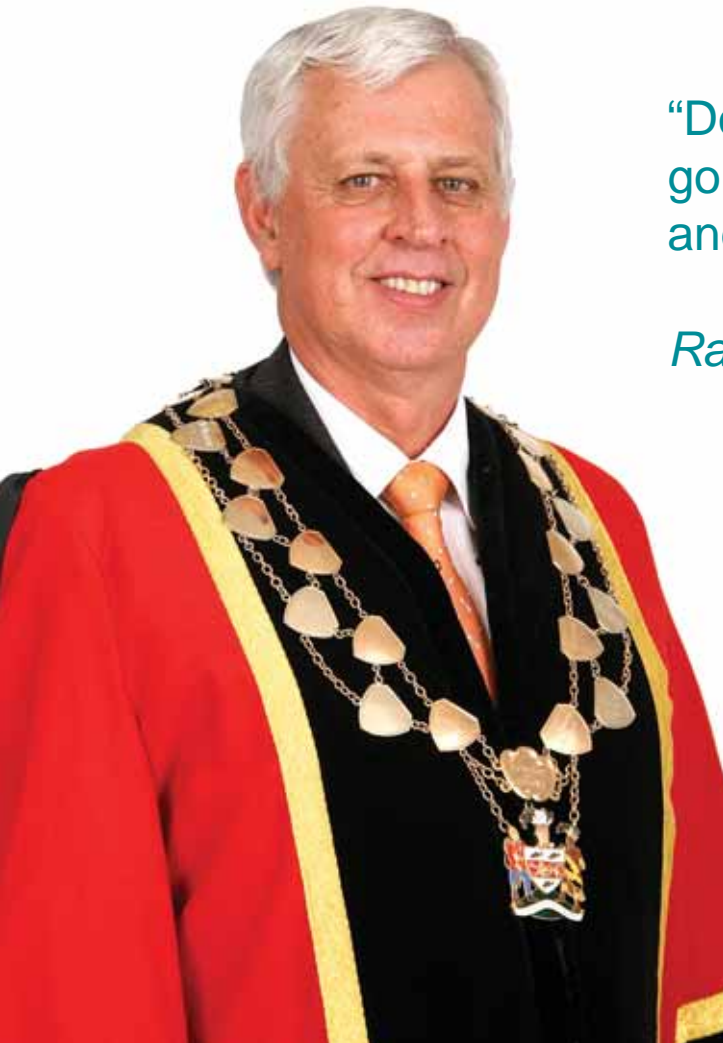
uThungulu's record of distinction was also acknowledged a bit closer to home, when we won the Community Spirit award at the Zululand Chamber of Commerce annual Business Excellence Awards in August 2008.

The economic downturn that has capitulated our country into a recession has severely affected businesses and workers in our district. We have been strategizing and cutting costs to channel funds where they are needed most, and we are confident that our infrastructure programmes will be the key to unlocking the District's economic potential.

Extensive upgrading to the Richards Bay soccer stadium is taking place and we are more than hopeful that it will be complete prior to the 2010 Soccer World Cup in preparation for hosting a world class team for training purposes.

We also recently launched our Corporate Partnership Forum, which aims to help coordinate and focus sponsorship from corporates, so there is no duplication of projects, but rather a concentrated effort that targets where the need is greatest. As many large industries feel the bite of the recession, they are unable to meet their usual CSI targets, but hopefully by combining our efforts we can direct funding from several sources to the areas where it is most needed.

The district is persistently working to improve the rate of service delivery to our rural areas, and despite the economic downturn, we are continuing to spend the largest portion of our annual budget on water and sanitation infrastructure. We believe that this will create economic opportunities for business and job opportunities for the unemployed, thereby boosting the economy. Often the delivery of services arises from the complicated government structures that are in place and these should be reviewed to expedite in particular rural development.



“Do not go where the path may lead,
go instead where there is no path
and leave a trail.”

Ralph Waldo Emerson

If we all collectively focus on the many opportunities that exist, things will inevitably improve and translate into work opportunities for our people. The loss of work creates a host of social problems and we must together work towards minimizing retrenchments.

Labour must also be more reasonable in understanding the economic problems and not be so demanding for exorbitant wage increases. There must be a collective responsibility to help get us out of this recession. Whatever we do well today, can build us a better tomorrow.

Government must create a platform for business to work together in advancing the economy as the latter has all the necessary expertise to drive the economy. We should not apportion blame but rather seek solutions in a united fashion. It is sincerely hoped that business can look at ways to stem the tide and prevent further losses of work.

At uThungulu we spend a great deal of time and effort on advancing the second economy. Agri-production, community farming and bio-fuel production are sectors that are being pursued in the wake of the employment crisis. We as local government are willing to support those who are willing to help themselves, the concept of self help, self reliance will be pursued to uplift our rural communities and it is certainly hoped that Government's rural development programme comes to fruition. We all have to do much more to overcome the severe challenges we are faced with in today's economic and social climate.

We have established essential oils farming projects at three local municipalities, including a distillery at Nkandla for the beneficiation of the essential oils. With good marketing, hard work and support from the export sector, this can become a booming industry.

This is just one of numerous initiatives that can be the solution to unemployment, but we need commitment, creativity and sustainability. I believe that developing countries will feel the turnaround well before the Western economies, because when the need for products arises, we will be ready and available to start producing.

With regards the immense poverty we are facing I believe the gateway to solving this is to promote literacy and numeracy at community level followed by skills training in micro development initiatives.

The National Government must take expressive measures to stimulate the economy which has suffered one of the worst recessions since World War II. Our rural poor have been left behind for decades and it is now time to ensure they are brought on board in order to benefit and enjoy a better standard of living and human development.

While the rural poor continue to suffer we see more and more senior government politicians and their political fronts becoming islands of prosperity in a sea of poverty. The actions of this nouveau riche elite engaging in shameless and conspicuous consumption, enriching themselves and their families at public actions must be terminated rather sooner than later.

I believe that the commitment and strenuous effort put in by the uThungulu Council has been phenomenal this past year and I applaud each and every councilor for their untiring endeavours to bring service delivery to the areas where it is needed most.

The management and staff of uThungulu have also gone beyond the call of duty in ensuring that Council is given the necessary administrative support to carry out our municipal functions, for which I am extremely grateful.

Having achieved our seventh consecutive unqualified audit, I am confident that the officials are dedicated to upholding the integrity of the district and I thank them for their devotion.



Stan Larkan (ALD)
Mayor : uThungulu District Municipality

2. Message by the Municipal Manager

The uThungulu District Municipality has enjoyed a successful year filled with many awards, accolades and achievements.

We have maintained strong relationships with our local municipalities as well, sharing several community participation platforms with them. We held 12 roadshows in our six local municipalities this financial year, using the opportunity to promote sound interaction and discussion with our counterparts at local level.

We also went a step forward in our Shared Services programme, following the establishment of the Disaster Centre the previous financial year. This year we engaged a Chief Planner Shared Services in partnership with the Department of Local Government and Traditional Affairs, to provide Planning capacity to struggling rural municipalities.

We have also not escaped the economic crunch that has thrown our country into a recession and our budget for the incoming year has also shrunk significantly. Our revenue is also affected as debtors are unable to meet their financial obligations to the municipality due to job losses and the poor business climate.

Our Annual Quality of Life survey has shown that the majority of our rural communities are supported by pensioners, largely due to lack of employment for the young people, HIV-related deaths and the migration of many work seekers to the urban areas.

We have also heard the cry from business, and we are committed to reducing the red tape that SMME's are constantly faced with. Cash flow problems are often worsened when government

departments fail to pay for services within the 30-day stipulated period, but we are working hard to ensure that payments are made on time.

uThungulu is proud of the support it has provided to the SMME sector and BEE companies and endeavour to do much more in the coming year.

We are hopeful that the new regulations will limit the challenges that have been identified in the past as obstacles to BEE in government tender processes. At uThungulu we are also revising our own policies to ensure that our bid processes also comply with these.

Our Integrated Development Plan (IDP) has topped the KZN Provincial IDP assessments in all five Key Performance Areas this year, and this is proof that we are aligning our budget to ensure service delivery is prioritised where the need is identified.

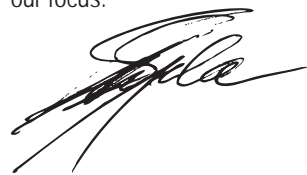
The uThungulu House construction and renovation project is expected to be completed before the end of 2009 and we are excited at the prospect of having additional office space for our ever-increasing staff numbers. This will be the start of a new era at uThungulu, as we will be able to offer a more centralized service to our consumers, with a secure payments hall and facilities for people with disabilities.

The Community Services department was also incorporated into the Corporate Services department during this financial year and thus giving it new strategic direction.

We are continuing our concerted efforts to engage the national government on a replacement strategy for revenue enhancement following the abolishment of the RSC levies in July 2006. Our financial capacity is constrained by the fact that we are unable to generate our own income through business levies. The Levy Replacement Grant cannot make up for the projected income uThungulu could have generated in view of the large number of businesses situated in the region that would have paid levies.

Other concerns for the future include the uncertainty over the Single Public Service proposal under discussion by the National Government. The indecision from the national government adds a measure of stress to our forecasting for future projects.

We are however positive that whatever the outcome, the targets for service delivery will not be compromised, and our priority goal of improving the quality of life of our citizens shall remain our focus.



BB Biyela
Municipal Manager: uThungulu District Municipality

“Honesty is the first chapter in the book of wisdom.”

Thomas Jefferson





3. Introduction and Overview

The uThungulu District Municipality is a category C municipality and is located in the north-eastern region of the KwaZulu-Natal province on the eastern seaboard of South Africa. It covers an area of 8000 square kilometers, from the agricultural town of Gingindlovu in the south, to the Umfolozi River in the north and inland to the mountainous beauty of rural Nkandla.

This paradoxical district comprises the best and worst of the two economies of this country. We are home to several of the largest industrial giants in the world, the retail sector in our urban areas is burgeoning with economic activity, the agricultural and tourism potential is boundless and there are ever-increasing opportunities for local economic development.

On the other hand, crippling droughts and deep rural communities living in abject poverty are also strong characteristics of the uThungulu district, with a backlog of water and sanitation service delivery topping our list of priorities.

The district is home to six local municipalities: uMhlathuze, Ntambanana, uMlalazi, Mthonjaneni, Nkandla and Mbonambi. It has the third highest population in the province after the eThekweni Metro (Durban) and the uMgungundlovu district (Pietermaritzburg and surrounds).

uThungulu is well-endowed with natural resources. Its competitive advantages are:

- a good climate that opens up avenues for productive agricultural and tourism development;
- agriculture with irrigation infrastructure in place; and
- a scenic environment and coastal terrain which create opportunities for tourism development.

The uThungulu District Municipality allocates the majority of its annual income to capital infrastructure projects in five of its local municipalities: Mbonambi, Ntambanana, Mthonjaneni, uMlalazi and Nkandla; where the vast majority of residents live in rural homesteads and unemployment is at about 45%.

Its challenge is to provide basic services such as water and sanitation to these people while stimulating local economic development, job creation and the growth of the small and medium business sector. The need to address poverty is one of the most critical issues. The municipality enjoys good relations with the business sector and non-governmental organizations.

uThungulu's unique qualities set it apart from many other regions in South Africa. It boasts the largest deepwater port on the African continent, which imports the most bulk cargo of all African ports. It has double the capacity of the Port of Durban to its south and handles in excess of 75 million tons of cargo annually. The development of the harbour facilities at Richards Bay has promoted the development of the manufacturing sector, such that it is the largest economic contributor to gross geographic product in uThungulu (51,4%).

uThungulu offers highly favourable agricultural conditions as it has extremely fertile soils, good precipitation and enjoys an excellent, climate all year round. A wide variety of bio-climatic conditions are on offer across the district, from the mountainous area of Nkandla down to the coastline. The agricultural sector is a dual economy, consisting of commercial agriculture on one hand and traditional agriculture on the other.

The commercial agricultural economy is based on the sugar and forestry industries. Traditional agriculture is practiced on most of the tribal lands in the district and has enormous potential for growth.

Confidence in uThungulu is increasing rapidly as investment flows into the region. Local economic development through sustainable means is a priority of the uThungulu District Municipality, which is focused on achieving this through community participation and empowerment. Various comparative advantages such as affordable labour, service costs and industrial land availability position uThungulu as a competitive investment destination.



The uThungulu District comprises 6 Local Municipalities:



uMhlathuze Municipality (KZ 282):

The City of uMhlathuze, incorporating Richards Bay, Empangeni and their surrounding areas cover 789 square kilometers. It is highly industrialized and a progressive seaport city which functions as the major commercial and industrial growth centre of the district. It is also home to several global corporations that have brought a great deal of investment into the area and have contributed extensively to economic and social upliftment.

The City is financially sound and offers investors and tourists first-class facilities, services and infrastructure. Its strategic location on the eastern seaboard of South Africa, as well as the fact that it has the biggest deepwater harbour in Africa, makes it ideal for major economic growth.



Mbonambi Municipality (KZ 281):

Mbonambi Municipality is situated in sub-tropical surroundings, borders the Indian Ocean and ideally placed for both industrial and residential development as well as the expansion of its existing timber industry.

In close proximity to the City of uMhlathuze, the village of Kwambonambi is situated alongside one of the country's major highways which runs from Durban to the Mozambican border and which carries both tourist and business traffic. It is also in close proximity to the World Heritage Site of Isimangaliso as well as the internationally acclaimed Hluhluwe-Umfolozi Game Park.

Service delivery in Mbonambi is a priority with many projects being implemented and investment in the area climbing rapidly.



Mthonjaneni Municipality (KZ 285):

The Municipality has a small population of approximately 36 848 people and incorporates large areas of commercial farmland with most communities practicing small-scale farming for domestic purposes. It produces an average of 300 000 tons of sugar cane per year and 470 000 tons of timber as well as cut flowers for export. Citrus and avocado pears are also produced for the domestic and international markets.

The town of Melmoth is well situated as a base for travelers wanting to visit many places of historical interest, all within an hour's drive. Trails and adventure hikes are also popular in Mthonjaneni due to the mountainous terrain.



Ntambanana Municipality (KZ 283):

This is a new Municipality created in the year 2000 and it has a very small rates base. The population of the rural area of Ntambanana is small and the region has much potential for the development of its agricultural and tourism sectors.

The most important agricultural products are sugar cane, timber and citrus produced by commercial and small scale rural farmers, as well as pastoralism.

Ntambanana is home to a world class luxury game reserve and an ambitious project plan is in place to link Ntambanana with the Hluhluwe-Umfolozi Game Reserve to its north and capitalize on its tourism potential.



Nkandla Municipality (KZ 286):

The town of Nkandla is the centre of this municipal area and is a primary development node as it serves as the main administrative centre to its inhabitants.

Most of the population live in scattered settlements throughout the tribal authority areas which comprise the majority of the municipality. The municipal area is approximately 1 827 square kilometers of which 98% comprises tribal areas and state land.

Nkandla is a poor area and most of the population is unemployed, yet it is blessed with rich natural resources and has enormous potential for agricultural development. The focus areas for the Nkandla Municipality include the promotion of efficient land use, the protection of natural resources and areas of cultural and historical significance.



Umlalazi Municipality (KZ 284):

uMlalazi is one of the largest Municipalities within the Uthungulu District and the 5th largest in the Province of KwaZulu Natal with an area of 3000 sq km and a population of some 300 000 inhabitants. The Municipality's area of jurisdiction incorporates three urban centres: Eshowe, Mtunzini, Gingindlovu and 14 rural areas.

The town of Eshowe has great historical significance, being the birthplace and home of the Zulu Kings Shaka, Mpanda, Cetshwayo and Dinuzulu. It is uniquely situated around a 250 ha indigenous forest, the Dlinza Forest, with abundant facilities for walking, bird-watching and picnics. In Eshowe itself and within easy driving distance are a variety of museums, historical sites, cultural villages, forests and magnificent beaches.

The focus for local economic development is on agricultural industries such as packaging and processing plants. The promotion of the vast tourism potential of the area is another top priority for uMlalazi Municipality.

Approximately 80% of uMlalazi Municipality's area of jurisdiction consists of rural areas with vast tracks of land available for development in various sectors. The majority of residents living in rural homesteads are unemployed and poverty stricken.

The need to address poverty and create work opportunities are one of the most critical issues and the Municipality are on an ongoing basis actively involved in upliftment and poverty alleviation projects in the rural areas. With the limited funds available the Municipality constructs community halls, crèches, sports fields, craft markets, block making projects and bakeries where other Local Economic Development projects are introduced in an effort to stimulate economic growth.

3.1. Functions:

In terms of Circular 8/2008: 2008/09 Capacity Assessments and Recommendations: Adjustment of Powers and Functions between District and Local Municipalities in terms of Section 85 of the Local Government: Municipal Structures Act 1998, the uThungulu District Municipality has the following powers and functions to fulfill:

			281	282	283	284	285	286
1	S 84(1)(a)	Integrated development planning for the District Municipality including Development Plan for the local municipalities within the area of the District Municipality						
2	S 84(1)(b)	Potable water supply that effects a significant proportion of the municipalities in the district						
3	S 84(1)(C)	Bulk supply of electricity						
4	S 84(1)(d)	Domestic waste-water and sewage disposal system						
5	S 84(1)(e)	Solid waste disposal sites serving the area of the District Municipality as a whole						
6	S 84 (1)(f)	Municipal roads which form an integrated part of a road transport system for the area of the District Municipality as a whole						
7	S 84 (1)(g)	Regulation of passenger transport services						
8	S 84 (1)(h)	Municipal airport serving the area of the District Municipality as a whole						
9	S 84 (1)(i)	Municipal health serving the area of the District Municipality as a whole						
10	S 84 (1)(j)	Fire fighting services for District Municipality as a whole						
11	S 84 (1)(k)	Fresh produce markets and (abattoirs) serving the area of the District Municipality as a whole						
12	S 84 (1)(l)	Cemeteries and crematoria						
13	S 84 (1)(m)	Promotion of local tourism for the District Municipality						
14	S 84 (1)(n)	Municipal public works relating to any of the above function or and other functions assigned to the District Municipality						
15	S 84 (1)(o)	The receipt, allocation and if applicable distribution of grants made to the District Municipality						
16	S 84 (1)(p)	The imposition and collection of taxes, levies and duties as related to the above functions or may be assigned to the District Municipality in terms of national legislation						
18	Sched 4 B	Building regulations						
22	Sched 4 B	Local Tourism						
40	Sched 5 B	Licencing and control of undertakings that sell food to the public						
50	Sched 5 B	Refuse removal, refuse dumps, solid waste disposal and cleansing services						

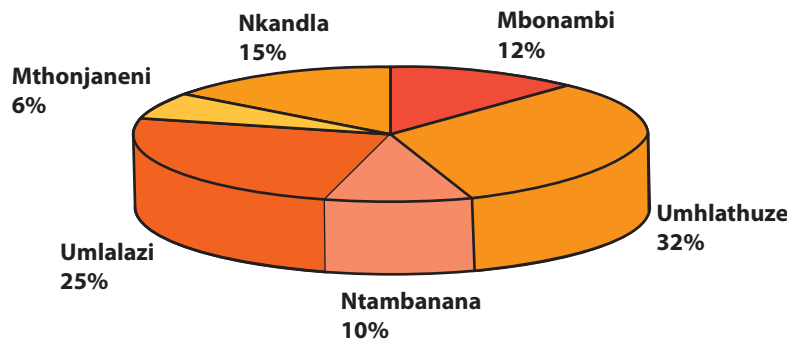
* Allocated functions are indicated as the shaded blocks.

According to the 2001 Census the uThungulu District had a population of 885 872. The uMhlathuze Municipality makes up the largest portion, with 32% of the population residing there, while Mthonjaneni houses only 6% of the district's population.

DISTRICT STATISTICS

(All statistical information below has been gathered through our Quality of Life Survey 2007)

Population Distribution in uThungulu



Demographic data per Local Municipality (2001)

MUNICIPALITY	Pop	% Pop	Male	Female	0-19	20-64	65+
Mbonambi	106924	12.1	46.6	53.4	53.2	42.4	4.4
uMhlathuze	289175	32.6	48.4	51.6	44.5	52.7	2.8
Ntambanana	84746	9.6	46.4	53.6	54.6	40.8	4.7
uMlalazi	221066	25.0	45.3	54.7	52.8	42.0	5.2
Mthonjaneni	50372	5.7	45.8	54.2	51.2	44.0	4.7
Nkandla	133589	15.1	43.0	57.0	57.5	36.4	6.1
UTHUNGULU	885872	100.0	46.3	53.7	50.9	44.7	4.4

During 2007 a Community Survey was undertaken by STATS SA. The following table is a summary of the outcomes of this survey:

MUNICIPALITY	CENSUS 2007
Mbonambi	118081
uMhlathuze	332156
Ntambanana	94190
uMlalazi	175372
Mthonjaneni	47010
Nkandla	127451
UTHUNGULU	894260

INDIGENT POLICY

Indigents are defined as those people, due to a number of factors, who are unable to make a monetary contribution towards basic services, no matter how small the amounts seem to be.

Registration criteria:

Households where verified total gross monthly income of all occupants over 18 years of age does not exceed the combined total of the pensions of two old age state pensioners, or such other amounts as the Council may from time to time determine; and

The applicant and any other member of the household does not own other fixed property than the one in which they reside; and

The improved municipal value of the property on which the household resides does not exceed R 150 000.00

uThungulu's Indigent Policy is in the process of being implemented, following the approval of the policy by the uThungulu Council during the reporting year. The indigent register is therefore still being compiled, with applications still taking place. A true reflection of our total indigent population is therefore difficult to quantify, but figures taken from our Quality of Life Survey do indicate the following:

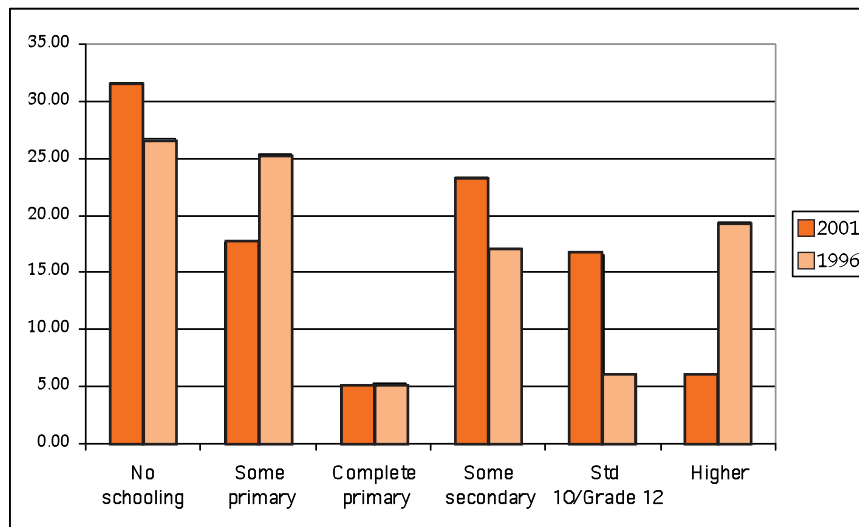
BASIC AGE AND GENDER DATA OF MUNICIPALITIES IN UTHUNGULU IN 2004

The population in uMhlathuze has increased by nearly 50% over the past decade, at an average of 4.2% per annum between 1995 and 2004, which speaks not only to trends in fecundity but also to the pull of urbanization. The population of uMlalazi municipality has actually decreased by an average of 0.6% per year between 1995 and 2004. Just more than 50% of the population in Nkandla is of working age (15-64 years). The majority of the population across all local municipalities is female, with the highest disparity apparent in uMlalazi.

The age profile of uThungulu indicates that the majority of persons are of working age; only 4% of the population is over 65 years of age according to Census 2001 statistics. The gender ratio in the district is skewed in favour of women (as indicated in the following table), with 53.1% of the population being female; this in turn relates to the traditional migratory work patterns in the province.

	Ave. annual Pop. Growth 1995 - 2004	% of Population (2004)			
		Aged 15 – 64 yrs	Male	Female	HIV+
Mbonambi	1.0	55.8	47.4	52.6	14.9
uMhlathuze	4.2	64.1	49.0	51.0	16.3
Ntambanana	1.4	54.2	47.0	53.0	14.4
uMlalazi	-0.6	55.4	45.9	54.1	14.1
Mthonjaneni	3.2	56.5	46.4	53.6	15.3
Nkandla	0.1	50.4	43.7	56.3	12.7
uThungulu District	1.5	57.5	46.9	53.1	14.8

Education Levels in uThungulu



Source: Census 2001

The QOL survey (2007) showed a positive tendency in the district as a whole where the percentage of the population with a primary education has increased from 22.11% in 2004 to 34.82% in 2007.

The general level of education in uThungulu according to the 2001 and 1996 Census data is low. According to the 2001 31% of the population was not exposed to any form of formal schooling in 2001 while a further 18% entered the schooling system but left before completing primary school. The above figure provides information on the levels of education in the uThungulu district according to the 2001 census.

Pensioner Headed Households

Municipality	% Pensioner Headed Households		
	2004	2005	2007
Mbonambi	38.41	32.68	22.30
Mthonjaneni	47.27	22.47	43.43
Nkandla	29.95	44.29	39.41
Ntambanana	36.70	33.91	36.75
uMhlathuze	23.37	16.22	18.77
uMlalazi	42.94	39.47	37.29
UTHUNGULU	35.60	31.45	32.43

The QOL Survey that was completed during 2005, showed a reduction in the percentage of pensioner headed households in the district from 35,6% to 31,45% with a slight increase during 2007. The incidence of pensioner headed households is high and some reasons for this could be (1) parents working elsewhere, (2) deceased parents (3) the traditional culture of extended families as well as the (4) effects of migrant labour

Employment:

The survey shows that Richards Bay/Empangeni, Melmoth and Eshowe are the main places of employment in the district. Since 2004, the people from Mbonambi working in Richards Bay increased from 41,30% to 51,35%.

Although the largest percentages of people from Ntambanana work in Richards Bay/Empangeni, a significant proportion is also employed in Melmoth. Melmoth is the main place of employment in the Mthonjaneni Local Municipality. The proportion increased from 41,67% in 2004 to 51,79% in 2007.

Eshowe town is the main place of employment in uMlalazi – 59,03%.

A high percentage of people from uMhlathuze are employed in Richards Bay/Empangeni.

Employment outside the district borders also increased, notably an increase in employment in the eThekweni area.

ERADICATING BACKLOGS

The council's highest priorities are aimed at eradicating rural backlogs for water supply and sanitation services, as measured against Rural Development Plan (RDP) standards. Within the context of the 2008/2009 to 2010/2011 budget and IDP, the following targets have been set for the uThungulu District:

Water backlog – from 82% in 2001/02 to 31% in 2010/2011

Sanitation backlog – from 80% in 2001/02 to 44% in 2010/2011

The following table provides a detailed summary of progress made in respect of the eradication of backlogs in water provision in the district, with the exception of uMhlathuze, which is its own water services provider:

WATER BACKLOGS BELOW RDP STANDARDS:

LM	TOTAL No. OF RURAL HH	PERCENTAGE OF HOUSEHOLDS BELOW RDP STANDARD						
		ACTUAL			PREDICTED			
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
		% backlog water	% backlog water	% backlog water	% backlog water	% backlog water	% backlog water	% backlog water
Mbonambi KZ281	21,961	43	40	31	23	17	10	6
Ntambanana KZ283	19,630	45	43	43	43	41	38	36
uMlalazi KZ284	54,028	53	53	54	53	52	51	52
Mthonjaneni KZ285	12,137	53	38	17	12	13	14	14
Nkandla KZ286	37,596	40	39	38	36	35	35	31
UTHUNGULU	145,352	47	45	42	39	38	36	34

SANITATION BACKLOGS BELOW RDP STANDARDS:

LM	TOTAL No. OF RURAL HH	PERCENTAGE OF HOUSEHOLDS BELOW RDP STANDARD						
		Actual				Predicted		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
		% backlog sanitation	% backlog sanitation	% backlog sanitation	% backlog sanitation	% backlog sanitation	% backlog sanitation	% backlog sanitation
Mbonambi KZ281	21,961	55	54	50	47	46	42	39
Ntambanana KZ283	19,630	78	74	70	66	59	54	52
uMlalazi KZ284	54,028	87	87	86	85	83	82	80
Mthonjaneni KZ285	12,137	71	66	63	61	56	53	54
Nkandla KZ286	37,596	74	72	73	72	70	68	68
UTHUNGULU	145,352	76	75	73	71	69	66	65

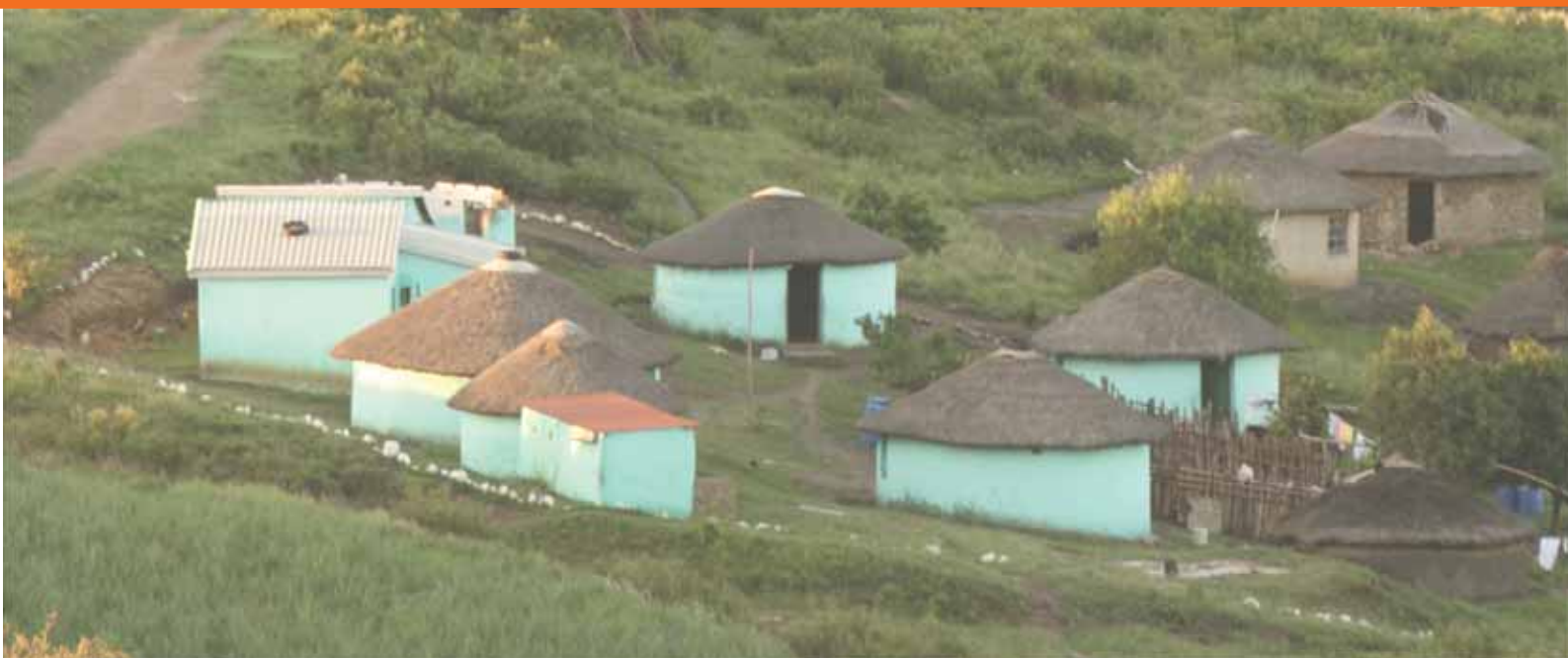
vision

“An economically sound district with effective infrastructure and a district that empowers people; protects the environment and demonstrates leadership excellence.”



To create a prosperous district by:
Providing a high standard of essential basic services
Supporting sustainable development
Encouraging community participation in
service delivery projects

MISSION



4. Executive and Council

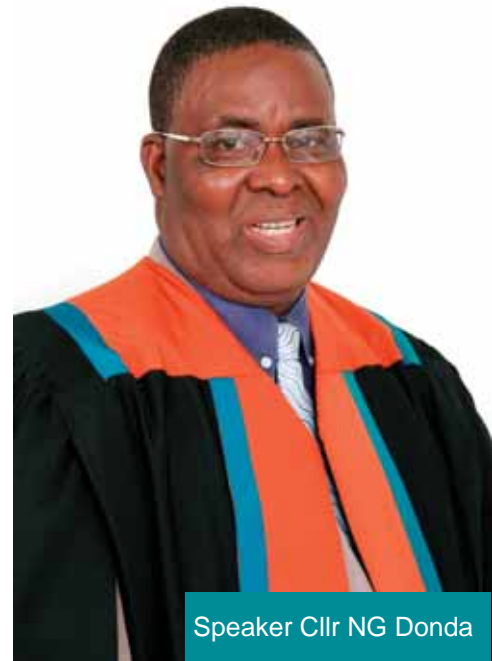
4.1 Executive and Council Structure

EXCO

1. Mayor Ald SB Larkan
2. Deputy Mayor Cllr IJ Naidoo
3. Cllr M Simelane
4. Cllr HC de Villiers
5. Cllr T Mchunu
6. Cllr ME Mzimela
7. Cllr DMO Ngcobo

COUNCIL

8. Speaker Cllr NG Donda
9. Cllr ST Khumalo
10. Cllr DT Dlamini
11. Cllr MB Mthiyane
12. Cllr B P Dunge
13. Cllr M Mnguni
14. Cllr TC Mashaba
15. Cllr MJ Mabuyakhulu
16. Cllr ESW Mthimkhulu
17. Cllr B T Mngayi
18. Cllr FBP Mpungose
19. Cllr JM Zulu
20. Cllr AZ Mngayi
21. Cllr NV Gumbi
22. Cllr MM Mbokazi
23. Cllr NB Mzimela
24. Cllr DM Herbert
25. Cllr DA Nxumalo
26. Cllr MB Myeni
27. Cllr LCM Fourie
28. Cllr EM Conco
29. Cllr MJ Xulu
30. Cllr MET Magwaza
31. Cllr NS Buthelezi
32. Cllr PS Mncwango
33. Cllr DK Palavar
34. Cllr I Woollatt
35. Cllr WH Harris
36. Cllr SZ Dlamini
37. Cllr ZO Zulu
38. Cllr NGO Ngcobo
39. Cllr BZ Mncadi-Mpanza





Cllr-
ME Mzimela



Cllr-
T Mchunu

Cllr-
HC de Villiers

Executive Council

Cllr-
M Simelane

Cllr-
DMO Ngcobo



Deputy Mayor Cllr-
IJ Naidoo

Mayor Alderman -
SB Larkan

Municipal Manager -
BB Biyela



Heads of Departments

Deputy Municipal Manager-
D Lubbe

Executive Director: Technical
Services- Z Msomi

Executive Director: Corporate
Services - K Moodley

Municipal Manager -
BB Biyela

Chief Financial Officer -
C Staniland

4.2 Council Information

1. The first chapter of this report deals with all the activities relating to the Executive and Council functions of the municipality including costs associated with Mayoral and Councillor information and governance.

The Council is composed of the following:

Alderman SB Larkan	-	Mayor
Cllr IJ Naidoo	-	Deputy Mayor
Cllr NG Donda	-	Speaker

The Council has 39 councillors:

IFP	=	23
ANC	=	13
DA	=	2
Fedco	=	1

All these councillors are committed to offer their expertise and wisdom acquired, fast-tracked and maximized in order to deliver services to the people of uThungulu District Municipality without fail.

ADMINISTRATIVE LEADERSHIP

Mr BB Biyela
Municipal Manager

DEPUTY MUNICIPAL MANAGER – DP Lubbe
CHIEF FINANCIAL OFFICER – C Staniland
EXECUTIVE DIRECTOR: CORPORATE SERVICES – KS Moodley
EXECUTIVE DIRECTOR: TECHNICAL SERVICES – Z Msomi

The officials and councillors are remunerated as follows:

	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
Remuneration of the Municipal Manager				
Annual Remuneration	738,702	677,897	738,702	677,897
Performance Bonus	121,902	101,187	121,902	101,187
Car Allowance	277,778	259,103	277,778	259,103
Contributions to UIF	1,539	1,411	1,539	1,411
	1,139,921	1,039,598	1,139,921	1,039,598
Remuneration of the Deputy Municipal Manager				
Annual Remuneration	668,067	646,947	668,067	646,947
Performance Bonus	113,093	109,751	113,093	109,751
Car Allowance	305,880	297,065	305,880	297,065
Contributions to UIF	1,539	1,511	1,539	1,511
	1,088,579	1,055,274	1,088,579	1,055,274
Remuneration of Individual Executive Directors				
Technical Services				
Annual Remuneration	671,426	596,929	671,426	596,929
Performance Bonus	107,141	33,403	107,141	33,403
Car allowance	172,493	149,229	172,493	149,229
Contributions to UIF, Medical and Pension funds	1,539	1,678	1,539	1,678
	952,599	781,239	952,599	781,239
Corporate Services				
Annual Remuneration	679,747	753,814	679,747	753,814
Performance Bonus	107,141	100,755	107,141	100,755
Car allowance	193,660	179,771	193,660	179,771
Contributions to UIF	1,539	1,511	1,539	1,511
	982,087	1,035,851	982,087	1,035,851
Chief Financial Officer				
Annual Remuneration	769,615	743,804	769,615	743,804
Performance Bonus	109,712	107,990	109,712	107,990
Car Allowance	86,287	91,521	86,287	91,521
Contributions to UIF, Medical and Pension funds	1,539	1,511	1,539	1,511
	967,153	944,826	967,153	944,826
Remuneration of councillors				
Total Councillors' Remuneration				
Mayor	314,647	428,711	314,647	428,711
Deputy Mayor	406,949	371,084	406,949	371,084
Speaker	404,696	366,643	404,696	366,643
Executive councillors	1,917,689	1,665,911	1,917,689	1,665,911
Councillors	1,581,395	1,540,521	1,581,395	1,540,521
Councillors' pension contribution	396,096	367,240	396,096	367,240
	5,021,472	4,740,110	5,021,472	4,740,110

In-kind Benefits:

The Mayor, Deputy Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council which is included with other expenditure in the Statement of Financial Performance. To note

2. COUNCIL AND ITS MEETINGS

In accordance with Municipal Notice No 143 dated 13 July 2000 (as corrected by Municipal notice no 175 dated 22 August 2000) the Council of uThungulu District Municipality consists of 39 councillors. The Executive Committee is made up of 7 councillors.

During the 2008/09 financial year a total of 84 meetings of council and its committees were held. This total is made up of meetings as follows:

Plenary Sessions of Council	12
Executive Committee meetings	20
Technical Portfolio meetings	7
Planning portfolio meetings	6
Corporate Portfolio meetings	10
Community Portfolio meetings	8
Financial Portfolio meetings	11
Audit Portfolio meetings	3
Rules Portfolio meetings	1
Oversight Committee	2
Performance Audit	3

These activities revolve around the following core values

Integrity
Transparency
Commitment
Co-operation
Innovation

LONG-TERM DEVELOPMENT STRATEGIES

The role of our Council is linked to 5 strategies and the vision of our municipality. Below are the formidable targets set by the Council within the framework of the five-year IDP and beyond:

STRATEGY ONE: ECONOMICALLY SOUND DISTRICT

This strategy aims to establish economic growth and development in all economic sectors with a particular focus on agriculture, tourism and trade and Industry (SMME), whilst contributing to poverty alleviation in the district. The district will aim to identify and develop LED opportunities based on the functions of the municipality.

Outcome: The long term objective is to reduce poverty levels in the district by half by the year 2014. This can be achieved with a reduction in the unemployment level from the current 45% to 22% by the year 2014 ie. a growth of 4,5% to 2009 and up to 6% thereafter. This would require substantial capital investment in SMME's leading to an increase in income levels of the poorest 25 000 households to above the R1 600 per month per household level.

STRATEGY TWO: EFFECTIVE INFRASTRUCTURE

The strategy focuses on the improved maintenance of existing infrastructure and the provision of new infrastructural services to ensure the spatial integration of the district and its transportation systems. The strategy thereafter aims to improve service delivery and ensure a basic standard of living for all.

Outcome: A first priority is to provide water to a survival standard to at least 90% of the population of the district at a volume of 5 litre

per person per day within a 1km walking distance and, a second objective is to provide at least 35% of the population with 25 litres of water per person per day within a 200m walking distance. Sanitation targets are to provide basic health hygiene education to at least 90 % of the population and to provide at least 25% of the population with VIP latrine services.

STRATEGY THREE: PEOPLE EMPOWERMENT

The focus of this strategy is on social development and community empowerment dealing with issues such as environmental health, disaster management and the co-ordination of the provision of community facilities.

The strategy aims at community upliftment in terms of inclusion of marginalized groups, safety and security, education training and capacity building; and addressing the impact of HIV/Aids - thereby ensuring a strong, participatory and inclusive community.

Outcome: The long term objective is to substantially improve the social wellbeing of the people of the district. This will be achieved through the improved satisfaction levels of the communities with the delivery of social municipal services such as fire fighting services, community services and environmental health services.

STRATEGY FOUR: INTEGRATED ENVIRONMENT

The strategy focuses on the co-ordination of the spatial and service delivery component to improve the management of district level responsibilities. The strengthening of the development nodes of the municipalities while ensuring the equitable development of the rural areas through all service delivery. Co-ordination of land reform and housing in line with service delivery is of prime importance. Environmental management and spatial co-ordination and integration of development are further components of the strategy to ensure integration and optimum organisational capacities.

Outcome: The long term goal is to achieve an equitable distribution of urban and rural development projects and therefore an equal improvement in access to community and municipal services. The development of projects will have taken place on a sustainable basis and will have a minimum impact on the natural and built-up environment of the district. Projects would have taken place in an integrated and coordinated way, through integrated planning and alignment, improving the livelihoods of both the rural and urban areas.

STRATEGY FIVE: LEADERSHIP EXCELLENCE

This strategy ensures commitment by the district to provide the highest quality of service to its constituents through accountable leadership and support services, resulting in a productive and sustainable district. This strategy aims at establishing open and transparent platforms for communication and consultation with all roleplayers.

Outcome: The district will be able to demonstrate improved governance levels through the establishment of a prudential financial service delivery strategy and a performance management system. A network of municipal service delivery would be established throughout the district by the end of the planning period.

SUMMARY OF THE REPORT

The Constitution of the Republic of South Africa bestows to all people in our country rights to dignity, equality before the law, freedom and security. It reasserts our rights to freedom of religion, expression, association, movement and to practice our cultures in accordance with our traditions. Through the Constitution, the government, within its available resources, is committed to taking reasonable measures to ensure that all South Africans have access to basic needs, which include adequate housing, health care, education, food, water, and social security.

In line with what is enshrined in the Constitution, the Office of the Speaker, within uThungulu District Municipality, is amongst other things, charged with the responsibility of contributing towards ensuring that community members are able to enjoy their rights as espoused in the Constitution through affording them the opportunity to fully participate in the delivery of services. The Office of

the Speaker does all this through the councillors who have all been empowered, through training and experience, to execute their responsibilities maximally. Each councillor is an effective agent of change that rallies the community around the projects being undertaken.

As it is known, uThungulu District Municipality has a responsibility of addressing those challenges that play themselves out on a larger scale, across all six local municipalities within the district. This is an enormous challenge, taking into consideration the pervasive nature of poverty faced by most people in the rural areas of the smaller municipalities within uThungulu District. Among the functions that the district fulfils are:

- District-wide integrated development planning;
- Infrastructural development and bulk service delivery;
- Capacity-building of local municipalities;
- Administrative assistance to local municipalities, where capacity is not yet established.

Speakers Forum

The uThungulu Speakers Forum was launched in August 2008, chaired by the District Speaker, with other members comprising the Speakers of the six local municipalities in the uThungulu district.



The uThungulu District Forum meets regularly in line with the recommendations of the KZN Forum. Members who attended the first meeting were (from left) District Speaker Dr NG Donda, uMhlathuze Speaker Elphas Mbatha, uMlalazi Speaker Cllr MS Shandu – Ntambanana Speaker Cllr FS Mazibuko, Mthonjaneni Speaker Cllr DB Dlamini and Nkandla Speaker Cllr MJ Mkhize



5. Municipal Manager's Report

Vision

A municipal manager's office that promotes an economically sound district with effective infrastructure and a district that empowers people; protect the environment and demonstrates leadership excellence.

Mission

To develop and maintain effective managerial processes and practices to ensure the creation of a prosperous district by:
Managing the provision of a high standard of essential basic services
Ensuring management practices that support sustainable local economic development
Promoting the encouragement of committing participation in service delivery projects

Core Values

To promote the value of integrity among officials
To promote transparency in the way that the municipality conducts its business
To foster a culture of commitment in respect of service delivery within the municipality's servicing area
To ensure a spirit of cooperation within the municipality, among municipalities within the district, with other districts as well as with provincial and national spheres
To promote a culture of innovation in the carrying out of functions and delivery of services to the communities within the servicing area of the district.

The office of the Municipal Manager consists of the following offices:

Municipal Manager
Deputy Municipal Manager
Public Relations Manager
Planning and Development Services

The Municipal Manager is the Accountable Officer in terms of prevailing local government legislation and responsible as Chief Executive Officer for the effective and efficient operations of the uThungulu District Municipality as an institution.



“The uThungulu District attracted considerable media attention in the past financial year, mainly due to the large number of awards and accolades bestowed upon the municipality.”

A stylized, handwritten signature in black ink, appearing to read 'BB Biyela'.

BB Biyela
Municipal Manager: uThungulu District Municipality

It is the responsibility of the Municipal Manager as "Accountable Officer" to:

- Promote sound financial management throughout the municipality;
- Be responsible for all income and expenditure, all assets and the discharge of all liabilities;
- Ensure compliance with the Municipal Finance Management Act (MFMA) No. 56 of 2003;
- Prevent fruitless and wasteful expenditure;
- Disclose all information on debts
- Ensure the development and implementation of the Integrated Development Plan (IDP), which consists of five development strategies upon which the annual budget is based.

Ensure the further development and implementation of an automated Performance Management System to measure service delivery in terms of performance indicators of each Key Performance Area (KPA) under the following programmes:

- Economically Sound District - Local Economic Development, Local Tourism Development, Agricultural Development and Business and SMME Development.
- Effective Infrastructure – Internal Fixed Assets and Buildings, Potable water, waste water and sanitation, Water Service Authority and Planning, Energy, Regional Solid Waste, Regional Cemeteries and Crematoria, Municipal Roads and Public Transport Services, Municipal Airports, Municipal Public Works and Telecommunication and Technology.
- People Empowerment – Internal Fixed Assets and Buildings, Municipal Health, Education, Training and Capacity Building, Safety and Security, Community Services, Facilities and Actions, Disaster Management, Fire Fighting, Poverty Alleviation, Marginalized Groups and HIV/Aids.
- Integrated Environment – Internal Fixed Assets and Buildings, Integrated Development Planning, Land Reform, Housing, Environmental Management and Planning Implementation Management Support (PIMS).
- Leadership Excellence – Internal Fixed Assets and Buildings, Financial Control, Management Services, Administrative Services, Public Relations and Communications, Special Projects and Performance Management Programme.

The Municipal Manager is also responsible for the following strategic portfolios:

- Co-ordination of Operational Activities within uThungulu District Municipality;
- Compliance with the provisions of the Municipal Finance Management Act (MFMA);
- The promotion of Intergovernmental Relations.

The municipality's main sources of revenue are:-

- Grants and Subsidies from national and provincial governments;
- Equitable share from national government;
- Service charges from water, sanitation, electricity and solid waste services provided by the district;
- Interest from investing the municipality's funds and interest charged for services not paid on time by consumers;
- Other – including tender deposits and other income collected by the municipality from other service charges e.g. copies and faxing services.

Approved credit and debt bylaws are in operation within the uThungulu District Municipality. The levy income system was abolished in July 2006 and has been replaced with a temporary replacement grant to be received in three tranches from National Government. The municipality implemented a process of winding down levies, by following up on old outstanding levy payers prior to the abolishment date, and such process has now been successfully finalized.

The main support for capital spending is from the Municipal Infrastructure Grant (MIG). About R230m over three years is directed towards the basic infrastructure services, primarily water and sanitation. All the programmes and projects will be designed to meet the principles of the Expanded Public Works Programme (EPWP) with regards to, inter alia, labour intensive construction methods

and capacity building. This also makes a significant contribution to job creation in the rural areas, where unemployment is estimated at about 45%.

Other revenue sources include National and Provincial Grant funding towards addressing priorities, identified through respective IDP's at district and local municipality level. The district is also one of the four recipient districts that received grant funding to establish a multi-purpose sport stadium aimed at Soccer 2010, to host a 2010 Base Camp as an official satellite to Ethekwini.

Public Relations Report

The uThungulu District attracted considerable media attention in the past financial year, mainly due to the large number of awards and accolades bestowed upon the municipality.

The Public Relations Section facilitated the compilation of all award entries and motivations to the various award committees, which led to the municipality winning at least three significant commendations, as follows:

Winner of the inaugural KZN Municipal Excellence Awards in the District Municipality category

2nd Runner-Up in the Vuna National Municipal Awards

Winner of Community Spirit Award- Zululand Chamber of Commerce Business Excellence Awards

The municipality also generated a generous amount of newspaper coverage due to the District Mayor's active public interaction process, which resulted in various sponsorship drives and community upliftment projects being undertaken. Among these was the sponsorship of the Reaching Out Domestic Violence Abuse Desk in Richards Bay, a drive among staff members to collect hundreds of toys and clothing for underprivileged children in our rural communities, the opening of several crèches in poverty-stricken areas and donations to social welfare organizations.

The Public Relations Manager is responsible for the following:

- To promote community participation in local government;
- To promote synergies with the private and public sector to market the district;
- To improve the municipality's public image by communicating in a transparent, effective and pro-active manner;

The section also organized two sets of roadshows to the local municipalities to communicate the district's IDP and 2008/09 budget process, as well as various events to commemorate landmark projects. These included the opening of the Upper Nseleni Water Project in Mbonambi Municipality, the opening of the Nkandla Swimming Pool and the handover of the refurbished Amakhosi Hall at Nkandla.

A successful Golf Day was held in May 2009, with the sponsorship of our corporate partners and suppliers, allowing the district to network with its invaluable local service providers and business organizations.

Through the District Communications Forum, the district is able to liaise with and capacitate the communications and public relations staff of the local municipalities and provincial government departments. The DCF was formed as part of a national communications strategy to ensure co-ordination of an integrated and coherent system of government communication from the national to the provincial sphere.

It ensures that communication messages and information reach all government spheres as well as create an effective interface of communicators from all spheres. The municipal communications programme is therefore being co-ordinated and synergised with provincial and national programmes.

Communication Tools:

A number of different communication tools were used to promote the uThungulu District Municipality in the public arena as part of the 2008/2009 communications strategy.

Roadshows

A total of 12 IDP/Budget roadshows were held between November 2008 to April 2009 at our six Local Municipalities, involving a cross-functional team from the Technical Services Department; Finance; Planning and the Municipal Manager's Department. His Worship the Mayor was present to deliver the main address at every roadshow. The purpose of the roadshows was to communicate uThungulu's multi-year budget and Integrated Development Plan to the communities it serves, with the objective of achieving community participation in the budget and IDP. The roadshows also served to create an awareness of the functions and powers of the District Municipality and helped engender a culture of payment for services.

An overwhelming average of about 1000 people attended each roadshow, with pre-publicity being done by means of broadcast messages on Radio Ukhozi, advertisements in the mainstream press and mobilization by ward Councillors. The roadshows received an overwhelmingly positive response from communities throughout the district. It also highlighted the importance of maintaining face-to-face contact with our communities, as it not only raises the profile of the municipality, but also helps in raising awareness of the individuals who serve the communities, i.e. the Mayor, Councillors, Municipal Manager and municipal officials.

Media liaison

An enormous amount of free media publicity was generated to help promote an understanding of uThungulu's core business amongst its stakeholders. A variety of different publications and newspapers carried articles on Council initiatives and events throughout the year. They included local, provincial and national print media, radio and television broadcasts.

Radio slots

The Mayor also has a monthly, five-minute slot on Radio Ukhozi to talk about matters relating to the Integrated Development Plan and events of interest to our communities. Snap surveys at the roadshows showed that the majority of people in the deep rural areas had heard about them on Radio Ukhozi. Radio is by far the most effective means of communicating with these remote areas as the residents do not have access to newspapers.

Advertising

uThungulu participated in a number of supplements in the Zululand Observer, Independent Newspapers, Ilanga, Zululand Fever and Mercury on topics such as HIV/Aids; the Sanitation Week; Environmental Week and the Matric examinations. We have also advertised in other publications such as KZN Top Business Portfolio, KwaZulu Natal Business and Gaffney's Local Government Directory.

Service Commitment Charter

A Service Commitment Charter was published in April 2009 in the Zulu language, and distributed at all our roadshows. Copies were also delivered to all local municipalities and were made available at all uThungulu offices. The Charter contained general information about the municipality and committed us to a certain level of service. It also detailed the main Key Performance Areas as contained in our departmental Integrated Actions Plans. In addition to this we also included critical information on our water services, access to water, billing services, our Indigent Policy, Disaster Management and other community services. The booklet is a vital tool that the community can keep with them containing toll free contact numbers for water queries and disaster reporting.

Izindaba Ezimtoti

Our monthly external newsletter Izindaba Ezimtoti has proven to be an invaluable communication tool, containing interesting articles and dynamic photographs in English and Zulu, depicting events, activities and information relating to the district.

A total of 15 000 copies of the Ezimtoti are printed each month and distributed to businesses in Empangeni, Richards Bay, Kwambonambi,

Mtunzini, Eshowe and Melmoth, as well as the nine libraries in the district and to the offices of the six local municipalities.

Ezisematheni

A monthly staff newsletter, the Ezisematheni is distributed internally to all employees of the municipality, carrying staff news and policies. The newsletter is both informative and fun, using an informal approach that aims to provide light reading for the staff.

uThungulu website

The uThungulu website is being revamped to bring it more in line with the style of provincial government departments, to allow for easier navigation and to enhance the content. The process is almost at its completion and the new website will be launched in November 2009.

Zululand Expo

uThungulu was once again an exhibitor at and a sponsor of the annual Zululand Expo. uThungulu exhibited a craft market with various crafters on our Tourism SMME database, as well as several aids to market our services to the public. The Zululand Expo remains a useful way of enhancing uThungulu's visibility in the local community and helping to educate the public.

RBCT Relay

The RBCT Charity Relay Run has become Richards Bay's biggest annual running event, attracting thousands of running and walking teams from companies and organizations in the uThungulu District.

Proceeds from the event are donated to various charities in the district by the organizing committee from RBCT. For the past four years, uThungulu has participated in the event by entering running and walking teams to represent us and by having a marquee at the Start/Finish for participants and their family members.

This year 111 participants participated, wearing the uThungulu colours, comprising staff and family members. The runners and walkers were issued with branded running shorts, T-shirts and caps, which assisted in marketing uThungulu at the event. The uThungulu marquee area is also visibly branded by means of banners and bunting.

The event is also a good opportunity to market uThungulu locally and to build relationships with other local organisations and businesses, while supporting a worthy cause and encouraging people to stay fit and healthy.



6. Deputy Municipal Manager's Report

Overview

For the 08/09 financial year, the office of the Deputy Municipal Manager took responsibility for the following Strategic Key Performance Areas (KPA's):

Heading the Department of Planning and Development;
Strategic and Integrated Development Planning;
Local Economic Development (LED);
European Union (EU) Gijima KZN Funding Programme;
Performance Measurement of Section 57 Managers;
Bid Adjudication;
Shared Services for Development Planning;
Enterprise Risk Management;
Special Projects: 2010

Strategic and Integrated Development Planning (IDP)

The 2008/09 financial year saw the second review being conducted for 2008/2009 of the 5 year IDP for the period 1 July 2007 to 30 June 2012.

The review process took into consideration the Vision, Mission and the 5 Key Strategies which in essence are the 5 building blocks of the IDP's. These 5 Key Strategies also strongly resemble the 5 Key Performance Area's of National Government as well as the 6 Key Performance Areas of the KwaZulu-Natal Provincial Government



“Tourism is one of the main contributors to Local Economic Development in the country as well as the district. It has a major enabling effect in terms of employment generation and attraction of funding to the area.”

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by several vertical strokes.

D Lubbe
Deputy Municipal Manager: uThungulu District Municipality

The 5 Key Strategies in terms of the 5 year IDP are:

- An Economically Sound District;
- Effective Infrastructure;
- People Empowerment;
- An Integrated Environment;
- Leadership Excellence

The review process required the revision of all programmes and participating projects through community and stakeholder participation. One on one alignment meetings were held with national and provincial government departments, parastatals and service utilities. Stakeholder and alignment meetings were also held with all local municipalities within the uThungulu family of municipalities as well as neighbouring district municipalities on cross-boundary issues.

The municipality once again embarked on an aggressive IDP Roadshow campaign throughout the district where twice during the financial year communities in all six participating municipalities were visited, the first round scheduled prior to the compilation of the IDP Review in order to receive input into the process and the second round after compilation of the IDP Review and aligned Budget, to inform communities on the outcome.

All legislative requirements and timeframes in respect of the IDP Process plan, IDP Roadmap and the finalisation, adoption and submission of the IDP Review was successfully complied with, and the final IDP Review was submitted to the KZN DLGTA by the deadline of 30 May 2009.

For the third year in succession uThungulu was ranked among the top municipalities in KZN, receiving a credibility rating in respect of its IDP as a result of the annual IDP assessments carried out by an assessment panel consisting of representatives from National, Provincial and Local Government.

Local Economic Development (LED)

The primary aim with uThungulu Local Economic Development initiatives is to create an environment which is conducive to economic development. uThungulu's entire budget is therefore aimed at stimulating the economy, but over and above that, the strategy "Economically Sound District" focuses on specific interventions towards developing and stimulating the local economy in the Tourism, Agriculture, Business & Industry Sectors.

We know from our LED Strategy Plan, that five of our six local municipalities have Agriculture as the dominant sector followed by Tourism. Only the City of uMhlatuze, the economic hub of the district, has Business and Industry as the primary sector also followed by Tourism.

A very successful Annual Growth and Development Summit was held for the third year in succession with participation from National, Provincial, District and local stakeholders representing the Public and Private Sectors. Responsible roleplayers reported progress on critical issues contained in action plans from the previous financial year summit. The Economic Survey results and findings as conducted by the Economic Research Unit of the University of KwaZulu-Natal, were again released at the summit and two compact discs were produced, one on Summit Presentations and Action Plans, and one on the Economic Survey of the uThungulu District.

In respect of LED Capacity, two LED facilitators, one servicing Agriculture and SMME Support, and the other servicing Tourism and SMME Support, were appointed to add more presence on the ground where support to emerging business is needed the most. Additional capacity was also secured in the form of temporary LED field officers.

In respect of Agriculture, the successes with regard to the pilot Essential Oils project went from strength to strength and Nkandla Essential Oils, identified as a case study of good practice by the European Union, was further developed and extended upon. The Essential Oils project at Mthonjaneni was successfully transferred to Mthonjaneni Municipality and a further project was rolled out at

Umlalazi Municipality. uThungulu further continued with investigations into the bio-fuel and bio-energy production possibilities within the district and experimental pilot projects were identified within 3 Tribal Authorities in the uThungulu District.

uThungulu Tourism once again exhibited at the International Tourism Shows and substantial funding was invested in Tourism Marketing and Publicity Material to market the unique tourism attractions within our district. uThungulu continued financial support to develop the Zululand Birding route as both an International and National Tourist attraction. Full support was also given to our local crafters to attend the Decorex Show in Johannesburg to exhibit and market their arts and crafts in a commercial environment and premises were also leased for manufacturing and marketing of their products.

We successfully hosted the Ringball SA President's Challenge Series and the 12th Annual Zulu Dance Competition and also sponsored delegates to attend the Women in Tourism Summit. The municipality participated in the Kwabulawayo Tourism Development Project, the Inkosi Dingiswayo Memorial Project and contributed funding towards the Mapelane Tourism Development Project.

We established a Mobile Welcoming Unit for Passenger Liners docking at the Port of Richards Bay, as the Port is continually seeing more and more passenger liners arriving on our district's doorstep. uThungulu also funded the establishment of the Boardwalk Inkwazi Information Hub, which will also function as a Tourism Education Info Hub. An E-Marketing Electronic Newsletter was also commenced with.

Our investment office hosted a number of potential investors and in all cases we endeavoured to secure potential investment for the uThungulu District. We hosted a number of trade delegations and also became a destination of choice for LED Study Tours.

The municipality successfully participated in the Provincial Corridor Development Fund and raised R12,250 million towards co-funding of six projects within the district. These unique projects are all aimed at fostering the development of the Ethekwini- Kwa-Dukuza -uMhlathuze Development Corridor.

European Union (EU) Gijima KZN Funding Programme

In terms of a six year agreement with the European Union Gijima KZN Fund, uThungulu saw the final year of hosting the local area office of the fund. The funding programme continued for the final year of the six year period.

The partnership between uThungulu and the European Union Gijima KZN Fund saw the funding of various LED initiatives in a 70% European Union, 30% uThungulu partnership arrangement. The financial year then also saw the successful close-out of a number of projects and programmes undertaken under the partnership, as well as existing projects and programmes being continued with.

The Deputy Municipal Manager participated in the EU Gijima KZN Brazil LED Study Tour to study best practice models in LED as well as Bio-fuel production currently operational in Brazil.

The municipality was also in a position to submit a number of business plan applications for funding to the DED Gijima KZN Fund which will succeed the EU Gijima KZN Fund.

Performance Measurement of Section 57 Managers

The 2008 /09 financial year saw the second year of uThungulu District Municipality measuring the performance of the Municipal Manager, Deputy Municipal Manager and the three heads of Department (Section 57 Managers) in terms of the Municipal Performance Regulations for Municipal Managers and Managers directly reporting to Municipal Managers dated 1 August 2006. In terms of the provisions of the regulations each Section 57 Manager entered into a Performance Agreement within the specified timeframe for the 2008/09 financial year.

The performance regulations necessitate a municipality to formally assess performance of its Section 57 Managers once every quarter (quarters 1 and 3 informal and quarters 2 and 4 formal) in respect of a financial year under review. In the case of uThungulu all four

quarterly performance assessments were carried out by Performance Assessment Panels, constituted in accordance with the said regulations. The performance assessment results for all four quarterly performance assessments were audited by the municipality's internal auditors, Messrs Ernst & Young and results submitted to the uThungulu Performance Audit Committee.

For the 2009/10 financial year preparations are once again in place to conduct performance assessments four times, once per quarter, during the year and all Section 57 Performance Agreements have duly been entered into in accordance with legislative provisions.

Bid Adjudication

The Supply Chain Management (SCM) Policy, processes and practices at the uThungulu District Municipality are strictly run in accordance with the legislative provisions of the Municipal Finance Management Act, Act No 53 of 2003.

In order to ensure that all tenders are awarded in a free, fair and transparent manner, three committees are operational at uThungulu District Municipality, namely the Bid Specifications Committee (BSC), the Bid Evaluation Committee (BEC) and the Bid Adjudication Committee (BAC).

The Bid Adjudication Committee (BAC) is chaired by the Deputy Municipal Manager and adjudicates all tenders up to a value of R10 million. Tenders in excess of R10 million are also considered by the BAC, with a recommendation to the Municipal Manager, who ultimately makes the appointment.

The BAC held ordinary meetings on a two-weekly basis during the 2008/09 financial year, with an allowance for additional special meetings when required during alternate weeks, to consider tenders and matters forthcoming from the BEC.

In compliance with the reporting provisions, the BAC submitted regular reports to uThungulu EXCO and Council, as well as National Treasury on tenders adjudicated.

Shared Services for Development Planning

The Deputy Municipal Manager strategically manages and facilitates the development of Development Planning Shared Services within the district family of municipalities. The Shared Services concept relates to those functions being shared by municipalities on a cost beneficial basis and provides for a number of scenarios in terms of the sharing of services i.e. between districts, between districts and its local municipalities, which can be all or some, dependant on the function and need of municipalities, or between two or more local municipalities.

Various worksessions were held during the 2008/09 financial year with all municipal managers representing municipalities within the family of municipalities. With the assistance of the consultant who acted on behalf of KZN DLGTA, a final business plan was compiled on Shared Services for Development Planning as part of a formal application to KZN DLGTA to fund a specific Shared Services Model within the uThungulu District over a four year period, for the provision of Development Planning Services. uThungulu District and the local municipalities of Mbonambi, Ntambanana, Mthonjaneni, and Nkandla opted to participate in the model. The municipalities of uMhlathuze and uMlalazi chose not to participate.

uThungulu's business plan was favourably approved by the KZN DLGTA and a Shared Services Agreement was entered into by all the municipalities participating in the service, after which we were able to implement the following District-Wide Planning Shared Services during the 2008/09 financial year within the uThungulu District:

- Strategic Municipal Planning (IDP)
- Municipal Performance Management;
- Municipal Spatial Planning which includes:

Statutory Applications;

Spatial Development;
Land Use management.

Development Administration which includes:

- Land Development approvals in terms of the DFA;
- Land Development approvals in terms of the ordinance (subdivisions and removal of restrictions), which ordinance is replaced by the new Planning Development Act.

Spatially Referenced Info (GIS Base)

The uThungulu District-wide Planning Shared Services centre became fully operational with the appointment of the Chief Planner Shared Service for the district. In addition a Chief Planner for the uThungulu District was also appointed and the two Chief Planners work hand in hand to streamline the development planning function between the district and its local municipalities. Planning Development Act Training initiatives were also undertaken for all municipalities within our district.

Enterprise Risk Management

The Office of the Auditor-General laid down the requirement that uThungulu should develop a Fraud Prevention Strategy as part of Enterprise Risk Management. Messrs KPMG were responsible for the development and compilation of the uThungulu Enterprise Risk Management Policy and Procedure Manual and an extension was made on their appointment to also assist uThungulu in the development of the uThungulu Fraud Prevention Strategy.

Various engagements took place during the 08/09 financial year in respect of the development of the strategy which culminated in further one on one sessions with all members of management and a workshop with management on the outcomes of the sessions.

The uThungulu District Municipality Fraud Prevention Strategy was successfully compiled and submitted to the Audit Committee and the Executive Committee and recommended to Council for approval. In addition, a Fraud Risk Register was developed to track and manage the priority fraud risks within the workplace.

Special Projects: 2010

The uThungulu District Municipality together with three other district municipalities in KZN were selected as satellite training venues to the host city Ethekwini during Soccer 2010.

For this purpose uThungulu has been receiving grant funding of R52 million rand over three financial years from the KZN Department of Traditional and Local Government Affairs towards the establishment of a FIFA Spec 2010 Training Venue. The third tranche of the grant funding, R34 000 000, 00 was received during the 08/09 financial year.

It was quite evident from tenders received that R52 million would never be sufficient to construct the 2010 FIFA Training venue and through a lot of effort, motivation and negotiation the amount secured by the end of the 2008/09 financial year totalled some R85,7 million rand with additional contributions from the City of uMhlatuze and uThungulu District Municipality.

From the outset, uThungulu opted for sustainability beyond 2010, by having the FIFA Spec 2010 Training Venue developed as a First phase of the Multi-purpose Sport Stadium with Indoor, Outdoor and Conference Facilities, to be developed after the 2010 event. This approach will see accelerated 2010 infrastructural funding being utilized to bring much needed sport facilities to the uThungulu District and bigger Zululand Region.

The Environmental Impact Assessment Process was undertaken during the second half of 07/08 and the record of decision in respect of both phases 1 and 2, both pre-and post 2010, authorizing the development of both phases 1 and 2, was awarded early in the

2008/09 financial year (August 2008). Various specialist studies were also conducted viz. Noise Assessment, Traffic Management Arrangements, Geotechnical Surveys etc. Construction on phase 1 was awarded during September 2008 and the construction contract was divided in sub-contracts 1 A, 1 B and 1C in accordance to grant funding becoming available. All sub-contracts were successfully awarded.

Strategic Readiness in respect of 2010 not only relates to construction of the stadium, but also entails the readiness of the Tourism and Accommodation Providers Sector to receive the planned visitors during 2010. It further relates to the support infrastructure such as roads, the airport, hospitals, police stations etc. to be able to accommodate the increase in volumes of visitors to our district during the 2010 event and for this purpose a 2010 Strategic Readiness consultant was appointed to draft a 2010 Strategic Readiness Plan and to set up a Readiness Forum and five workstream steering committees.

Two Tourism Forum meetings as well as various information and consultation sessions were scheduled to expose our tourism accommodation and service providers to FIFA's accommodation "MATCH", the Tourism Grading Council and all 2010 roleplayers in order to ensure readiness. A database was also compiled of all accommodation providers within the district, their facilities, gradings, etc. in respect of 2010 basecamp bids and 2010 tourism accommodation facilities.

A very successful one day Soccer 2010 Indaba was held, where local roleplayers and stakeholders were able to receive information, advice and guidance in respect of readiness of our district.

A 2010 District Co-ordinator was also appointed to man the 2010 helpdesk and to co-ordinate and participate in 2010 readiness programmes.

In addition to the monthly 2010 Technical Steering Committee meeting to track progress on construction of the 2010 stadium, a 2010 Safety and Security Forum and a 2010 Disaster Management Planning Steering Committee was established which met quarterly during the financial year. An amount of R500 000,00 was also successfully raised from KZN DLGTA to fund the drafting of a 2010 Disaster Management Plan and the first phase, the literature review report, has been successfully compiled.

uThungulu also commenced with funding a Richards Bay Airport beautification project, where 2010 Welcoming Signage was erected in the "Arrivals Hall", Tourism and Travel brochure racks installed and new luggage trolleys are to be donated to the airport.

The uThungulu District successfully hosted the 2009 Confederations Cup Public Viewing Area at Esikhaleni within the City of uMhlathuze as a "dry-run" preparation for 2010. The Confederations Cup matches were televised at the Public Viewing area, and were very well attended by the community. On the nights of the most popular matches, a maximum of some 15 000 people were in attendance. A number of lessons were learnt, which will assist in successfully hosting a 2010 Public Viewing Area.

6.1 Development and Planning Section

The Planning and Development section falls directly under the control of the Deputy Municipal Manager and has the following focus areas:

Focus Areas:

The following are the focus areas in line with the functions of the District Municipality, and relates to the Strategy of Creating an Economically Sound District as well as an Integrated Environment:

ECONOMICALLY SOUND DISTRICT		SUMMARY OF DC FUNCTIONS
1.1	Local Economic Development	Planning, coordination and development of district strategic opportunities in line with LED Strategy
1.2	Local Tourism Development	Local Tourism for the district
1.3	Agricultural Development	Planning, coordination and development of district strategic opportunities in line with LED Strategy
1.4	Business & Industrial Development	Planning, coordination and development of district strategic opportunities in line with LED Strategy
1.5	Information Communication Technology	Alignment and Co-ordination.

INTEGRATED ENVIRONMENT		SUMMARY OF DC FUNCTIONS
4.1	Integrated Development Planning	Coordination and alignment of IDP's in line with legislation.
4.2	Land Reform	Planning, Co-ordination & alignment
4.3	Housing	Planning, Co-ordination & alignment
4.4	Environmental management	Planning, coordination and development of district initiatives, including coastal management

Overall Strategic Objectives:

The overall strategic objectives of the section are to:

- Provide Spatial and Development Planning and the Management thereof within the context of the IDP.
- Facilitate and manage the Development and ongoing enhancement of strategy, policies and processes pertaining to Local Economic Development, Local Tourism Development, Agricultural Development, Business and Industrial Development, Environmental Management and Integrated Transport Planning.

The functions of the Section relate to the following areas, and will be elaborated on per area:

Economic Development and Tourism; and
Development Planning and Environment

Economic Development and Tourism

Local Economic Development (LED)

The aim is to establish economic growth and development in all economic sectors with a particular focus on agriculture, tourism and trade and industry (SMME), whilst contributing to poverty alleviation in the district. The district will aim to identify and develop LED opportunities based on the functions of the municipality. Local Economic Development is informed by the Integrated Development Plan. IDP and LED fall within the Municipal Manager's Office strategically.

Everything that a municipality does and is involved in can be seen as LED, where a municipality should fulfill its Constitutional mandate by creating an enabling environment which is conducive towards local economic development, as healthy and sustainable economic development relates strongly with the development of much-needed infrastructure and effective payment for Municipal Services.

LED Forum

The LED Forum ensures alignment between District LED initiatives, initiatives from participating Local Municipalities and other stakeholders/roleplayers within the District. The LED Forum also acts as a conduit for funding from possible funding initiatives towards LED projects. UDM hosts and facilitates the LED Forum and has also created an uThungulu LED fund to co-fund LED initiatives and projects within the District, funded by external funding and where funders require co-funding from applicants to realize projects.

Apart from this uThungulu has its own dedicated capital budget towards LED programmes and projects in terms of its own District IDP under the heading "Economically Sound District", whereby the district endeavours to support and supplement LED initiatives within the participating local municipalities.

LED Sectors

The three main pillars of the economy in the uThungulu region are: Agriculture, Tourism, Business and Industry. Five of the six Local Municipalities have agriculture as the predominant sector, followed by Tourism. It is only in the uMhlathuze Local Municipality (Richards Bay/ Empangeni) where business and industry is predominant, followed by Tourism. In accordance with this, the necessary attention is given to each sector within the district's IDP within each of the six LM's.

Agriculture:

Agricultural Development and implementation
(Implementation of Agricultural Development Plan):

Implement the Agricultural Development projects that have been identified, ensuring that the projects are making a contribution to the economy of the district.

Agriculture Projects	Summary of project
Mbonambi Essential Oils Farm	Located in the Mbonambi Municipality, the farm will comprise 2,5 Ha organic Rose Geranium Essential Oils and 5 beneficiaries. The project is currently being implemented with the aid of labor intensive principals, hence 60% of the budget will be ploughed back into the existing community.
Umlalazi Essential Oils Farm	Located in the Umlalazi Municipality, the farm will comprise 2,5 Ha organic Rose Geranium Essential Oils and 5 beneficiaries. The project is currently being implemented with the aid of labor intensive principals, hence 60% of the budget will be ploughed back into the existing community.
Mthonjaneni Essential Oils	The plantation will uplift the rural community and ensure job security for 10 full time employees and 15 part time employees. The project consists of approximately 10 hectares of Essential Oils. The farm has since yielded 60 litres within the first year of harvest.
Nkandla Essential Oils Farm	The Nkandla Small Growers were successful in securing R2 300 000 through the EU Funds from Gijima, with uThungulu contributing R500 000 of the 30% requirement for the project. uThungulu's contribution will be utilized to purchase fencing and irrigation equipment for the project.

Number of people employed through job creation schemes:

Short Term	305
Long Term	170

KwaMpungose HIV/AIDS Centre

Construction of an HIV/AIDS Hospice for abandoned children in the uMlalazi Local Municipality area in the Mpungose Tribal Authority. Construction of the centre is complete and is in the process of being officially handed over to the community. The community is currently in discussions with the Department of Health with regards to management of the center.

- Providing LED Capacity, Institutional & Operational Support:

This programme will address the following aspects:

LED Forum

LED Development Fund

LED Operational Support Programme

LED Institutional Support

LED Capacity Training

- Implementation of Marketing, Trade and Investment initiatives

This programme entails trade missions as well as trade and investment marketing in general.

- Implementation of SMME Sector Development Plan

The objective of this project is to provide support to the development of SMME's and the informal sector with specific reference to training.

Integrated 2010 World Cup Strategy

The District Municipality of uThungulu will never be the same after 2010. The construction of the 2010 FIFA spec Stadium is underway. The target date for the completion of this project is anticipated to be December 2009. This successful completion will put the District in a prime position to serve as an official satellite venue for FIFA 2010 Soccer World Cup.

2010 projects	Summary of project
Strategic Readiness Master Plan	Focuses on 5 Work Streams, viz: Infrastructure Development Legacy projects Economic Development Health, Safety and Disaster Management Marketing, Communication and Tourism
Disaster Management Plan	The Department of Local Government and Traditional affairs has made available the budget of R500 000 for the compilation of 2010 Disaster Management Plan. The Business Plan formulation is in progress.
2010 Legacy Programmes	Soccer 2010 Community mobilization Campaign took place on the 28 February 2009 at the Ngwelezane Sport Ground
2010 Safety and Security	2010 Safety and Security forum has been established and holds meetings on quarterly basis.
Hospitals	All facilities and services have been identified, databased and already been forwarded to the Premier's office
Roads and Transport	The extension of the North Central Arterial: This road is going to be developed into a double lane both ways going past the Road Lodge Hotel behind the police station into the 2nd entrance of the Sport Complex. The uThungulu District Municipality Transport Master Plan is to be reviewed, funded by a three party agreement, viz: Department of Transport, uThungulu District Municipality and the Provincial Corridor Fund. All plans have been put to tender process.
Beautification of the Airport	The City of uMhlathuze together with the District has started the project for the beautification of the Richards Bay airport. The Council has approved a budget of R150 000 towards the erection of the signage leading to the Airport and putting up the whole new look of the Airport.
Progress Report on the Stadia	The Contractor has completed two phases, namely: 1A, this includes earthworks (putting pipes into the ground); 1B, the concrete work and structure. The next phase is 1C, which comprises filling of grass, seat and installing the lights -commenced in April 2009. The Provincial Department of Local Govt. and Traditional affairs, uThungulu District Municipality, City of uMhlathuze and the Department of Sport and Recreation have thus far funded the Stadia.

Tourism

Tourism is one of the main contributors to Local Economic Development in the country as well as the district. It has a major enabling effect in terms of employment generation and attraction of funding to the area.

As a function of the District Municipality, a number of projects and initiatives are being implemented as part of tourism development:

- Management of the uThungulu Tourism Development Office

This includes an awareness programme, marketing shows, marketing tools, media marketing, events such as the Zulu Dance competition and signage.

Review of the uThungulu District Municipality Tourism Master Plan

The uThungulu District Municipality Tourism Development Plan, completed in August 2003, was compiled to provide clear guidelines to achieve sustainable tourism development within the uThungulu District Municipality servicing area through setting and achieving implementable, realistic goals and objectives as well as tourism project implementation plans.

However due to the ever changing needs and new developments within the tourism industry and the fact that South Africa will be hosting the FIFA 2010 World Cup, it has rendered the existing plan outdated and in need for revision.

The goal of the project is to revisit the existing Tourism Development Plan, measuring successes and failures and formulate a revised Focused Tourism Master Plan for the uThungulu District that will realign Tourism Development and marketing with the latest tourism trends and developments as well as future predictions.

The plan will outline the following objectives:

- To maximize the potential for sustainable tourism within the servicing area of uThungulu District Municipality
- To assess the overall tourism product that uThungulu offers, identify gaps in relation to the needs of the tourism market and plans to address those gaps;
- To exploit the opportunities of the 2010 FIFA World Cup and to align the districts tourism policies, plans and strategies to ensure maximum exposure and market share;
- To enable uThungulu District Municipality to fulfill its obligations in terms of the State of Readiness for the FIFA 2010 World Cup.

It is anticipated that the plan be finalized by November 2009.

Tourism Institutional Framework

During the uThungulu Tourism Forum meeting held on 22 November 2007 a mandate to establish a Tourism Association for the District was received from members of the uThungulu Tourism Forum.

The forum members articulated that the establishment of a District Tourism Association is supported and can add value to the marketing of the district by servicing the product owners and contribute to economic growth.

It was clear that the establishment of such an organisation would have legal implications which would have to be investigated. It was recommended that various options in respect of the structure and legality of such an organization be obtained.

The project objectives are:

- A sustainable tourism institutional framework for uThungulu District Municipality that is also affordable and acceptable to all the stakeholders in the district.
- Practical and implementable.
- Based on current knowledge within the District.
- Appropriate for the current stage of tourism development within uThungulu District Municipality and able to meet the aspirations of the tourism stakeholders over the next five years.
- Empowers the uThungulu District Municipality and its Local Municipalities to lead the management of the tourism system in

partnership with the tourism business sector and communities.

Tourism Forum

A Tourism Forum was established to align with provincial structures and improve communication in the tourism sector. The aim of the forum is to act as a coordinating, participating District Tourism Forum which will ensure coordinated tourism development and marketing strategies in the uThungulu District Municipality servicing area.

R66 Zulu Heritage Route

The uThungulu District Municipality Tourism Development Plan identified the development of the R66 as one of the priority projects for the District. The Development of the Zulu Heritage Route will:

Define and package a number of underutilized cultural tourism resources.

Contribute significantly to the branding of uThungulu as a Zulu Cultural and heritage destination

Increase Tourism Revenue Yield in rural areas lacking formal economic opportunities;

Provide the opportunity for Previously Disadvantaged individuals and groups in the ownership and operation of tourism Exercise plant.

The Zulu Heritage Route (R66) will form part of the Zulu Cultural Heritage Route which emerged as the lead priority project from the TKZN tourism product development strategy completed in 2002. TKZN finalized a Scoping Report as an initial component for the development of the route.

Craft Hub and Training Facility – Small Craft Harbour Richards Bay

The project has two components, i.e. the craft warehouse as well as the mobile training unit. The warehouse has been proposed to be located in Richards Bay while the training unit will be mobile and move across and covering the entire district.

The uThungulu District Municipality Tourism Section is involved in the implementation of the Craft Development Plan which includes the development of a Craft Warehouse for the region. The aim of the craft development project is to develop the existing skills base in the district and to create an awareness to the unemployed of the opportunities that exist and the benefits of producing craft.

The Craft Warehouse budget and projected income has been based on existing facilities available in the Richards Bay Small Craft harbour. This project will be done in partnership with the Department of Local Government and Traditional Affairs.

Zululand Film Office

The film industry, which includes feature film, audio-visual documentary, television, video, commercial and still photography production, is an important part in the South African economy and one of the fastest growing sectors worldwide.

The Zululand Film Office, incorporating iLembe North Coast and uThungulu District Municipality, officially promotes and acts as the industry facilitator for the feature film, television, video and stills photography production trade. It is funded by the uThungulu District. Three District Municipalities bordering the uThungulu District Municipality have shown interest in partnering in the project.

Cruise Passenger Liner Terminal

A multi-purpose facility at Richards Bay Harbour is also being proposed to firmly establish Richards Bay as a port of call for Passenger Liners. The development of a Premier Cruise Destination, to cover the destination Durban to Richards Bay to Maputo and back, is proposed. The business plan recommends the establishment of a multi-purpose facility to cater for the welcoming of visitors, an arts and craft market, a tourism info office and conference facilities.

Mobile Office

uThungulu District Municipality made R170 000 available to purchase a mobile information unit, while negotiations with key stakeholders are still ongoing for the construction of a multi-use facility in the small craft harbour.

The importance of a mobile tourism unit is now more important than ever before with the increase of passenger liners that choose Richards Bay as a port of call.

Passenger liner arrivals increased by 100% between 2004 and 2008, and 32 passenger vessels visited the Richards Bay harbour between November 2008 and May 2009.

Zululand Birding Route

The Zululand Birding Route is a conservation programme of Birdlife South Africa, showing that birding tourism can generate income for destinations and local communities. There are over 605 bird species in the Zululand area. The Zululand Birding Route is also helping create a new career path for black South Africans, through training as bird guides.

Forests of Zululand

The Forests of Zululand is a unique tourism concept created by the uThungulu District Municipality; this is responsible tourism supporting sustainable rural development and the conservation of our Unique Forest Heritage. Nowhere else in South Africa can one experience mist belts, wetlands and dune forests within one area.

The Forests include:

- The Ongoye Forest which has a large array of rare and endemic tree and plant species and is of great importance as a water catchment area;
- Dlinza Forest which is a 250ha forest within the urban development of Eshowe and is famed for the number of bird species found here;
- Entumeni Forest consists of a gorge covered by forest and has a particularly high and impressive canopy provided by trees;
- Nkandla and Qhudeneni Forests also boast an impressive variety of birds, plants and mammals.

11th Annual Zulu Dance Competition

Zululand is renowned for its rich cultural history and majestic tales of Zulu royalty and brave warriors. The striking profile of a magnificent dancer dressed in traditional attire is also synonymous with the region. Each year tourists, filmmakers and avid photographers travel to the uThungulu district to witness and capture on film the choreography and splendour that is the Regional Zulu Dance Competition. The Annual Regional Cultural Zulu Dance competition is a highlight of the uThungulu District Municipality's events calendar and sees groups representing all six of the local municipalities in the district competing in various categories for top honours.

This competition was started 11 years ago with the following goals:

- To instil a sense of pride amongst the younger generation with regard to their culture and heritage
- To preserve the Zulu traditional art forms of music, dress and dance
- To create a tourism market for Zulu culture within the district targeting both domestic and international markets
- To assist the unemployed with a skill; this will enable them to perform when an opportunity arises.

KwaBulawayo Tourism Development

The development aims to create a tourism attraction based on historical significance and is situated in rural Bhekeshowe. The Tribal Authority consists of seven sub-wards in a 15km area. The actual site of the King Shaka KwaBulawayo Military Capital is the focus of the attraction, surrounded by a wealth of historical and cultural tourism sites.

Phase 1 of the project is complete and will be operated as a day facility.

Other Financial Assistance	Description of funding
Craft	Art in the Boulevard Exhibition: 17 – 20 July 2009 Financial assistance towards subsistence and traveling for 4 crafters: R1400.00 (total) Hiring of tables to assist crafters at Richards Bay harbour during passenger liner arrivals: R300 (per passenger liner) Handmade selection (Decorex 6 – 10 August 2009) 4 crafters: Financial assistance towards subsistence and traveling - R 16 690.30
Sponsorships	Inkosi Dingiswayo memorial – R5200.00 Mthonjaneni Tourism Association Grant in aid – R20 000 Zululand Birding Route – Annual Grant – R60 000
Boardwalk Inkwazi Information Hub	R20 000 towards the building of the hub R10 000 towards the training of staff

Tourism Advertising 2009/2010

Country Life - 4 issues

Joburg Style - 3 issues

Total amount R119 562.00 includes design of advertisements.

Marketing Shows

Shows for 2009/2010 : Estimated amount of R200 000

On an annual basis TKZN takes part in a selection of trade and consumer shows, which are aimed at affording the Kingdom of the Zulu's penetration into key domestic and international markets. Exhibitions are multi dimensional communication mediums that offer business an organised platform to introduce new products and services or strengthening existing products and brands"

The Tourism Section attended the following shows where TKZN had secured space for 2009.

Indaba - 8 – 13 May 2009 (uThungulu District Municipality secured stand space in the Eastern Cape section of Indaba). The stand space secured by TKZN at Indaba was not up to standard and the space made available to Districts was not branded properly. The space allocated to the districts was very limited and did not allow two districts to share the allocated space at one particular point.

Beeld Holiday Show: 12 – 16 February – Midrand. The Beeld Holiday Show was a huge success and uThungulu District Municipality welcomes the positive step of Tourism KwaZulu Natal to support the Beeld Holiday Show in 2010.

B. Development Planning and Environment

Integrated Development Planning

The co-ordination of service delivery and investment in the districts is vital to ensure sustainable service delivery. This can only be attained by achieving the sensitive balance between strengthening (maintaining) the rural economy, implementation of the land reform programmes as well as housing delivery. Also, all of the above has to take due cognizance of the environment.

The focus is on the co-ordination of the spatial and service delivery component to improve the management of district level responsibilities and the strengthening of the development nodes of the municipalities, while ensuring the equitable development of the rural areas through service delivery. Co-ordination of land reform and housing in line with service delivery is of prime importance. Environmental management and spatial co-ordination and integration of development are further components of the strategy to ensure integration and optimum organisational capacities.

The objectives of the District Municipality are:

- 1) To ensure the successful annual review of the District Council and the Local Councils' IDP;
- 2) To coordinate and align all IDP's and other role-player involvement.

Annually, the uThungulu district prepares/reviews its IDP. Apart from dealing with critical issues pertaining to project identification, budgeting, land reform and housing, the IDP also contains an SDF (Spatial Development Framework) and other important issues as detailed in the remainder of this section:

From a land reform and housing perspective, the district is responsible for planning, coordination and alignment. The district's responsibility for the provision of bulk infrastructure to housing projects specifically is very important.

Land-Use planning aims to co-ordinate and manage all the land uses and their relationship to each other in order to protect natural resources and to create safe and liveable environments. In respect of land-use planning, the District Municipality is responsible for the provision of the Land-Use Management Framework, whilst the Local Municipalities are responsible for the preparation of detailed Land Use Management Systems (LUMS).

The bi-annual quality of life survey of the UDM provides the mechanism to monitor progress on key development projects and programmes as identified in the IDP. The recent survey indicated an increase in the number of stand pipes in uThungulu as well as an overall reduction in the dependency on natural water sources. This fact is confirmed by the WSDP that indicates that backlogs in water provision to an RDP standard have been reduced to 58.4% (as opposed to the 2001/2002 backlog percentage of 82%).

Annual Quality of Life Survey (Performance Evaluation):

The objective of this project is to ensure that IDP Programmes and projects have an impact on the living conditions of the people of the district.

Planning Implementation: To ensure that all the sector plans of the District Municipality are undertaken and successfully completed.

Land Reform: Co-ordination and alignment of an effective process to guide Land Reform. The alignment of programmes and projects is a key objective.

Housing: Liaison, co-ordination and alignment of an effective process to guide the development of housing projects and the preparation of a District Housing Plan.

Development Planning (Shared Services)

With effect from 1 February 2009, a Chief Planner (Shared Services) has been employed to provide assistance to the Ntambanana, Mbonambi, Nkandla and Mthonjaneni Local Municipalities of the District.

The shared services concept was conceived due to a number of reasons, notably the fact that many smaller rural municipalities have limited planning capacity and high staff turnovers. Thus, the resulting limitations are proposed to be addressed through the establishment of shared services for the development planning function between district municipalities and their constituent local municipalities. The aim is thus to optimize limited resources and thereby enhance the quality of planning and development services provided.

For uThungulu, the scope of municipal development planning functions included in the DPSS is as follow:

- Spatial Planning
- Strategic Planning
- Development Administration
- Performance Management
- Information Management and Systems Development

Additional Functions include:
Building Inspections and Control
Housing
Environment
Land Reform

Environmental Management

- Implementation of Integrated Environmental Programmes: The focus areas of the project will be the identification of key areas of intervention, strategies and projects that should be implemented in order to address the district's environmental issues.

Removal of Invader Plants Business Plan (and Implementation):

The project will identify the greatest areas of need and key interventions that will be directed at sustainability of the environment. A key focus area will be the identification of a rehabilitative programme for areas where invader species have been removed.

Coastal Management Programme (and Implementation): To ensure that the coastal areas are managed and protected. This process includes the ongoing functioning of the District Coastal Working Groups as well as the Coastal Awareness and Education Campaign.

Coastal Management Plan:

uThungulu's Coastal Working Group continued to oversee the implementation of the Coastal Management Plan that covers all three coastal local municipalities' coastal development areas.

A Coastal Livelihood Project (Working for the Coast) has been launched, which is essentially a poverty relief programme focusing on projects such as beach cleaning, alien invader plant eradication and upgrading of some coastal facilities. uThungulu also initiated and funded a project for the upgrade of ablution facilities in uMlalazi Nature Reserve as part of the promotion of the Siyaya Coastal Park area.

Coastal management has been identified as a key issue that has culminated in the allocation of funds to formulate a Coastal Management Plan for the district as part of the Environmental Management Programme.

Formulation of the Coastal Management Plan will be guided by recommendations and principles based on research and analysis of the Department of Environmental Affairs and Tourism, which states that such a plan or policy should:

Environmental Management:

The Department of Economic Affairs & Tourism has seconded a staff member to uThungulu to assist in:

- Populating and maintaining a local government database on environmental indicators;
- Facilitation of capacity building initiatives for municipalities on environmental and tourism planning and reporting tools;
- Developing and maintaining a legal register for municipalities;
- Assisting and guiding municipalities in the planning and implementation of EPWP projects;
- Participation in municipal strategic planning structures.
-

The following Plans or Policies have been completed:

Strategy	Plan	Status
1: Economically Sound District	LED Framework Plan	Complete
	Agricultural Development Plan	Complete
	SMME and Sector Development Plan	Complete
	Local Tourism Development Plan	Complete
	Investment Incentive Strategy	Complete
4: Integrated Environment	IDP Review	Ongoing
	QOL Survey (2007)	Complete
	DIMS: Development and Implementation	Ongoing
	Integrated Environmental Programme	Completed
	Coastal Management Programme	Completed

C. Planning & Development Highlights

- Appointment of Chief Planner (Shared Services), to assist municipalities with Strategic Planning, Development Administration, Performance Management and Environmental Management;
- Securing Municipal Systems Improvement Grant Funding to prepare EIA Policy and Procedures and supply EIA training for each of the local municipalities;
- Provided a workshop to all local municipalities on the anticipated implications of the Planning and Development Act (Act No. 6 of 2008) to be implemented in October 2009;
- Finalizing the DPSS agreement between the Department of Local Government and Traditional Affairs, uThungulu Municipalities and the 4 local municipalities based on the amended DPSS Business Plan.
- IDP and Budget Roadshows during November 2008 and April 2009
- Draft IDP rated 4th overall in Province of KwaZulu Natal
- Richards Bay Craft Development – implementation funding secured from EtheKwini- Umhlatuze Corridor to an amount of R2 600 000.
- uThungulu Tourism Association Study initiated.
- KwaBulawayo Development was awarded a further R5 000 000 implementation funding by DLGTA Corridor Fund.
- Cruise Passenger Liner: R170 000 allocated to purchase a mobile unit for the use of an information unit and R100 000 allocated for the printing of a cruise liner brochure
- Funding to the value of R3 000 000 from Corridor Development Fund for implementation of R66 Culture and Heritage Route.
- Review of the uThungulu District Municipality Tourism Development Plan underway.
- Funding from Corridor Fund to an amount of R1000 000 was received for assistance with the establishment the Northern KZN Film Office as a type of "Marketing" tool whereby investment from the film industry can be attracted.
- Airport beautification
- Marketing Shows and Advertising
- Financial support towards Mapelane Tourism project
- Growth & Development Summit and Tourism Forum successfully hosted;
- Pilot district for National Spatial Development Perspective investigation in terms of alignment with IDP;
- Initiation of Bio-fuels project with processing plant within the district area;

- Completed a Business Retention and Expansion study for the district area to increase business confidence;
- Initiated a Development Framework for a decentralized industrial area in Mbonambi municipality to accommodate Alflurco investment;
- Undertaking Quality of Life Survey based on a 5% sample size to gauge the satisfaction of the community with the services from uThungulu and the implementation of the IDP;
- Working for the Coast project implemented for the coastal area, and overseen by District Coastal Working Group.
- Some of the key milestones achieved regarding the economic development of the district are outlined hereunder:
- Hosting of Annual Regional Zulu Dance Competition to promote tourism and tourism-related job creation.
- Film Office established to market the uThungulu region as a preferred destination for film makers, as well as provide day-to-day operational assistance to them.
- Annual Socio-Economic Survey in partnership with University of KZN to measure economic growth within the district.
- Tourism accommodations and activity brochure for the UDM servicing area widely distributed.
- Mthonjaneni, Entumeni and KwaMthethwa Essential Oils plantations established.
- Essential Oils Extraction Plant at Nkandla established and distillation plant is currently in operation
- Construction of KwaBulawayo Tourism Development facility commenced
- Construction of KwaMpungose HIV/AIDS Hospice for abandoned children in the uMlalazi Local Municipality area in the Mpungose Tribal Authority.
- Successful and well attended Growth and Development Summits hosted.
- Successful LED intervention projects such as "Essential Oils" project in Nkandla, Mthonjaneni, Umlalazi and Mbonambi.
- Tourism arts and crafts, where local crafters from our district, exhibit their products and enter the commercial market, as well as uThungulu's successful participation in all Tourism Exhibitions and Trade Shows.
- Initiated a project to establish a Craft Hub in the Small Craft Harbour area of uMhlathuze, and a mobile unit to support crafters in the rural areas of the district.
- Passenger liner welcoming facilities and service in partnerships with the Ports Authority.



7. Performance Management Report

MEASUREMENT OF PERFORMANCE AND PERFORMANCE RESULTS FOR MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS, SECTION 57 MANAGERS, FOR 08/09 FINANCIAL YEAR.

Historical Perspective

The Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 were promulgated in Government Gazette No. 29089 on 1 August 2006, compelling all municipalities to measure performance of Section 57 Managers in accordance to the new regulations.

Performance Evaluation 08/09:

The Performance regulations require quarterly assessments and two formal (half-yearly and yearly) performance assessments and two informal (1st quarter and third quarter) performance assessments are to be conducted.

In respect of the financial year 08/09, which commenced 1 July 2008, uThungulu conducted all 4 sessions in accordance with the regulations and all 4 were conducted in a formal manner. This assisted uThungulu to have early warning indicators in place in terms of service delivery and to ensure that KPI's were developed optimally in accordance to the SMART principle. All 5 Performance Agreements of the 5 Section 57 Managers were entered into, in terms of the new regulations, by 31 July 2008.

Performance Results 08/09:

The Performance results achieved for 08/09, are as follows for the five Section 57 Managers:

Municipal Manager	BB Biyela	155%
Deputy Municipal Manager	DP Lubbe	155%
Chief Financial Officer	CA Staniland	163%
Executive Director Technical Services	Z Msomi	153%
Executive Director Corporate Services	KS Moodley	150%

**UTHUNGULU DISTRICT MUNICIPALITY
MUNICIPAL MANAGER**

KEY PERFORMANCE AREA ACHIEVEMENTS FOR THE 2008/2009 FINANCIAL YEAR

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
1. Municipal Institutional Development and Transformation	Revise Performance Agreements and -Plans for section 57 managers, aligned with targets set in the IDP	5.6.1	Ensure that Performance Plans for 2007/2008 financial year are completed by 31 July 2008	Cross reference Deputy MM - 3.1.1. a. Performance Packs of 5 Section 57 Managers. b. Spec drafted for 09/10 for Service Provider Additional: c. Performance Management Plan for 09/10 d. Performance Packs for 09/10
	Conduct Management meetings	5.6	Ensure conduction of weekly management meetings and approval of minutes of meetings	MM STRAT: 19 JAN / 2 FEB 16 FEB / 16 MAR 30 MAR / 20 APR 4 MAY / 18 MAY 1 JUN / 15 JUN 29 JUN MANCO STRAT: 26 JAN / 9 FEB 23 FEB / 9 MAR 23 MAR / 28 APR 25 MAY / 8 JUN
	Ensure quarterly Performance feedback sessions by the Performance Panel with section 57 personnel.	5.6.1	Report on completed 2007/08 financial year's performance assessment results to the Performance Audit Committee by 30 September 2008	Cross reference Deputy MM 3.1.2. 1. Half year internal audit report 2. Full year internal audit report 3. Performance Audit Committee minutes 4. Report to Exco: 12/11/08 5. Report to KZN DLGTA Additional: 6. Report to KZN on 08/09
		5.6.1	Ensure performance evaluation on mid 2008/09 financial year's performance of section 57 managers and report to the Performance Audit Committee by 30 April 2009	Cross reference Deputy MM 3.1.3. 1. 1 st quarter assessments 2. KPI Audit workshop: 12/2/09 3. Half year assessment 4. Internal Audit Report 5. Perf. Audit Committee agenda: 13/5/09 6. Exco agenda: 10/6/09
	Ensure the review of Organisational Performance Management System	5.6.2	Ensure the review of Organisational Performance Management System and submit report to Council by 30 March 2009	PWC Letter dated 9 Sept 08
	Prepare and submit Annual report for 2007/2008 completed financial year, including the Annual	5.1.1	Ensure the drafting and submission of the Annual Report and Annual Performance report on	Minutes of 11 th meeting of Audit Portfolio UDME: 953

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
	Organisation's Performance Report for approval by Council.		2007/2008 financial year to Exco by 31 January 2009 (including achievements and new targets set for the new year) for Council approval by 31 March 2009.	UDME: 954 UDMC: 856 UDMOVSC: 03 UDME: 953 Cross reference Deputy MM 3.2. Draft Annual Report + Performance Report to: 1. Exco: 10/12/08 2. Oversight Committee: 21/1/09 3. Financial portfolio: 23/1/09 4. Exco: 23/1/09 5. Council: 23/1/09 6. Final printer report
	Ensure that all requirements to qualify for skills levy be adhered to.	5.2.1	Ensure that the annual Organisational Skills Audit and the corresponding plan is completed by 30 June 2009.	Cross reference Executive Director Corporate Services 2.4.4. Skills Audit were conducted during 30/4/09 + completed on 8/5/09
	Review of Equity strategy and targets	5.2.1	Ensure the annual review of the employment equity strategy by 30 September 2008 and submit employment equity plan to the Department of Labour by 31 October 2008.	UDMCS: 118 EE Plan Revised April 2009 Cross reference Executive Director Corporate Services 2.1.1. The EE report is submitted annually to the Department of Labour. The report was submitted timeously. The EE Plan was submitted on 29/4/09
	Implementation and improvement on employment equity plan.	5.2.1	Ensure that appointments are made into vacant positions according to employment equity plan and report quarterly on progress via the Employment equity committee to Exco at the first meeting of the Portfolio committee after the quarter end.	Recruitment Progress Reports: 6 Feb 09 20 Feb 09 6 Mar 09 20 Mar 09 8 May 09 22 May 09 Cross reference Executive Director Corporate Services 2.1.2. The quarterly report for this period was prepared during March 09 + submitted to EE Committee on 16/4/09. As at 30/6/09, 08/09 budgeted positions were at 87% filled with EE appointments.
	Manage and Coordinate Strategic Master Plan on State of readiness of District for the 2010 Soccer World Cup special project.	5.8.1	Ensure Coordination and feedback to uMhlathuze municipality and Provincial department on the 2010 Soccer World Cup stadium according to the project plan.	Cross reference Deputy MM 8.5 1. Technical Steering Committee agendas + minutes

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
			Provide monthly feedback on project progress to the Mayor by the 10th working day of the following month	2. Provincial Stadia Steering Committee Agenda and minutes 3. Monthly progress reports to DLGTA 4. Site meetings Additional: 5. Monthly EIA Audit reports
2. Basic Service Delivery	Provision of efficient and effective service delivery to the community so that the operational and maintenance requirements are met in relation to all functional areas	2.2.2	Ensure Coordination of water delivery strategies between task teams (Survival water) according to the water management program and report quarterly on progress within the first month after the quarter end to the Technical Portfolio Committee.	UDMTS: 167 UDMTS: 177 Cross reference to Executive Director Technical Services 4.1. & 4.2. Consultants invited to do presentations on terms of reference of WSDP + Master Plan. Date advertised: 27/11/08 Date closed: 12/12/08 BEC item: 26/1/09 Consultants invited to do presentation. BEC: 2/2/09 – Ilifa Africa Engineers, Ninham Shand Pty Ltd, BKS Pty Ltd, Makhetha Development Consultants Pty Ltd. Technical Portfolio report: 14/4/09 Appointment of Consultant – Ninham Shand Pty Ltd 26/2/09 Document 80% complete Presentation to be done in August WSDP minutes: 30/4/09 Consultants invited to do presentations on terms of reference of WSDP + Master Plan Date received: 27/11/08 Date closed: 12/12/08 BEC item: 26/1/09 Consultants invited to do presentation: BEC: 2/2/09 Ilifa Africa Engineers Ninham Shand Pty Ltd BKS Pty Ltd Makhetha Development Consultants Pty Ltd Technical Portfolio Report: 14/4/09 WSDP minutes: 30/4/09

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
	Develop and maintain good and healthy relations with National and Provincial Government, organised and individual local government, parastatals, the private sector, organs of civil society and the public thereby promoting the interests of the Council to the fullest extent	2.2.3	Ensure attendance of 5 forums by the target date and provide quarterly feedback within the month after the quarter end to the Mayor on forums attended.	District Mayor's Forum 21 May 09 Technical Committee (TechCom) 21 May 2009
	Delivery of a health care service on behalf of the KZN department of Health	3.1.3	Compile a consolidated report on environmental health services and submit quarterly report to the Community Services Portfolio Committee at the first meeting of the Committee after the quarter end	Cross reference Executive Director Corporate Services 4.1.1. Routine inspections carried out on dates as follows: Mbonambi April 17,20 May 26.01 June 26 Mthonjaneni April 14,1,5,16 May 12,14,19,21,22,23,29 June 2,3,18,23,26 Nkandla May 12,13,14,19 Report served at the Community Services Portfolio Committee meeting on 13/7/09.

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
		3.7.1.2	Support Aids day programmes by making financial or otherwise contributions to requesting organisations. Report to Portfolio committee at first sitting after the event.	<p>UDMCS: 185</p> <p>Cross reference Executive Director Corporate Services 4.3.6.</p> <p>Condom dispensers were distributed for NGO + people living with disability on 9/6/09 + medical gloves for NGO on 9/6/09.</p> <p>Vegetable seedlings were distributed for HIV positive people.</p> <p>Red ribbon rings were distributed in May + June 09 as part of the awareness + is ongoing.</p> <p>On 30/6/09 HIV/Aids awareness workshops were held in 5 local municipalities together with DoH. Targets for these workshops were HIV positive + people living with disability.</p> <p>Report served on 13/7/09.</p> <p>On 9/6/09 – Capacity building on funding opportunity for NGO's.</p>
		3.7.1.1	Conduct Environmental Health & Safety awareness program within the district and report quarterly progress to the Community Services Portfolio Committee at the first Committee meeting after the quarter end.	<p>UDM S: 150 UDMCS: 151 UDMCS: 177 UDMCS: 176 UDMCS: 175 UDMCS: 186 UDMCS: 158 UDMCS: 164</p> <p>Cross reference Executive Director Corporate Services 4.1.2.</p> <p>Campaigns done jointly with the Department of Health where the DoH identified problem areas + submit report to UDM who then addressed the issue identified.</p> <p>Meetings were held as follows:</p> <p>27/5/09 – Environmental Health Consultative Committee meeting</p> <p>24/6/09 – Environmental Health Consultative Committee meeting</p> <p>30/6/09 – Air Quality Management Forum meeting</p> <p>Mthonjaneni 14/5/09 – Food Safety</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				<p>Monitoring workshop</p> <p>Health Promotion: School health nutrition programme workshops in wards of Nkandla Circuit of Education:</p> <p>20-21/5/09; 26/5/09; 28/5/09; 19/6/09 + 22/6/09. Assessment of schools taking part in the cleanest school competition – uMlalazi municipal area</p> <p>Meetings 10/3/09 – Planning meeting for cleanest school competition @ uMlalazi PEHS</p> <p>19/3/09 – Planning meeting for school nutrition programme workshops – Nkandla</p> <p>24/3/09 – NMMP meeting @ uMhlathuze Water</p> <p>25/3/09 – EHS Consultative Committee 24/3/09 @ UDM</p> <p>7/4/09 – Farmers Assoc meeting – Gingindlovu</p> <p>8/4/09 – Planning meeting for the cleanest school competition – UDM</p> <p>27/5/09 – EHS Consultative Committee meeting - UDM</p>
		3.1.3	Ensure continuation of service level agreements with local municipalities for provision of municipal health care services by 31 May 2009	<p>Cross reference Executive Director Corporate Services 4.1.3.</p> <p>Reports served at the Portfolio Committee on 13/7/09</p>
	Delivery of a fire and emergency service in the district	3.5.4	Ensure that a consolidated report on the rural metro service within the six local municipalities is drafted and submitted to the Community Services Portfolio Committee by 30 June 2009	<p>Cross reference Executive Director Corporate Services 4.2.1.</p> <p>Monthly consolidated reports on the Rural Metro service within the 4 local municipalities received for the 2nd quarter. The reports served at the next Community Services Portfolio Committee meeting on 13/7/09</p>
	Delivery of a disaster management service in the district	3.5.1	Ensure review and submission of the uThungulu disaster management plan to the community services portfolio committee by 30 Jun 2009	<p>Status quo remains as previously submitted.</p> <p>Reviewed once local municipalities have drafted their own master plans – in process.</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
		3.5.3	Ensure that calls received by the Call Centre for disaster management are responded to by providing necessary assistance. Submit a quarterly report within the month after the quarter end to the Community Services Portfolio Committee on the number of incidents and the support provided.	UDMCS: 163 UDMCS: 169 Cross reference Executive Director Corporate Services 4.2.3. Monthly consolidated reports on the Rural Metro service within the 4 local municipalities received for the 2 nd quarter. The reports served at the Community Services Portfolio Committee meeting on 13/7/09
		3.5.1	Ensure that workshops with major stakeholders on disaster planning for the district are held by 30 Jun 2009 and that quarterly progress is reported within the month after the quarter end to the Community Services Portfolio Committee.	UDMCS: 154 UDMCS: 180 UDMCS: 187 Minutes:- 18 Feb 09 3 Mar 09 Cross reference Executive Director Corporate Services 4.2.2. A Disaster forum meeting was held on 19/6/09
	Report performance on targets set on relevant National KPI's for the financial year	5.6.2	Ensure that quarterly progress/achievement on the targets set for the relevant National KPI's are reported on a quarterly basis within the month after the quarter end and ensure that it is included in the annual performance report.	Cross reference to Executive Director Technical Services 3.2.1. Nkandla electricity Agenda + minutes of Technical Portfolio Committee on 18/11/08 Technical Portfolio – 14/4/09 Technical Portfolio – 14/7/09
3. Local Economic Development	Community economic Development (Address some constraints to growth and investments caused by shortage of education and skills by identifying the needs and implement a development program)	1.1.2.5	Respond to requests from communities by providing the requested training required to address the skills required by communities. Report bi-annually to the evaluation panel within a month after the period end on the Community elementary skills need.	N/a – No funds available. When such requests come to UDM they are normally forwarded to other institutions for assistance.
	LED Capacity, Institutional and Operational support to SMME's.	1.1.2	Ensure LED Capacity, Institutional and Operational support to SMME's within the available budget by appointing a LED Facilitator: agriculture/SMME and a LED Facilitator: tourism/SMME by 31 January 2009	UDMPS: 113 Cross reference Deputy MM 4.2. 1. Letter of appointment 2. TASK JD 3. Extension of Temp Contract
	Community members benefit from the LED programme.	1.1.2.5	Ensure quarterly reporting to the Planning and Development portfolio committee within a month after the quarter end on the number of job opportunities	UDMPS: 115 UDMPS: 135 Cross reference Deputy MM 4.3.

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
			created by LED projects	Agenda + minutes of Planning & Development Portfolio Committee: <ol style="list-style-type: none"> 1. 16/10/08 2. 18/2/09 3. 15/4/09 4. 15/7/09
	Implementation of Projects with Tourism potential within the district.	1.2.4	Report, to the Planning & Development Portfolio Committee, on progress of projects with tourism potential for the district four times per year. (i.e. quarterly at the first sitting of the committee after the end of the quarter.) <ol style="list-style-type: none"> 1. Ring ball SA-Presidents Challenge Series 2. 12th Annual Zulu Dance Competition 3. Craft Development 4. Kwabulawayo Tourism Development 5. Feasibility Study Regional Tourism Organisation. 	UDMPS: 111 Cross reference Deputy MM 4.7. <ol style="list-style-type: none"> 1. Ring ball memo to PR dated 20/8/08 2. Exco item UDME: 824 dated 13/8/08 + report + finalization 3. Exco item UDME: 825 dated 13/8/08 + 12/11/08 4. Exco item UDME: 854 dated 13/8/08 + finalisation 5. Draft study document 6. Women in Tourism summit report + finalization 7. Application to DED for funding 8. Exco item UDME: 949 + finalisation 9. Item to portfolio 18/2/09 10. Letter of appointment 20/10/09 Additional: <ol style="list-style-type: none"> 11. Zululand Birding Route 12. Inkosi Dingiswayo Memorial 13. Mthonajeni Tourism 14. Mobile unit for Passenger Liners 15. Leasing of premises for craft 16. Mapelane Tourism Development 17. Durban Wild Talk Africa 18. Tourism Enterprise Partnerships 19. E marketing (Electronic Newsletter) 20. Boardwalk Inkwazi Info Hub 21. Tourism Education Info Hub
	Marketing of District as Tourism Destination.	1.2.4.2	Marketing of District as Tourism Destination by participating in Tourism shows and report to Planning and Development portfolio committee by 30 June 2009	UDMPS: 112 UDMPS: 128 Cross reference Deputy MM 4.8. <ol style="list-style-type: none"> 1. Exco item UDME: 826 dated 13/8/08 2. Exco item UDME: 827 dated 13/8/8 3. Council item UDMC: 810 dated 12/8/08 4. Council item UDMC: 811 dated 12/8/08 5. Zululand Expo

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				6. Zululand Observer 7. DBN Wild Talk Africa 8. Beeld Holiday Show 9. Zululand Observer Supplement Additional 10. Marketing brochure + DVD 11. Newspaper articles 12. ZO supplement 25/3/09 13. Proudly Zululand 14. District Tourism Forum 15. Tourism 2010 supplement
	uThungulu District Municipality's shared services support to participating local municipalities	5.5	Develop a business plan and model by the 30 June 2009 for the UDM shared services support centre project for approval by the KZN DLGTA.	Cross reference Deputy MM 6.1. 1. Business plan for grant funding 2. Business plan for shared services 3. Service level agreement 4. Job descriptions 5. Work session notes 6. Funding application DBSA 7. Submission to KZN DLGTA dated 17/10/08 8. Signed contract additional grant funding 9. Introduction to KZ's of Chief Planner 10. Item to Techcom + Mayor's Forum dated 23/2/08 11. Item to Techcom + Mayors Forum dated 21/5/08 Additional 12. Questionnaires to municipalities 13. Quarterly progress report 14. Planning Development Act Training 15. PDA roll out 21/5/08 16. Techom + Mayors forum reports 21/5/08 17. Signed agreement
4. Municipal Financial Viability and Management	Approval of the Process Plan for the drafting of the budget for 2009/2010 financial year in accordance with the Municipal Finance Management Act, 2003	5.1.2	Ensure preparation, submission and approval of 2009/2010 Budget Process Plan by 31 August 2008	UDMFS: 161 & 162 UDMFS: 164 Cross reference to Chief Financial Officer 1.1.2 Final budget was approved per UDMC 941 dated 28/5/09 A budget booklet was printed and given to all councillors.
	Draft three-year Capital and Operational budget is prepared and submit to Council.	5.1.2	Ensure the preparation of a three-year Capital and Operational budget for approval by Council by 31 March 08.	UDMTS: 181 Cross reference to Chief Financial Officer 1.1.1. The budget process has commenced and per UDMC 709 dated 28/8/08 council approved the time schedule of key

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				deadlines for the 09/10 budget. Council approved the draft budget per UDMC 940 dated 27/3/09
	Service Delivery and Budget Implementation Plan (SDBIP) and quarterly reports to Council	5.1.6	Ensure the preparation and submission of quarterly progress reports on the SDBIP 2008/2009 within 28 days from end of each quarter	Finance April 09 UDMFS: 163 UDMFS: 150 Technical UDMTS: 182 Planning UDMPS: 127 UDMPS: 130 Corporate UDMCS: 121
		5.1.6	Ensure the preparation and submission of a draft SDBIP within 14 days from approval of the 2009/2010 budget as per MFMA	UDMFS: 138
	Spending of funds on Capital programme from own funding spent from year to year to be 80%	5.1	Ensure that 80% of Capital budget from own funding spent from year to year is achieved	Still busy processing debtors Cross reference Executive Director Technical Services 1.2. 1. Copy of departmental open for the 2 nd quarter ended 31/12/08 2. Copy of departmental capex for the 2 nd quarter ended 31/12/08 3. Copy of departmental opex for the 3 rd quarter ended 31/3/09 4. Copy of departmental capex for the 3 rd quarter ended 31/3/09 5. Copy of departmental opex for the 4 th quarter ended 30/6/09 6. Copy of departmental capex for the 4 th quarter ended 30/6/09
	Improve debtors collection	5.1.3.1	Ensure that monthly outstanding debtors' reports are submitted to the Portfolio Committee not more than 14 days after the end of each month.	UDMFS: 156 UDMFS: 147 Cross reference to Chief Financial Officer 2.4.1 The debt collection targets + credit control report for 1 st quarter was submitted in October 08 to the Finance portfolio (UDMFS 133 + 139) To note on 31 July 08 the report on debt collection target for 4 th quarter + credit control progress was submitted for UDMFS 121 + 126 to the financial portfolio The debt collection targets +

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				credit control report for 2 nd quarter was submitted in October 08 to the finance portfolio UDMFS 147 + 148 The debt collection targets + credit control report for 3 rd quarter was submitted in April 09 to the finance portfolio UDMFS 156 + 157
		5.1.3.1	Ensure the turnover rate of all outstanding monthly recurring rates and service charges between 14% to 20% and ensure reporting monthly progress to the Portfolio Committee	Cross reference to Chief Financial Officer 2.4.1
	Internal and external audit reports to the Mayor	5.1.1	Ensure preparation and submission of four Internal audit reports per the approved audit plan to the Audit Committee by 30 June 2009	Cross reference to C. Staniland 5.1. Meeting held with E&Y confirming they have contacted applicable user departments and are progressing with the internal audits for 08/09 Internal audit reports finalised were submitted to audit committee per UDMC 900
5. Good Governance and Public Participation	Review of the IDP conducted and all stakeholder groups consulted	4.1.1.2	Ensure the review of the IDP for completion by 28 February 2009.	UDMFS: 123 Cross reference Deputy MM 2.1.2. 1. Commencement of review process 2. Item UDMC 710 3. IDP advert 4. Review of SDF 5. Item UDME 1012
	Submit the IDP to Council for approval before the final budget, 31 March 2008	4.1.1.1	Submit annual IDP for approval prior to finalisation of the budget by 31 May 2009.	UDMFS: 154 Cross reference Deputy MM 2.1.3. 1. Item UDMC 709 2. Item UDMC 710 3. Item UDMC 939 4. Item UDMC 940
	Regular communication with communities and promote community participation in municipal initiatives, demonstrate service delivery and enhance uThungulu's public image throughout the district.	5.6.2	Facilitate 2 rounds of 6 Public Participation sessions and report back to the Portfolio Committee by 31 March 2009. 6 sessions in November 2008 and 6 sessions in March / April 2009.	30 Mar – Mbonambi 31 Mar – Mthonjaneni 2 Apr – uMhlathuze 7 Apr – Nkandla 9 Apr – Umlalazi 17 Apr - Ntambanana

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
		5.4.1	Ensure publishing of monthly newsletters to staff and community (Ezimtoti), within 2 weeks of the month being reported on	Ezisematheni Jan – June 09 Izindaba Ezimtoti Jan – June 09
		5.4.1	Ensure monthly communication via radio slots on uKhozi radio station	Ukhozi radio application (Aug 08 – June 09) Jan-Jun 09 – Radio slot presentations
		5.4.1.1	Ensure attendance of quarterly District Communication forum meetings as per calendar of events	Meetings only take place every 2 months Minutes – 18 Feb 09 Minutes – 20 May 09
	Friendly and customer satisfaction service	4.1.2	Complete customer perception and quality of life survey and submit feedback report to Council through relevant portfolio committee by 30 Jun 2009	Status quo remains. Report only get's done every 2 nd year, new report will be compiled in August 2009.
	Customer service complaints/call centre for water services and disaster management centre	2.1.6	Ensure the management of a 24/7 customer call/complaint centre for water services and a disaster management call centre by reviewing the call logs and follow up of long outstanding logs and ensure reporting quarterly to the Community Services Portfolio Committee within a month after the quarter end.	UDMCS: 188 UDMCS: 189 Cross reference Executive Director Corporate Services 4.2.3. Monthly consolidated reports on the Rural Metro service within the 4 local municipalities received for the 2 nd quarter. The reports served at the Community services portfolio committee on 13/7/09 Cross reference to Executive Director Technical Services 4.5. Call centre report from 1/10/08 – 31/12/08 Copies of call centre reports Jan – Mar 09 Copies of call centre reports April – June 09
	Develop and implement an anti-corruption strategy for the municipality in terms of the national strategy to address: Prevention Detection Awareness / communication	3.3.1	Hold a workshop to discuss and document the risk assessment for anti - corruption. Ensure that all HOD's submit reports to indicate actions taken to address the risks identified. This should be completed by 31 May 2009.	Cross reference Deputy MM 5.1. 1. Engagement terms + conditions 2. Schedule of workshops for 13,14,15/10/08 3. Declaration of interest: - Exco UDME 889 dated 8/10/08 - Exco UDME 961 dated 11/2/09 4. Fraud Prevention Strategy dated 20/10/08

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				5. Fraud Prevention Strategy + CD dated 26/1/09 6. 1 st draft 7. 2 nd draft 8. Item to Exco + Audit with final strategy Additional: 9. Fraud Risk Register 10. Audit Committee 27/5/09 11. Exco 10/6/09 12. Exco resolution 10/6/09
	Ensure support to marginalised groups	3.6.1.1	Plan Women's Day Workshop and submit feedback report to the portfolio committee by 30 October 2008.	<p>Cross reference Executive Director Corporate Services 4.3.1. Gender programmes</p> <p>An NGO capacity building meeting was held on 9/6/09 and 71 people attended most of which were women, MTN + Greater Good funding application forms were handed to the NGO's</p> <p>A presentation on disability issues was done by Mr Forward Mlotshwa who is the Provincial Coordinator, DPISA (Disabled Persons South Africa)</p> <p>NGO's were being encouraged to include disability programmes in their work + when applying for funding think of the needs of people living with disabilities.</p>
		3.6.1.2	Contribute financially and otherwise towards youth day celebrations on 16 June 2009 dependant on available funds.	<p>CSPC: 16 Feb 09 UDMPS: 120 UDMTS: 173 UDMCS: 173 UDMCS: 159 UDMCS: 166</p> <p>Cross reference Executive Director Corporate Services 4.3.2.</p> <p>To commemorate Youth Day representation from each local municipality was taken on an educational + empowerment tour to Cape Town from 25/6 – 3/7/09 (See attached report)</p> <p>The report will serve at the next sitting of the Portfolio Committee meeting.</p>
		3.6.1.3	Utilise budget towards activities identified in the disability forum by 30 June 2009	<p>UDMCS: 149 UDMCS: 152 UDMCS: 183 UDMCS: 161</p> <p>Cross reference Executive Director Corporate Services 4.3.3.</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				<p>Successfully Co ordinate HIV + disability workshops in 5 local municipalities targeting people living with disabilities – First week of July 09, trainer was sourced from uThungulu District Health Office.</p> <p>Reports served at Community services portfolio committee on 13/7/09</p> <p>Distributed medical gloves + condom dispensers to NGO's that render HIV + Aids related services on 9/6/09</p>
		3.6.1.5	Contribute financially and otherwise towards programmes conducted to enhance the welfare of children.	<p>UDMCS; 156 UDMCS: 167</p> <p>Cross reference Executive Director Corporate Services 4.3.4.</p> <p>Children's Rights Programme</p> <p>Organised a take a child to work + had a dialogue on teenage pregnancy facilitated by Miss Lisa Mathe – Child Premier (Warm uThungulu branded winter jackets were given to the children) 3/6/09</p> <p>Procured + handed over 600 bibs to 12 crèches from all 6 local municipalities on 5/6/09</p> <p>South African flags as part of instilling of National Identity were given to Early Childhood Development Centre – 12 in total, 2 from each local municipality</p> <p>Handed over water/juice dispensers to ECD children – 5/6/09</p> <p>Completed the building of 6 three bedroom houses through Habitat for Humanity in South Africa targeting orphaned + vulnerable children in 5 at Obanjeni area _ 1 at Mpungose area. These houses were started on 14/6/09</p> <p>Senior Citizens Programme Over and above normal programs</p> <p>Meeting held to plan for Grandparents day</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				<p>Grandparent's Day successfully held at Eshowe Town hall on 12/6/09, about 3000 senior citizens attended. Token in a form of a branded umbrella for when it rains or is sunny, walking sticks, + winter scarves + woollen hats were issued to senior citizens attending. BP + diabetes check ups were done as part of health awareness raising + general health care.</p>
		3.6.1.5	<p>Contribute financially and otherwise to the community for King Shaka celebrations of heritage day on 24 September 2008.</p>	<p>Cross reference Executive Director Corporate Services 4.3.5.</p> <p>Contributions of R10 000 was made towards Diwali celebration + shaka's Day respectively.</p>
	<p>Ensure support to SALGA KZN games</p>	3.4.3.1	<p>Ensure organisation of the uThungulu district elimination program to the six local municipalities by 15 October 2008.</p>	<p>UDMCS: 170 UDMCS: 171 UDMCS: 172 UDMCS: 191</p> <p>Cross reference Executive Director Corporate Services 4.5.1.</p> <p>Sports Planning meeting was held on 7/6/09 but cancelled due to quorum.</p> <p>An item on the District Elimination Games date served before the Community Services Portfolio Committee on 13/6/09.</p> <p>Accommodation for 2009 Games has been secured/ Playing attire has been procured.</p>
		3.4.3.1	<p>Contribute financially and otherwise towards the provincial games on 15 December 2008 dependant on available funds.</p>	<p>Cross reference Executive Director Corporate Services 4.5.2.</p> <p>Provincial Planning workshop/meeting attended at uMgungundlovu on 26/5/09.</p> <p>SALGA to advise on future meetings prior to games.</p> <p>Accommodation for 2009 games has been secured. Playing attire has been procured.</p> <p>An item on the Games + accommodation for Kwanaloga games served before the Community Services Portfolio on 13/7/09.</p> <p>Other sports activities</p> <p>Supported Bright Stars Soccer team by donating equipment + sponsoring R20 000 for their trip to Cape Town.</p> <p>Sponsored local netball player who was selected for the SA team for her trip to New Zealand.</p>

KEY PERFORMANCE AREA ACHIEVEMENTS FOR THE 2008/2009 FINANCIAL YEAR

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
1. Lead, direct and manage the Planning and Development Department's staff and contractors to enable them to meet their objectives	Ensure an appropriate organisational structure for the Planning and Development Department.	5.2.1.1 5.2.1.2 4.1	Ensure an appropriate organisational structure for the Planning and Development Department, supported by (TASK) job descriptions for all posts in place by 29 February 2009.	1. Organisational Structure for Short, medium and long term in place. 2. TASK Job Descriptions finalized. 3. Individual Skills Development plans in place.
	Hold Planning and Development Departmental meetings to ensure efficiency of staff.	4.1	Hold bi-weekly Departmental meetings and keep record of minutes of meetings to ensure that staff is efficiently utilised.	1. Effective project execution through co-ordinated staff utilization.
	Ensure successful participation in the State President's Office National Spatial Development Perspective programme for Uthungulu District	5.6.2	Participate in all strategic planning initiatives of the NSDP at National and district level by acting as District Project Champion until 30 June 2009.	1. Participation in NSDP initiative at National level. 2. Hosting of Initiation Workshop and follow-up workshop within the district. 3. Compilation of the NSDP Uthungulu District Municipality Territorial Review.
	Ensuring successful readiness of the Uthungulu District to participate in the DFA Process	5.6.2	Appointment of a DFA Designated Officer to participate in the DFA process on behalf of the district until 30 June 2009.	1. Appointment of DFA Designated Officer. 2. Participation in DFA Training. 3. Appointment of Chief Planner (Uthungulu). 4. Appointment of Chief Planner (Shared Services).
	Ensure sufficient departmental response to internal audit and general enquiries and implement approved recommendations timeously.	5.6.2	Respond to all internal audit enquiries and general enquiries and implement all approved recommendations within 30 days unless there are reasons why implementation is not possible within 60 days.	1. All Internal Audit Queries responded to and Internal Audit Reports with Management Comments issued on time.
2. Integrated Development Planning (IDP)	Ensure that the review of the IDP be conducted and that all stakeholder groups were consulted by the target date.	4.1.1.2	Facilitate Public Participation Sessions and report back on the number of meetings conducted with the public for completion by 31 March 2009	1. 2 Rounds of IDP Roadshows held, October/November 08 and March/April 09. 2. IDP Stakeholder Meetings. 3. IDP one-on-one alignment meetings.

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
		4.1.1	Ensure the review of the IDP and participation of all stakeholder groups by 31 March 2009.	<ol style="list-style-type: none"> Review process successfully conducted by 31 March 2009. IDP advertised in News media for public comment.
		4.1	Prepare and submit the draft IDP to Council for approval before the draft budget submission by 31 March 2009	<ol style="list-style-type: none"> Successful submission of IDP to: <ul style="list-style-type: none"> - Financial Portfolio Committee - Executive Committee - Council by 31 March 2009.
	Undertake alignment of IDP process with municipalities, sectoral departments and interested and affected parties.	4.1.1	Ensure the facilitation of IDP forum, alignment and one on one stakeholder meetings by 30 May 2009	<ol style="list-style-type: none"> IDP Steering Committee and Forum meetings held. IDP Stakeholder meetings held. Specific sectoral alignment meetings held ie. Commercial Agriculture, Emerging Agriculture, Area based Development Frameworks. One-on-one alignment meetings held. IDP Successfully completed by 30 May 2009 and submitted to KZN Department of Local Government and Traditional Affairs.
	Ensure compliance with applicable legislation in statutory and development planning.	4.1	Ensure compliance with legislation in statutory and development planning by commenting on all development applications received by 30 June 2009 within the timeframes as specified in each development application.	<ol style="list-style-type: none"> All development applications commented on within the timeframes specified.
3. Organisational Performance Management (PMS)	Ensure that the Individual Performance Management System for Section 57 Managers is updated and ready for individual assessments	5.6.1	Ensure that Performance Plans for Section 57 Managers are drafted and signed within specified timeframe as per the MFMA by 31 July 2009.	<ol style="list-style-type: none"> Each of the 5 Section 57 Managers entered into a Performance Agreement by 31 July 2009, consisting of: <ul style="list-style-type: none"> - Performance Agreement - Performance Plan - Personal Development Plan - Code of Conduct - Financial Disclosure.
		5.6.1	Report on completed 2007/2008 financial year's performance assessments to KZN DLGTA (Dept local Govt & Trad affairs) by 31 January 2009	<ol style="list-style-type: none"> Half year internal audit report. Full year internal audit report. Performance Audit Committee report. Executive Committee and Council report. Comprehensive

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				summary report to KZN Department of Local Government and Traditional Affairs.
		5.6.1	Report on mid 2008/09 financial year's performance assessment results per departmental head to the Performance Audit Committee by 30 April 2009	<ol style="list-style-type: none"> 1st and 2nd quarter assessments. Half Year Internal Audit Report. Internal Audit KPI's Performance Audit Committee report.
	Prepare and submit Annual performance report for 2007/2008 completed financial year, including the Annual Organisation's Performance Report for approval by Council.	5.6	Submit Draft Annual Performance report for 2007/2008 financial year on achievements and new targets set for approval by Council by 31 January 2009.	<ol style="list-style-type: none"> 1. Draft Annual Performance Report submitted to: <ul style="list-style-type: none"> - Oversight Committee - Financial Portfolio Committee - Executive Committee - Council 2. Final Annual Performance Report printed and distributed.
4. Local Economic Development (LED)	Managing the Strategic Portfolio of Local Economic Development by facilitating new investments and new developments within the district	1.1 4.2	Facilitate the uThungulu District's growth and development summit 2008 for all National, Provincial, Local Municipalities and Business stakeholders by 30 November 2008.	<ol style="list-style-type: none"> 1. Successful hosting of 08/09 Uthungulu Growth and Development Summit. 2. CD Production on Summit Presentations and Action Plans. 3. CD Production on Economic Survey of the Uthungulu District.
	Ensure LED Capacity, Institutional and Operational support to SMME's.	1.1.2	Ensure LED Capacity, Institutional and Operational support to SMME's within the available budget by appointing a LED Facilitator: agriculture/SMME by 31 December 2008	<ol style="list-style-type: none"> 1. Successful appointment of LED Facilitator: Agriculture/SMME. 2. Additional capacity secured by extension of contract of temporary LED field officers.
	Ensure that a specific number of community members benefits from the LED programme.	1.1.2.5	Report to the Planning and Development portfolio committee on the number of job opportunities created by LED projects by 30 June 2009.	<ol style="list-style-type: none"> 1. Quarterly LED Project Progress reports, indicating number of job opportunities created, submitted to Portfolio Committee.

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
	Ensure that Uthungulu participate in EU Gijima KZN LED Programme as part of it's LED Strategy	1.1.3.2	Participation in the Gijima KZN Brazil LED Study Tour from 23 August to 3 September 2008 and study report forthcoming on LED opportunities by 30 June 2009.	<ol style="list-style-type: none"> 1. Successful participation in the Gijima KZN Brazil LED Study Tour with a full report on findings to Portfolio, EXCO and Council. 2. Participation in the EU Gijima KZN Steering Committee. 3. LED Business Plan applications submitted to DED for funding.
	Formulation of LED Sector plans for the Uthungulu District	1.1.3.2	Commencement with reviews of the: <ol style="list-style-type: none"> a. Tourism Sector Plan b. Agriculture Sector Plan c. Transport Sector Plan by 30 June 2009. 	<ol style="list-style-type: none"> 1. Reviews successfully commenced with for the following sector plans: <ul style="list-style-type: none"> - Tourism - Transport 2. Participation in development of a Regional Economic Strategy.
	Implementation of Agricultural Sector projects in the District.	1.1.3.4	Ensure commissioning of essential oils projects in Nkandla, Mthonjaneni and Mbonambi by 30 June 2009.	<ol style="list-style-type: none"> 1. Commissioning of essential oils projects in: <ul style="list-style-type: none"> - Nkandla - Mthonjaneni - Mbonambi - uMlalazi 2. Investigation into viable agricultural projects: <ul style="list-style-type: none"> - Ntambanana 3. Investigation into Biodiesel production within the district. 4. Engagements with Organised and Emerging Agriculture and establishment of Agricultural Forum.
	Implementation of Projects with Tourism potential within the district.	1.2.4	Report, to the Planning & Development Portfolio Committee, on progress of projects with tourism potential for the district four times per year. (i.e. quarterly at the first sitting of the committee after the end of the quarter.)	<ol style="list-style-type: none"> 1. Hosting of Ringball SA President's Challenge Series. 2. Hosting of 12th Annual Zulu Dance Competition. 3. Craft Development Project and leasing of premises for Crafters. 4. Kwabulawayo Tourism Development. 5. Feasibility Study on a Regional Tourism Organisation. 6. Participation in Women in Tourism Summit. 7. Financing of Zululand Birding Route Project. 8. Inkosi Dingiswayo Memorial Project. 9. Establishment of Mobile Welcoming Unit for

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				Passenger Liners. 10. Contribution towards Mapelane Tourism Development. 11. Participation in Durban Wild Talk Africa. 12. Commencement with and E-marketing Electronic Newsletter . 13. Financing the establishment of the Boardwalk Inkwazi Information Hub. 14. Establishment of a Tourism Education Info Hub.
	Marketing of District as Tourism Destination.	1.2.4.2	Marketing of District as Tourism Destination by participating in Tourism shows and in publications by 30 June 2009	1. Participation of the District in Tourism Exhibition Shows throughout South Africa. 2. Publicising the District's Tourism potential in Tourism and Travel and Travel publications and magazines. 3. Marketing of the district through Newspaper articles and Newspaper supplements.
	Ensure Uthungulu's participation in the Provincial Corridor Development and securing of grant funding for Corridor LED projects	1.2.2.10 2.6.1 4.1.4.1 1.2.2.7 1.1.3.6	Compiled business plans as applications and grant funding secured from Corridor Development Fund by 30 June 2009	1. Successful compilation of Corridor Development Fund Business Plan applications. 2. R12.250 million funding secured from the Provincial Corridor Fund for 2008/09 and 2009/10. 3. Processing of Agreements of Grant Funding Transfers and commencement of Corridor Development Fund Projects. 4. Participation in Steering Committees and monthly progress reporting. 5. Project Management initiatives in respect of approved Corridor Development Fund projects.
5.Risk Management	Managing the Strategic Portfolio of Risk Management within the municipality by coordinating and facilitating all joint actions by departments	5.7.2	Facilitate the drafting of an Anti-Corruption (Fraud) prevention strategy by 30 June 2009	a. Compilation of a Fraud Prevention Strategy b. Successful submission of final draft of the Fraud Prevention Strategy to Audit Committee and Exco. c. Compilation and implementation of a Fraud Risk Register.

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
6.Shared Services	Strategically managing the uThungulu District Municipality's shared services support function for Development Planning to participating local municipalities	5.5	Develop a business plan and model by the 30 June 2009 for the UDM shared services support centre project for approval by the KZN DLGTA.	<ol style="list-style-type: none"> 1. Development of a Development Planning Shared Services Business Plan application for funding. 2. Compilation of a Service Level Agreement. 3. Compilation of TASK JOB Descriptions for Shared Services Staff. 4. Submission of Development Planning Shared Services model to all municipal structures within district for approval. 5. Signing of Shared Services Agreement by municipalities within Uthungulu District for the sharing of Development Planning services. 6. Implementation of Development Planning Shared Services centre within district. 7. Appointment of Chief Planner Shared Services. 8. Issuing of First Quarterly Progress Report. 9. Roll out of Planning Development Act Training initiatives.
7.District Bid and Adjudication	Manage the uThungulu district municipality's bid adjudication process by chairing the Bid Adjudication Committee. (BAC)	5.1.4.1	Chair bi-monthly BAC meetings and ensure that adjudication of tenders is strictly complying with the supply chain management policy and relevant procedural requirements for the period ending 30 June 2009.	<ol style="list-style-type: none"> 1. Bi-monthly meetings held and chaired and tenders adjudicated strictly in accordance to the supply chain management policy. 2. Special BAC meetings held and chaired as and when necessary to adjudicate tenders.
8. Special Projects: Soccer 2010	Ensure the strategic readiness of the district to host a base camp / training venue for the 2010 Soccer World Cup	5.8.1	Submit business plans and proposals to secure 2009/2010 grant funding by 31 March 2009 for the construction of a multipurpose sport stadium and all functions related to the 2010 event.	<ol style="list-style-type: none"> 1. Letters of application, business plans and presentations compiled to market the 2010 base camp/training venue to potential funders. 2. R34 million additional funding secured from KZNDLGTA for the 2008/09 financial year; 3. R15 million additional funding secured from the City of uMhlatuze for the 2008/09 financial year; 4. R5 million additional funding secured from the Uthungulu District Municipality for the 2008/09 financial year;
		5.8.1	Facilitate a tourism forum for Tourism Sector providers by 31 December 2008	<ol style="list-style-type: none"> 1. Successful hosting of Tourism Forum meetings aimed at 2010 "Tourism Readiness". 2. Commencement with an Airport Beautification

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				programme, by introducing 2010 Welcoming Signage, Brochure racks and brochures as well as new luggage trolleys.
		5.8.1	Appoint a District Coordinator by 31 December 2008 to man the 2010 helpdesk and to co-ordinate 2010 programmes	1. Appointment of Soccer 2010 District Co-ordinator to man the 2010 helpdesk and to co-ordinate and participate in 2010 readiness programmes.
		5.8.1	Facilitate a district 2010 soccer indaba by 30 June 2009 to address the five main workstreams of readiness for 2010	<ol style="list-style-type: none"> 1. Successful facilitation of a District 2010 Soccer Indaba. 2. Strategic Readiness reporting and presentations to all structures and stakeholders. 3. Appointment of a 2010 Strategic Readiness Consultant.
		5.8.1	Act as project manager for the uMhlathuze multi purpose sports facility project, by conducting district steering committee meetings, for the 2008/2009 financial year up to 30 June 2009. Represent the district on provincial 2010 steering committee. Submit monthly 2010 progress reports to the provincial committee within 2 weeks of the next month.	<ol style="list-style-type: none"> 1. Successful management of the construction of the 2010 sports stadium. 2. Chairing of the monthly 2010 Technical Steering Committee meeting. 3. Representation of the district on the quarterly 2010 Provincial Steering Committee. 4. Submission of monthly progress reports on construction to all stakeholders.
		5.8.1	Facilitate the Soccer 2010 Safety and Security Forum on a quarterly basis up to 30 June 2009	<ol style="list-style-type: none"> 1. Chair quarterly meetings of the 2010 Safety and Security Readiness Forum for 2010. 2. Chair quarterly meetings of the 2010 Disaster Management Steering Committee to oversee and develop the drafting of a 2010 Disaster Management Plan. 3. R500 000,00 additional funding secured from KZN DLGTA for drafting of a 2010 Disaster Management Plan. 4. Submit monthly progress reports on development of Disaster Management Planning arrangements aimed at 2010. 5. Successful issuing of 2010 Disaster Management Plan. Literature Review Report.

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
		5.8.1	To commence with the phase 1 construction of the 2010 FIFA Spec uMhlathuze Training Stadium by 30 September 2008.	<ol style="list-style-type: none"> 1. Successful awarding of tender to contractor to commence with phase 1 construction of the 2010 Training Stadium. 2. Successful receipt of the Environmental Authorisation to proceed with phase 1 (the 2010 Training Stadium) and phase 2 (the post 2010 Multi-Purpose Sport Stadium with Conference Facilities). 3. Successful awarding of Sub-contracts 1 A, 1B and 1C within the scope of the tender contract. 4. Successful hosting of 2009 Confederations Cup Public Viewing Area as a “dry-run” preparation for 2010.

KEY PERFORMANCE AREA ACHIEVEMENTS FOR THE 2008/2009 FINANCIAL YEAR

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
1. Budget and Management of Accounts	Effectively plan, execute and manage the budgeting process in accordance with the Municipal Finance Management Act, 2003.	5.1.2	Prepare and submit 2008/2009 draft budget to Council for approval by 31 March 2009 in terms of section 16 (2) of the MFMA	Per UDMC: 709 on the 28 August 2008 Council approved the "time schedule of Key Deadlines for the 2009/10 budget. Council approved the draft budget per UDMC 940 , 27 March 2009
		5.1.2	Prepare and submit final 2009/2010 budget to Council for approval by 31 May 2009 in terms of section 24 (1) of the MFMA	Final budget was approved per UDMC 941, 28 May 2009 A budget booklet was printed and given to all councillors
		5.1.2	Prepare and submit the Mid-Year Financial Review of the 2008/2009 budget in terms of section 72 of the MFMA by 25 January 2009	The mid year review commenced and was approved on 23 January 2009 (UDMC 857)
		5.2.1	Prepare and submit adjustments budget if required, by 25 January 2009, section 72 of the MFMA by 31 January 2009	On 23 October per UDMC 892 (UDMFS 131) the first 2008/09 adjustment budget was approved A second adjustment budget for 2008/09 was approved per UDMC858, 23 January 2009.
	Submit monthly reports.	5.1.1	Prepare and submit monthly financial reports to the Mayor in terms of section 71 of the MFMA within 10 working days after each month end	The committee notes the monthly financial report in terms of S71 required to be submitted within 10 working days after each month end has been a challenge with submission being delayed as a result of system problems beyond our control and time constraints due to the overly legislated reporting framework in terms of National & Provincial dept.
	Produce annual financial statements that comply with applicable legislation (GAMAP/ GRAP)	5.1.1	Complete and formally submit the 2007/08 annual financial statements to Auditor General by 31 August 2008	The 2007/08 Financial Statements were submitted to the AG on the 31 August 2008 and the Financial statement inclusive of appendix G and the audited Financial Statements for the Financing Partnership and the Uthungulu House Trust was attached and submitted to AG on the 30 September 2008
	Ensure that the Audit Report is submitted to Council	5.1.1	Submit the Financial Audit Report of 2007/2008 financial year to Council by 31 January 2009	On 26 November 2008, a joint meeting between AG and Audit committee members was held in which the draft audit opinion was discussed and agreed upon.

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				An audit committee meeting on the 14 January 2009 approved the final audit opinion received. (UDMC 859)
2. Revenue Management	Annually revise budget/revenue and expenditure policies	5.1.3.1	Prepare and submit revised credit and debt control policy for approval by 30 June 2009	The credit & debt control policy was reviewed and found that no amendments were required.
		5.1.3.1	Prepare and submit revised indigent policy for approval by 30 June 2009	The policy was reviewed and amendments to the policy was approved per UDMC 940 , 27 March 2009
		5.1.3.1	Prepare and submit revised incentive policy for approval by 30 June 2009	The policy was reviewed and amendments to the policy was approved per UDMC 940 , 27 March 2009
		5.1.3.1	Prepare and submit revised tariff policy for approval by 30 June 2009	The policy was reviewed and amendments to the policy was approved per UDMC 940 , 27 March 2009
	Reporting of grants as gazetted	5.1.3.1	Submit monthly Grant reports to the relevant Provincial Departments on all DORA grants received due by the 10th working day of the following month.	The DORA reports have been submitted.
	Monitor and report on Financial Viability (debtors collection)	5.1.3.1	Prepare and submit quarterly report to Financial Services Portfolio Committee, within 2 months after the quarter, on the Financial Viability of uThungulu DM on applicable National KPI ratios. (debtors collection)	To note on 31 July 2008 the report on debt collection ratio's for 4 th quarter was submitted per UDMFS 121 to the Finance portfolio The first quarter report on debtor collection ratios has been prepared and submitted to Finance portfolio in October 2008. (UDMFS 139 , 22 Oct. 08) The second quarter report was submitted to the Finance portfolio in 26 Feb 09 per UDMFS 147 The third quarter report was submitted to the Finance portfolio in April 09 per UDMFS 156
	Improve debtors collection	5.1.3.1	Ensure that monthly outstanding debtors' reports are submitted to the Portfolio Committee within 2 months after the quarter end.	The debt collection targets & credit control report for 1 st quarter was submitted in October 2008 to the Finance portfolio (UDMFS 133 & 139) To note on 31 July 2008 the report on debt collection target for 4 th quarter & credit control progress was submitted per UDMFS 121 & 126 to the Finance portfolio

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				<p>The debt collection targets & credit control report for 2nd quarter was submitted in October 2008 to the Finance portfolio. (UDMFS 147 & 148).</p> <p>The debt collection targets & credit control report for 3rd quarter was submitted in April 09 to the Finance portfolio. (UDMFS 156 &157).</p>
	Annual review credit rating	5.1.3.1	Prepare the District's credit rating report on an annual basis and submit to Financial Services Portfolio Committee by 30 June 2009 for the previous financial year.	<p>The Credit rating for 2006/07 audit financial year was prepared by Global Rating approved by Finance Portfolio ,October 2008 per UDMFS: 135</p> <p>The credit rating report for 2007/08 financial year was received from Global rating and submitted to EXCO per UDME :1113</p>
3. Expenditure supply chain management, stock and asset management	Annual review of Supply Chain Management policy	5.1.4.1	Submit the annual review report on the Supply Chain Management policy to Financial Services Portfolio Committee by 30 June 2009.	<p>The SCM policy was reviewed and the amendments were approved per UDMFS 145 , 26 February 09</p> <p>Revise SCM policy approved by Council per UDMC: 943 on the 28 May 2009</p>
	Annual review of Fixed Asset policy	5.7.4	Submit annual review report on the Fixed Asset policy to Financial Services Portfolio Committee by 30 June 2009.	<p>The fixed asset policy was reviewed and the amendments were approved per UDMFS: 151, 26 February 09</p> <p>Approved by council per UDMC 944 28 May 2009</p>
	Control and monitor stores centres by performing quarterly stock counts	5.1.4.1	Control and monitor store with quarterly stock counts and report on the results / variances annually within 2 months after the financial year end to the Financial Services Portfolio Committee.	<p>The stock take report for 2007/08 was submitted to the Financial services committee and approved per UDMFS: 141, 27 November 2008</p> <p>The quarter's stock count was held at our 4 centres (R.Bay, Empangeni, Umlalazi, & Mtonjaneni, at month end :</p> <ol style="list-style-type: none"> September 2008. December 2008 March 2009 June 2009
4. Lead, direct and strategically manage	Ensure sufficient Financial department responses to internal audit and general enquiries and implement approved recommendations timeously.	5.6.2	Respond to all finance internal audit enquiries and general enquiries and take action on all approved recommendations within 30 days of report date unless there are reasons why implementation is not possible.	<p>Co-ordination & monitor of the finalisation of 0809 internal audit plan.(UDME : 502)</p> <p>The 0708 internal audit reports from E&Y were finalised and presented to the</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				<p>Audit Committee on 16 October '08 (UDMAPC 30) ,</p> <p>Deputy chairperson of the Bid Awards committee and attend bi-monthly meetings to approve tenders.</p> <p>Responsible for preparation & submission of items to the Finance & audit portfolio</p> <p>Responsible to chair the Finance MANCO</p> <p>Attend & give input at bi-monthly MANCO meetings</p> <p>Attend & give input at the bi-monthly MM strat meetings</p> <p>Responsible to attend & respond to issues raised during the meeting of Council , EXCO , Corporate , Technical & Finance</p>
	Monitor and report on the Performance of Contractors under the control of the CFO Department	5.6.2.	Draft reports and submit bi-annually to the Financial Services Portfolio Committee on the Performance of Contractors under the control of the CFO Department. To be reported within 2 months after quarter 1 and 3. The report should highlight actions taken to address undue performance.	<p>The report on the review of the contractors under the Finance department have been reviewed and approved per UDMFS 144, 26 Feb 09 for the period of July – Dec 08</p> <p>The report on the review of the contractors under the Finance department have been reviewed and an item, for the period of Jan-Jun 09 has been completed and an item will serve at the finance portfolio in Jul 09</p>
	Hold Departmental meetings to ensure efficiency of staff.	5.6.2	Conduct monthly meetings, with Finance Managers and keep record of minutes of meetings to ensure that staff is utilised.	Monthly Finance MANCO meetings have been held regularly.
5. Municipal Financial Viability and Management	Internal and external audit reports to the Mayor.	5.1.1	Ensure preparation and submission of Internal audit reports per the approved audit plan to the Audit Committee by 30 June 2009	<p>Held regular meetings E&Y ensuring the internal audits for 2008/09 were commenced.</p> <p>Internal audit reports finalised were submitted to audit committee per UDMC: 900</p>

**UTHUNGULU DISTRICT MUNICIPALITY
EXECUTIVE DIRECTOR CORPORATE SERVICES**

KEY PERFORMANCE AREA ACHIEVEMENTS FOR THE 2008/2009 FINANCIAL YEAR

DM#62120

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
1. Administrative Services	Organise and provide secretariat services (organize, produce and distribute documentation, agendas, minutes etc.) for Council, Exco and Portfolio Committee Meetings.	5.3.1	Compile and deliver agendas in accordance with Council's Standing Rules of Order (Keep record of all agendas and minutes for inspection).	Agendas are delivered 48hrs before the meeting as per the Standing Rules of Order. In the event of special meetings, the Committee Section endeavours to deliver Agendas to members at least 24 hours before the scheduled meeting
	Manage Portfolio Committee System by scheduling of meetings, submission of agendas and keeping of minutes of meetings.	5.3.1	Schedule at least one portfolio committee meeting per quarter per portfolio and submit agendas and minutes internally and to Portfolio Committee members.	Since 01 April the following meetings were held: <ul style="list-style-type: none"> <input type="checkbox"/> Audit Portfolio Committee 27/05/09 <input type="checkbox"/> Corporate Services Portfolio Committee on 16/04/09; <input type="checkbox"/> Community Services Portfolio Committee on 16/04/09; <input type="checkbox"/> Technical Services Portfolio Committee on 14/04/09 <input type="checkbox"/> Planning Portfolio Committee on 15/04/09 <input type="checkbox"/> Finance Portfolio Committee on 13/04/09; 21/05/09; 28/05/09;
		5.3.1	Schedule at least one Exco meeting per month except for December and submit agendas and minutes - as per the Council' Standing Rules of order	Since 01 April, the following ExCo meetings were held: / 08/04/09; 13/05/09; 21/05/09; 10/06/09
		5.3.1	Schedule at least one Council meeting each quarter and submit agendas and minutes to Councilors' and Officials as per Council's Standing Rules of order.	Since 01 April, the following Council meetings were held: 28/05/09; 10/06/09.
		5.3.1	Submit items quarterly to Exco as per Council's Standing Rules of order, on bids awarded	Items served at ExCo on 13/07/2009 The Bid Committee meetings have been sitting at least once a week since April 2009 and meeting were held on: BSC: 15/04/09;06/05/09;26/05/09; 01/06/09;17/06/09

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				<p>BEC: 08/04/09;20/04/09;04/05/09; 18/05/09;25/05/09; 01/06/09;08/06/09;17/06/09; 22/06/09</p> <p>BAC: 16/04/09; 30/04/09; 27/05/09; 11/06/09; 25/06/09</p> <p>District Mayors' Forums and Techcom are sitting quarterly and meetings were held on 21/05/09</p> <hr/> <ul style="list-style-type: none"> ● TechCom and District Mayors' Forums are sitting quarterly and a meeting was held on 21/05/09 for this Quarter. ● July 08 – June 09 - 5 District Mayor's Fora held. ● Numerous reminders are sent to members reminding them of the scheduled meetings. ● Communication also sent to Local Municipalities requesting items to be placed on the agenda.
	Drafting of an Access to Information Manual by 20 June 2009	5.7.4 1.5	Ensure an updated access to information manual approved by ExCo by 31 Dec 2008	The Information Manual was approved by ExCo on 08/10/08.
		5.7.4 1.5	Ensure an updated access to information manual gazetted by 30 June 2009	MEC's confirmation letters were received on 19/01/09; 18/02/09 ; 03/03/09. 16/04/09.
			Provide effective continuous support to Councillors by ensuring to report quarterly on services delivered.	<p>This is continuous operation. It has been carried through successfully and the reports are prepared and submitted to Council as required.</p> <hr/> <ul style="list-style-type: none"> ● Lance Joel from SALGA was invited to give clarity on Councillors' S&T. ● The Policy was found to be in compliance with the legislation.

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				<ul style="list-style-type: none"> Subscribed to L G Bulletin for all Councillors and distribute same to them to ensure that they are updated on all developments in local government.
	Effective Legal support services is delivered timeously when requested	5.3.1	Ensure that Legal Services support requests are met timeously by obtaining monthly reports from the Legal Advisor. Report legal matter bi-annually to the relevant portfolio committee.	<p>The schedule of services provided in respect of legal services is prepared and submitted to HOD: CS from Jan to 30 June 09, since Jan 09, services are provided internally by the Legal Advisor.</p> <p>The last report was submitted to Council on 25/06/09.</p>
		5.1.4.	Ensure that Legal Services expenditure does not exceed funds provided on the operational budget for Legal Services.	<p>The external Legal Services budget and expenditure is as follows:</p> <p>Legal Services Budget – R200 000 Expended – R179 543.34</p> <hr/> <ul style="list-style-type: none"> Initiated library for Legal Services. Appointed Temp Legal Secretary to increase the efficiency and effectiveness of the Legal Services Section.
	Effective an efficient Delivery Service of all official communication material.	5.3.1	Ensure distribution of all Council's external, internal communication and communication material and submit statistics to the portfolio committee bi-annually within the month after the mid year and full year period ends.	<p>The communication material is delivered to various stakeholders on daily basis by post and courier service The communication to Councillors is delivered by the driver.</p> <p>The last report served at the Corporate Services Portfolio Committee on 16/04/09 and 13/07/09 Served at ExCo on 10/06/09.</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
	Effective and efficient Printing and Photocopy Services	5.3.1.	Ensure that all printouts and photocopies are made available and report bi-annually at the first Portfolio Committee meeting after mid year and full year end on the budget utilisation of printing and photocopy material.	<p>The last report served at Corporate Services Portfolio Committee on 16/04/09 and 13/07/09 Served at ExCo on 10/06/09. Budget – R150 000.00 Expended – R142 801.65</p> <hr/> <ul style="list-style-type: none"> ● As part of Risk Control we have restricted entrance to the printing room and have introduced a request book where users capture their requests. ● Introduced a lock-code for the printing machines.
	Ensure the delivery of an effective and efficient Fleet Control service	5.3.1.1	Ensure the proper allocation of fleet vehicles as per policy and submit quarterly reports on the utilization of Council's fleet to Management Committee.	<p>The monthly reports were submitted to the Management Committee on 06/04/09 and to MM Strat on 01/06/09 to monitor the proper use of Council vehicles.</p> <p>Discrepancies have been identified and dealt with via the disciplinary procedures.</p> <p>The budget of fuel and oil was R392 280.00 Expended so far is R335 524.11.</p> <hr/> <p>Revised S & T Policy which included the allocation of fleet vehicles and submitted to EXCO and Council 11/03/09.</p>
	Effective and efficient Building Control and maintenance service	2.0	Respond to maintenance requirements by user departments. Ensure that maintenance requirements are handled within budget that has been allocated for the financial year.	<p>The monthly budget expenditure is done to monitor and control budget.</p> <p>The budget currently stands as follows:</p> <p>uThungulu House and Satellite offices Budget – R221 375.00 Exp. – R183 287.48</p> <p>Bateleur Park Budget – R265 000.00 Exp. – R251 334.01</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				Enhancing of Council security by instructing the security service provider to install an electronic monitoring device which tracks the movement of the security guards on the premises.
2. Management Services	Implementation of the employment equity plan and review of strategy and targets	5.2.1	Review the annual employment equity strategy by 22 September 2008 and submit employment equity plan to the Department of Labour by 01 October 2008.	The EE report is submitted annually to the Department of Labour. The report was submitted timeously. The EE Plan was submitted on 29 April 2009.
		5.2.1	Ensure that 75% of appointments are made in line with the employment equity plan and submit quarterly update report to the Employment Equity Committee within the month after the quarter end.	The quarterly Report for this period was prepared during March 2009 and submitted to EE Committee on 16 th April 2009. As at 30 June 2009, 08/09 budgeted positions were at 87% filled with EE appointments.
	Recruitment, selection and retention policies are implemented.	5.2.1	Ensure that all procedures under the recruitment and selection policy are followed for filling of vacancies and report monthly within the first 2 weeks of the month end on recruitment progress to the Management Committee.	The Recruitment Progress Report is submitted to MANCO on a fortnightly basis.
	Human Resources road shows	5.2.1	Ensure the appointment of the service provider by 31 Dec 2008	Insufficient funds to appoint Service Provider to do video. Produced manuals instead in English and Zulu versions.
		5.2.1	Ensure that the number of roadshows as identified in the plan is conducted by 30 June 2009.	The Roadshows were conducted from 26 th May 2009 until 25 th June 2009 for all UDM employees. <hr/> <ul style="list-style-type: none">● HR Roadshows were successfully conducted throughout the district.● Staff received induction manuals and a gift.● Presentations were done on policies, conditions of service, employee benefits and industrial relations & OHS

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
		5.2.1	Report to the LGSETA, on progress of implementation of WSP as at 31 Dec 2008 and 30 June 2009.	<p>TRAINING : Training reports are submitted on monthly basis to the LG SETA.</p> <p>During this period the following number of training interventions had taken place:</p> <p>Officials: 28 Councillors: 16</p> <p>The budget allocated for training was:</p> <p>Officials- R 432 000. 00 Councillors- R 193 000.00.</p> <p>The balance thereof: Officials R 44 357. 00 Councillors R 22 392.00</p> <p>ABET: Exams were written on 01 & 02 June 2009 in Richards Bay for Mother Tongue Language and English Communications. Numeracy was written on 15 June 2009.</p> <hr/> <p>ABET Exams were written on 01 & 02 June 2009 in Richards Bay for Mother Tongue Language (MTL) and English Communications level 1-3</p> <p>It must be noted that the general norm in the HR industry its service allocation is 1 practitioner to 60 – 80 staff. We have one training co-ordinator and 1 assistance to 280 employees and 31 councillors.</p>
		5.2.1	Compilation of quarterly training report for submission at the first meeting of the Training Committee after the quarter end.	The monthly training report for the period 01/04/2009 to 30 June 2009 was compiled and submitted to LGSETA and to the Training Committee on 17 June 2009.

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
		5.2.1	Compilation of Skills Audit: Staff & Councillors by 30 April 2009	<p>Skills Audits were conducted during 30 April 2009 and completed on 08th May 2009.</p> <hr/> <p>Note: As part of our Skills development program, allocation of scarce skills allowances are continuously reviewed</p> <ul style="list-style-type: none"> ● An Internship program has been introduced to address the skills shortages ● Psychometric assessments was done for staff on the D Band Paterson to assess gaps in development
		5.2.1	Approval of the ATR & WSP by the Training Committee by 15 June 2009	The draft of the WSP & ATR was submitted for approval to the Training Committee on 17 June 2009.
		5.2.1	Submission of approved WSP to LGSETA by 30 June 2009	<p>The WSP was submitted to the SETA on 26/06/2009.</p> <hr/> <p>In addition to ordinary training, the training section also co-ordinates w/shops, conferences, formal programs and CPMD</p>
		5.2.1	Awarding of bursary for IT & Engineering Interns by 31 January 2009	<p>These bursaries were advertised within the relevant KZN institutions on 2 occasions. The response to our adverts has been poor. As a result the bursaries were advertised in the local media. 11 applications were received for the IT bursary; however, none were received for the Engineering bursary.</p> <p>2 IT bursary applications were awarded on 06/05/09 and students are currently training with us.</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
	Human Resource (HR) Administration to internal customers is in place	5.2	Submit Quarterly manpower report to the Corporate Services Portfolio Committee on appointments, resignations, disciplinaries, benefits etc, within the first month after the quarter end.	1 appointments for April 2009 1 appointment for May 2009 2 appointment for June 2009 Total Appointments for the 4 th quarter = 4. Appointments made for Jan-March 09 were submitted to the EEC on 16/04/09 Appointments made for April-June 09 were submitted to the EEC on 13/07/09
		5.2	Ensure that HR satisfaction survey is conducted by 31 Dec 2008	The Service Provider conducted the survey from 11 th May 2009 until the 20 th May 2009. 98% of employees were surveyed. The final results were received from Bees Ink Marketing on 26 th June 2009. A presentation was done to MANCO members on 6 th July 2009. The overall results of the Climate Survey were good.
	Co-ordinate and organize Central Health and Safety Committee meetings.	5.2.1.7	Ensure that at least four Central Health and Safety Committee meetings are conducted during the year and maintain minutes of the meetings for inspection.	The health & safety meeting for the 4 th quarter was held on the 19 th June 2009.
	Implementation and compliance of Occupational Health & Safety (OH&S)	5.2.1.7	Report progress on hazard identification and risk assessment of water plants & offices quarterly to OH&S Committee at first meeting of the Committee after the quarter end.	Progress report was presented at the meeting held on 19th of June 2009.
		5.2.1.7	Organize medical examinations for staff in water plants as per legislation and submit report on examination results to the user department by 30 November 2008	Executive medicals were done between 19 th & 27 th in May 2009 First Occupational medicals took place on 1 st & 2 nd Dec 2008 due to the tender process being finalised late. The second Occupational medicals for 59 sewage employees were conducted on 18 th June 2009. <hr/> Executive medicals were done between 19th & 27th in May 2009

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
		5.2.1.7	<p>Ensure that breathalyser tests are conducted randomly. Ensure that Substance Abusers are put onto the Substance Abuse programme.</p> <p>Report to the user department on the results of tests conducted and the number of people put on the EAP programme as soon as this information is received.</p>	<p>Water plants Supervisors are submitting monthly test reports.</p> <p>ICAS utilisation report for the 4th quarter with a record of employees on the program was received on 23rd July 2009.</p>
	Enforce policy to provide Employee Assistant Programme	5.2.1.5	Submit Quarterly Reports within the first month after the quarter end to the user Department on the number of Employee's that were provided with the necessary assistance.	ICAS utilisation report for the 4 th quarter with a record of employees on the program was received on 23 rd July 2009.
	Administration of Bursaries		Report quarterly to the Training Committee at first Training committee meeting after the quarter end on the number of bursaries awarded. (Internally and externally).	<p>Bursary applications of four officials were approved by ExCo on 13th May 2009.</p> <p>Bursary applications for two external applicants were awarded on 06th May 2009.</p> <p>Bursary report for the period ending 30 June 2009 serve before LLF on 07/07/2009 and Corporate Portfolio Committee on 13/07/2009.</p>
3. Information Technology	Align functionality requirements of the various departments and create an enabling environment for service delivery through effective and efficient IT Services.	5.2.2	Review call logs on a weekly basis and check that queries are resolved timeously.	<p>April calls= 23 Closed =18 Carried over to May = 5</p> <p>May calls = 31 Closed = 24 Carried over to June = 7</p> <p>June calls = 30 Closed = 25 Carried over to July = 5</p>
		5.2.2	Ensure off site storage of daily, weekly, monthly and yearly backup tape for data restore and business continuity/	<p>Backups, Backup tapes stored off site @ Metrofile as per payment on 27/03/2009; 24/04/2009; 22/05/2009;</p> <hr/> <ul style="list-style-type: none"> We've installed a 128K link to Ntambanana to enable them to connect to the UDM financial system as part of the shared service. This initiative resulted in cost saving, reduction of duplication and resource sharing

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				<ul style="list-style-type: none"> ● Upgraded the Link bet UDM offices in R/Bay and the Disaster Recovery Site in Empangeni to facilitate data replication which is part of the DRP/BCP strategy for the organisation.
4. Community Services	Manage the delivery of environmental health services delivered by local municipalities on behalf of the KZN department of Health	3.1.3	Compile a consolidated report on environmental health services and submit quarterly report to the Community Services Portfolio Committee at the first meeting of the Committee after the quarter end	Routine inspections carried out on dates as follows: Mbonambi: <ul style="list-style-type: none"> □ APRIL: 17,20 □ MAY: 26; 01 □ JUNE: 26 Mthonjaneni <ul style="list-style-type: none"> □ APRIL: 14;15;16 □ MAY: 12;14;19;21;22;23;29 □ JUNE: 02;03;18;23;26 Nkandla: <ul style="list-style-type: none"> □ May: 12; 13; 14; 19 Report served at the Community Services Portfolio Committee meeting on 13July 2009
		3.7.1.1	Conduct Environmental Health & Safety awareness program within the district and report quarterly progress to the Community Services Portfolio Committee at the first Committee meeting after the quarter end.	Campaigns done jointly with the Department of Health (DOH) whereby the DOH identify problem areas and submit report to uThungulu District Municipality who then address the issue identified. Meetings were held as follows: <ul style="list-style-type: none"> □ 27 May 2009 Environmental Health Consultative Committee Meeting. □ 24 June 2009 Environmental Health Consultative Committee Meeting. □ 30 June 2009 Air Quality Management Forum Meeting □ Mthonjaneni: □ 14 May 2009 Food Safety Monitoring workshop HEALTH PROMOTION

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				<p>School health nutrition programme workshops in wards of Nkandla Circuit of Education: 20 - 21/05/09; 26/05/09; 28/05/09. 19/06/09 and 22/06/09. Assessment of schools taking part in the cleanest school competition – uMlalazi municipal area</p> <p style="text-align: center;">MEETINGS</p> <ul style="list-style-type: none"> <input type="checkbox"/> 10/03/09 Planning meeting for cleanest school competition@ uMlalazi PEHS <input type="checkbox"/> 19/03/09 Planning meeting For school nutrition Programme workshops - Nkandla <input type="checkbox"/> 24/03/09 NMMP meeting @ uMhlathuze Water <input type="checkbox"/> 25/03/09 EHS Consultative Committee 24/03/09 @ UDM <input type="checkbox"/> 07/04/09 Farmers Assoc. meeting – Gingindlovu <input type="checkbox"/> 08/04/09 Planning meeting For the cleanest school Competition – UDM <input type="checkbox"/> 27/05/09 EHS Consultative Committee Meeting - UDM
		3.7.1.1	Ensure continuation of service level agreements with local municipalities for provision of municipal health care services by 30 June 2009	Reports served at the Portfolio Committee on 13 July 2009.
	Delivery of a fire, emergency service and disaster management service in the district.	3.5.4	Draft a consolidated report on the rural metro service within the four local municipalities and submit the report to the Committee quarterly at the first Community Services Portfolio Committee meeting after the quarter end.	Monthly consolidated reports on the Rural Metro service within the four Local Municipalities received for the 2 nd quarter. The reports served at the next Community Services Portfolio Committee meeting on 13 July 2009
		3.5.3	Conduct at least 2 Disaster Forum meetings per annum and maintain minutes for inspection.	A Disaster Forum meeting was held on and 19 June 2009
		3.5.1	Ensure that calls received by the Call Centre for disaster management are responded to	Monthly consolidated reports on the Rural Metro service within the four Local

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
			by providing necessary assistance. Submit a quarterly report within the month after the quarter end to the Community Services Portfolio Committee on the number of incidents and the support provided.	Municipalities received for the 2 nd quarter. The reports served at the Community Services Portfolio Committee meeting on 13 July 2009
	Support to marginalised groups	3.6.1.1	Plan Women's Day Workshop and submit feedback report to the portfolio committee by 30 October 2008	<p>Gender programmes</p> <p>An NGO capacity building meeting was held on the 9th of June 2009, and 71 people attended most of which were women, MTN and Greater Good funding application forms were handed to the NGO's</p> <p>A presentation on disability issues was done by Mr Forward Mlotshwa who is the Provincial Coordinator, DPSA (Disabled Persons South Africa).</p> <p>NGO's were being encouraged to include disability programmes in their work and when applying for funding think of the needs of people living with disabilities.</p>
		3.6.1.2	Plan the district Youth Day celebrations in conjunction with sector departments and submit report to portfolio committee at the first sitting of the Portfolio Committee after the celebration.	<p>To commemorate Youth Day representation from each local municipality was taken on an educational and empowerment tour to Cape Town from 25 June to 03 July 2009. (See attached report).</p> <p>The report will serve at the next sitting of the Portfolio Committee meeting.</p>
		3.6.1.3	Utilise budget towards activities identified in the disability forum by 30 June 2009	<p><u>HIV and Disability</u></p> <p>Successfully Co ordinated HIV and disability workshops in 5 local municipalities targeting people living with disabilities-First week of July 2009. Trainer was sourced from uThungulu District Health Office.</p> <p>Reports served at Community Services Portfolio Committee on 13 July 2009.</p> <p>Distributed medical gloves and condom dispensers to</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				NGO's that render HIV and AIDS related services on the 9 th of June 2009.
		3.6.1.5	Contribute financially and otherwise towards programmes conducted to enhance the welfare of children.	<p><u>Children's Rights Programme</u></p> <p>Organized a take a child to work and had a dialogue on teenage pregnancy facilitated by Miss Lisa Mathe-Child Premier(Warm uThungulu branded winter jackets were given to the children)-3 June 2009</p> <p>Procured and handed over 600 bibs to 12 crèches from all six local municipalities-5 June 2009</p> <p>South African flags as part of instilling of National Identity were given to Early Childhood Development Centres-12 in total, 2 from each local municipality.</p> <p>Handed over water/juice dispensers to ECD children- 5 June 2009</p> <p>Completed the building of 6 three bedroom houses through Habitat for Humanity in South Africa targeting orphaned and vulnerable children in 5 at Obanjeni Area and 1 at Mpungose area. These houses were started on the 14th of June 2009.</p> <p><u>Senior Citizens Programme</u></p> <p>Meeting held to plan for Grandparents day-</p> <p>Grandparents' day successfully held at Eshowe Town Hall-12 June 2009, about 300 senior citizens attended. Token in a form of a branded umbrella for when it rains or is sunny, walking sticks, and winter scarves and woollen hats were issued to senior citizens attending. BP and diabetes check ups were done as part of health awareness raising and general health care.</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
		3.6.1.5	Contribute financially and otherwise to the Heritage Day Celebrations of heritage day on 24 September 2008. Report to Portfolio Committee at first sitting after the event.	Contributions of R10 000.00 was made towards Diwali celebration and Shaka's day respectively.
		3.6.1.6	Support Aids day programmes by making financial or otherwise contributions to requesting organisations. Report to Portfolio committee at first sitting after the event.	<p>Condom dispensers were distributed for NGO and people living with disability on 09 June 2009 and medical gloves for NGO's on 9th June 2009.</p> <p>Vegetable seedlings were distributed for HIV positive people. Red ribbon rings were distributed in May and June 2009 as part of the awareness and is ongoing.</p> <p>On 30 June -03 July 2009, HIV/AIDS awareness workshops were in 5 local municipalities together with DoH. Targets for these workshops were HIV positive and people living with disability.</p> <p>Report served on 13 July 2009.</p> <p>On 9 June 2009 - Capacity building on Funding opportunity for NGO's</p>
	Crime		Support Crime programmes by making financial or otherwise contributions to requesting organisations.	A contribution of R20 000 was made to the Business against Crime (BAC). A letter of appreciation was received from BAC.
	Ensure support to SALGA KZN games	3.4.3.1	Organise and coordinate the uThungulu District Elimination Games for finalisation by 31 October 2008. Report to Portfolio committee at first sitting after the event.	<p>Sports Planning meeting was to be held on 07 June 2009 but cancelled due to quorum.</p> <p>An item on the District Elimination Games date served before the Community Services Portfolio Committee on 13 June 2009.</p> <p>Accommodation for 2009 Games has been secured. Playing attire has been procured.</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
		3.4.3.1	Organise and coordinate participation of the district at the SALGA Provincial Games on 15 December 2008. Submit a report to the Portfolio Committee at the first sitting of the committee after the games.	<p>Provincial Planning workshop/ meeting attended at uMgungundlovu on 26 May 2009.</p> <p><input type="checkbox"/> SALGA to advise on future meetings prior to games</p> <p>Accommodation for 2009 Games has been secured. Playing attire has been procured.</p> <p>An item on the Games and Accommodation for Kwanaloga Games served before the Community Services Portfolio Committee on 13 July 2009</p> <p><u>Other Sports Activities</u></p> <p>Supported Bright Stars Soccer team by donating equipment and sponsoring R20 000.00 for their trip travel Cape Town.</p> <p>Sponsored local Netball player who was selected for the SA team for her trip to New Zealand.</p> <hr/> <ul style="list-style-type: none"> ● Launched Corporate Partnership Program in May ● Initiated Senior Citizens Program – 12 June 2009
5. Strategic planning and Departmental Management	Monitor and report on the Performance of Contractors under the control of the Planning and Development Department	5.6	Draft reports and submit bi-annually to the Corporate Services Portfolio Committee on the Performance of Contractors under the control of the Corp Services department. To be reported within 2 months after quarter 1 and 3. The report should highlight actions taken to address undue performance.	A report was submitted to the Corporate Services Portfolio Committee on 16 April 2009 and 13 July 2009.

**UTHUNGULU DISTRICT MUNICIPALITY
EXECUTIVE DIRECTOR TECHNICAL SERVICES**

KEY PERFORMANCE AREA ACHIEVEMENTS FOR THE 2008/2009 FINANCIAL YEAR

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS																				
1. Monitor and control the Departmental budget through compliance to legislation	Prepare Departmental budget in line with MFMA requirements	5.1.6	Draft departmental budget in line with MFMA requirements to be completed by mid January 2009	- In Progress - Complete																				
	Manage the operational and capital budget for the Technical Services department.	5.1.7	Ensure expenditure on CAPEX within 70% and OPEX within 70% by 30 June 2009 <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Q 1</th> <th>Q 2</th> <th>Q 3</th> <th>Q 4</th> </tr> </thead> <tbody> <tr> <td>OPEX %</td> <td>20</td> <td>40</td> <td>60</td> <td>70</td> </tr> <tr> <td>CAPE X%</td> <td>10</td> <td>30</td> <td>60</td> <td>70</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Q 1	Q 2	Q 3	Q 4	OPEX %	20	40	60	70	CAPE X%	10	30	60	70						- Copy of Departmental Opex for the 2 nd Quarter ended 31 December 08 - Copy of Departmental Capex for the 2 nd Quarter ended 31 December 08 - Copy of Departmental Opex for the 3 rd Quarter ended 31 March 2009 - Copy of Department Capex for the 3 rd quarter ended 31 March 2009 - Copy of Departmental Opex for the 4 th Quarter ended 30 June 2009 - Copy of Departmental Capex for the 4 th quarter ended 30 June 2009
		Q 1	Q 2	Q 3	Q 4																			
	OPEX %	20	40	60	70																			
	CAPE X%	10	30	60	70																			
Align the organogram in terms of the HR needs of the Department	5.2.1	Review the organogram to identify relevant positions to ensure the functioning of the Department in terms of the IDP. Report annually to the Corporate Services Portfolio Committee and Exco at the first sitting of the committees after the year end.	- Appointment of Design Mar – 01/01/2009 - Appointment of Design Technician – 01/02/09 - Technical Department Strat 28 – 29 July 2008																					
Annual review of the IWMP as per the DEAT guidelines		Ensure that the service provider for review of the IWMP is appointed by the 30 September 2008, identify stakeholders, set terms of reference and finalise the IWMP review by the 30 June 2009.	- BAC ITEM UDM/21/2008 16/10/08 - Letter of Appointment – 22/12/08 - 90% Complete - Technical Portfolio Report 14/07/09																					
Review the energy sector plan as required by the Department of Minerals and Energy	2.3.1	Source funding within six months of the approval of the Budget. Align municipal electricity programmes to UDM plan through the formulation of the District Energy Plan within 12 months of approval of funding being approved.	- BAC ITEM UDM/22/2008 02/10/08 - Technical Portfolio Report – 14/04/09 - 80% Complete – there were delays on Appointments - Technical Portfolio 14/07/0																					

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
	Compilation of the Risk Management Plan for the critical activities of the Department	5.7.2	Ensure the prioritisation of critical activities identified in the Organisational Risk Management Plan, securing of funds during the Mid-year budget review and appointment of an experienced service provider for the preparation of the Departmental Risk Management plan to be completed by 30 April 2009, submit quarterly progress report to portfolio committee within the month after the quarter end.	Fraud Prevention Strategy Plan held on 13 & - 13/10/08 - 15/10/08 Fraud Prevention Workshop - Comments were submitted - Complete
	Monitor and report on the Performance of Contractors under the control of the EDTS Department	5.6.2.	Draft and submit quarterly reports to the Technical Services Portfolio Committee on the Performance of Contractors under the control of the EDTS Department. The report should highlight actions to be taken in order to correct undue performance. This report should be presented at the first sitting of the Portfolio Committee after the end of each quarter	- Capital Progress Agenda & Minutes of Technical Portfolio - 18 November 2008 CAPITAL PROGRESS: - Agenda & Minutes of Technical Portfolio Committee – 17/02/09 - Agenda – Technical Portfolio – 14/04/09 - Technical Portfolio – 14/07/09
2. Strategically Planning and Management	Community participation on water services and communicate the annual approved projects and backlog eradication programme	2.2.3.1	Facilitate 2 rounds of 6 Public Participation sessions and report back to the Portfolio Committee by 31 March 2009. 6 sessions in November 2008 and 6 sessions in March / April 2009.	Road Shows <ul style="list-style-type: none"> o Mbonambi Municipality 27/10/08 o uMlalazi Municipality – 31/10/08 o Ntambanana – 4/11/08 o uMhlathuze – 5/11/08 o Nkandla Municipality – 10/11/08 o Mthonjaneni – 13/11/08 - Budget Road Shows: Mbonambi – 30/03/09 Mthonjaneni – 31/03/09 Mhlathuze – 02/04/09 Nkandla – 07/04/09 Mlalazi – 09/04/09
	Implementation of municipal capital projects inline with the departmental approved business plan	5.6.1	Ensure that projects identified in the IDP are implemented according to timeframes in the IDP, completed within budget and that progress reports are completed showing progress and problems encountered. Ensure that they are completed within the timeframes as per the	<input type="checkbox"/> identifying projects in terms of IDP <input type="checkbox"/> do project scoping, <input type="checkbox"/> and implementation of the projects, UDM 04/2008 – Appointment Letters - Messrs Sivest

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
			business plan, IDP and budget timelines	<p>(Provision of Bulk Water – 21/11/08</p> <ul style="list-style-type: none"> - Messrs Sigodi Marah Martin (Operation & Maintenance of solid Waste and Management & Operations of the Regional Cemetery – 04/12/08 - Messrs DMV Richards Bay (Prioritised Water and Sanitation Projects up to end of June 2010 – 28/10/08 - Messrs Siyenza Engineers (Prioritized water and sanitation projects – 28/10/08 - Zai Consultants (Mhlana /Somopho Phase 3 c Water Project – 28/10/08 - Makhetha Development (Water & Sanitation Projects – 28/10/08 - Sigodi Marah Martin (Mhlana Somopho phase 3c Water Project – 28/10/08 - Ilifa Africa Engineers (Pty Ltd) (Mhlana Somopho Phase 3c Water Project – 28/10/08 <p>- Letters of Appointments - Messrs DMV Richards Bay (Mbonambi Phase 2 Bulk Water Project) (04/03/09) - Messrs. Makhetha Development Consultants (Area Business Plans: Nkandla KZ 286) (08/04/09) - Messrs. Siyenza Engineers CC (Area Business Plans – Umlalazi) (08/04/09) - Messrs DMV Richards Bay (Area Business Plans – Mthonjaneni) (08/04/09) - Messrs Sivest (Area</p>

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				Business Plans – Mbonambi) (08/04/09) - Messrs Ernst Cloete & Associates (Pty) Ltd (Areas Business Plans – Ntambanana) (08/04/09)
	Update tanker reduction strategy and secure funding for the implementation thereof	2.1.4.1	Prepare and submit the motivation for the tanker reduction strategy to EXCO by 30 October 2008. If there is a budget shortfall, secure additional funds during the middle of the financial year. Ensure that tankers are reduced / removed from areas once the strategy has been implemented.	- Tanker Report – Technical Portfolio Committee Agenda & Minutes – 18 November 2008 <input type="checkbox"/> Tanker Report – Technical Portfolio Committee Agenda & Minutes 17/02/09 <input type="checkbox"/> Technical Portfolio 14/04/09 <input type="checkbox"/> Technical Portfolio 14/07/09
	Manage and provide strict controls on the activities of the Service Support Agent (SSA) for Water services O&M as part of the budget control measures	5.1	Ensure management and control measure for the material and routine repairs to maintain costs within budget, quarterly report to portfolio committee at first portfolio committee meeting after quarter end (daily complaints reports, weekly operational meetings, monthly meetings with SSA, Monthly meter readings.)	- Minutes Between WSSA & UDM 01/10/08 15/10/08 29/10/08 05/11/08 03/12/08 10/12/08 <input type="checkbox"/> Operations Report to Technical Portfolio 17/02/09 - WSSA & UDM Minutes: 14/01/2009 30/01/2009 11/02/2009 25/02/2009 25/03/2009 WSSA Contractual Minutes: - 04/02/09 - 04/03/09 - 03/06/09 Operations Report 14/04/09 Operations Report 14/07/09
	Staff and resources required for the effective functioning of the design office	5.2.1	Ensure that the required number of staff for the design office is appointed as per approved organogram by the 31 December 2008.	Recruitment Progress Report – - 10/10/08 - 24/10/08 - 21/11/08 - 05/12/08 Recruitment Progress Report - 06/02/09 - 20/02/09 - 06/03/09 - 03/04/09
		5.2.2.2	Assess the current state of design software and determine if	- Report submitted to Budget Review –

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
			updates are necessary. If updates are required, assess the feasibility of updating the software in terms of cost vs benefit. Prepare the report to the Technical Services Portfolio Committee at financial year end.	December - Purchasing of design software – March 2009 - Secure GIS funding – March 2009 250 000.00 from DLGTA
			Submit application to the Technical Services Portfolio Committee for funding the operation of the design office by 30 March 2009.	- Report submitted to Budget Review – December - Purchasing of design software – March 2009 - Secure GIS funding – March 2009 250 000.00 from DLGTA
3. Municipal infrastructure implementation	Project feasibility studies for 2008/09 financial year		Prepare the 2008/09 and 2009/10 project feasibility studies and business plan as a proactive measure to fast track project implementation. Submit the feasibility studies to the Department of Water Affairs and Forestry (DWAF) and Municipal Infrastructure Grant (MIG) by 30 June 2009.	Appointment of Consultants Refer to 2.5 above APPOINTMENT LETTERS: - UDM/04/208 –DMV Richards Bay (Mbonambi Ph. 2 Bulk Water Project) 04/03/09 - UDM/MIG/05/2008 – Ndawonye Networks (Mhlana Ph. 3B) 19/03/09 - UDM/MIG/14/2008 – Zamani Development Consultants (Upper Nseleni Phase 2 A 19/03/09 - UDM/MIG/18/2008 – MBB Consulting Services (Repair & Rehabilitation of Vutshini Pump Station and Main Pipeline) 04/03/09 - UDM/MIG/08/2008 – Ilifa Africa (Water Reticulation Network) 26/02/09 - UDM/MIG/09/2008 – Ilifa Africa (Water Reticulation Network Zone 2) 04/03/09 BUSINESS PLANS DATES FOR SANITATION & WATER - Nkandla Phase 3 Community Project Implementation – 26/06/09

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				<ul style="list-style-type: none"> - Middledrift Phase 2 Community Water Supply – 26/06/09 The following Business Plans & VO will be submitted to DEWA 1. Mhlana Somopho 3C – September 09 2. Mthonjaneni Sanitation Ph3 August 09 3. Umlalazi Sanitation Ph. 3 – August 09 4. Upper Nseleni VO – July 09 5. Mbonambi Sanitation Area BP – Oct. 09 6. Nkandla Sanitation Area BP – Sept 09 7. Umlalazi Sanitation Area BP – Oct. 09 8. Ntambanana Sanitation Area BP – September 09 9. Middledrift Ph. 2 - July 09
	Operation and maintenance of Nkandla electricity network (Quality of Electrical Supply and service)	5.4.3.2	Develop KPIs linked to the National standard and best practice model for the service support agent and report quarterly to the Technical Services Portfolio Committee at the first sitting of the committee after the end of each quarter.	NKANDLA ELECTRICITY Agenda and Minutes of Technical Portfolio Committee - 18/11/08 - Technical Portfolio - 14/04/09 - Technical Portfolio – 14/07/09
		5.4.3.2	Planned outages to be below national standard (NRS 047) and report quarterly to the Technical Services Portfolio Committee at the first sitting of the committee after the end of each quarter. The report to the Portfolio Committee should indicate quantitative figures in order to quantify losses.	<ul style="list-style-type: none"> - Quarterly Report on Electricity – October 2008 - Quarterly Report on Electricity – Technical Portfolio – 14/04/09 - 4 Planned outages - 8 Outages were experienced - 6 resulting from Eskom in December during the commissioning of the sub station
	Approval of building plans for the three municipalities namely, Ntambanana, Nkandla and Mthonjaneni	4.3.1	Ensure building plan approval is performed on a monthly basis. Maintain a portfolio consisting of building plans submitted and correspondence with the local municipalities.	<ul style="list-style-type: none"> - Correspondence to & from Local Municipalities Nkandla Letter – 29/08/08 05/10/08 Technical Portfolio Item 16/09/08 Copies of approved Building Plans Nkandla as follows:

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				<ul style="list-style-type: none"> - Lot 908 - 19/09/08 - Lot 281 – 19/09/08 - Lot 636 – 18/08/08 - Lot 635 – 18/08/08 - Lot 624 – 18/08/08 - Lot 643 – 29/10/08 - Lot 625 – 29/10/08 - Lot 626 – 29/10/08 - Lot 628 – 29/10/08 - Lot 668 – 08/12/08 - Lot 639 – 08/12/08 - Lot 665 – 08/12/08 - Lot 669 – 08/12/08 - Lot 729 – 08/12/08 - Lot 670 – 08/12/08 <p>Mthonjaneni as follows:</p> <ul style="list-style-type: none"> - Lot 244 – 12/10/08 - Lot 17 – 12/11/08 - Lot 244 – 12/11/08 <p>Copies of approved Building Plans</p> <p>Mthonjaneni as follows:</p> <ul style="list-style-type: none"> - Lot 244 – 12/10/08 - Lot 17 – 12/11/08 - Lot 244 – 12/11/08 <p>- Technical Portfolio Agenda & Minutes– 17/02/09 and</p> <ul style="list-style-type: none"> - Technical Portfolio Item 14/04/09 - Certificate of Occupancy - Nkandla: <ul style="list-style-type: none"> - Lot 636 – 10/03/09 - Lot 625 – 10/03/09 - Lot 626 – 10/03/09 - Lot 639 – 10/03/09 - Lot 643 – 10/03/09 - Lot 665 – 10/03/09 - Lot 668 – 10/03/09

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				10/03/09 - Lot 669 – 10/03/09 - Lot 670 – 10/03/09 - Lot 196 – 10/03/09 - Lot 624 – 10/03/09 - Lot 635 – 10/03/09 - Lot 631 – 10/03/09 - Lot 628 – 10/03/09 Correspondence to Nkandla Municipality – Lot 294 – 17/06/09 - Technical Portfolio 14/07/09
	Implement the MIG programme and ensure that the budget is spent as per the approved business plan		Ensure the commencement of all projects within the MIG annual programme in terms of project management cycle. Report to the MIG unit and DWAF on the financial position of each project on a monthly basis and adjust monthly cash flows.	Copy of Cashflows – <ul style="list-style-type: none"> <input type="checkbox"/> Technical Portfolio Item 14/04/09 <input type="checkbox"/> Copy of Cashflows January – March 2009-05-08 <input type="checkbox"/> Letter – Dept. Of Local Govt & Traditional Affairs – 29/01/09 <input type="checkbox"/> Letter Dept of Water Affairs – 29/01/09 <input type="checkbox"/> Letter to Provincial & Local Govt – 20/02/09 - Certificate of Expenditure & Revenue (Financial Year End March 09) - Capital Progress Report – Technical Portfolio – 14/07/09
			Identify projects that require commissioning within each quarter and identify outstanding activities on the projects which affect commissioning. Ensure the commissioning of all completed projects within 3 months of identification.	Empangeni Regional Cemetery <ul style="list-style-type: none"> - Ablution Block – 30/09/08 - Wall of Remembrance – 12/12/08 Greater Mthonjaneni Phase 1 & 2 <ul style="list-style-type: none"> - Construction of 450 mm Pipeline

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
				<ul style="list-style-type: none"> - 01/12/08 - Construction of Pumpstations & Reservoirs - 27/11/08 - Mthonjaneni Sanitation Phase 2 - 12/12/08
	Regional Solid Waste site in Empangeni	2.4.3	Maintain the existing cell (cell 1) of the Solid Waste Site in order to ensure effective operation of the site. Ensure that instances of violation of permit conditions are minimised. Conduct monthly meetings with the Solid Waste Site operators, Millennium waste.	<ul style="list-style-type: none"> Copies of Minutes <ul style="list-style-type: none"> - 21/10/08 - 18/11/08 - 10/12/08 - Copy of Report and Minutes of Technical Portfolio - 17/02/09 - Report to Technical Portfolio - 14/04/09 - Monitoring Committee Minutes - 27/05/09 - Integrated Waste Management Plan Progress Report: <ul style="list-style-type: none"> - MARCH 2009 - MAY/JUNE 2009
		2.4.3	Ensure sufficient progress by 30 June 2009 for the Construction of Cell 2 of the regional solid waste site at Empangeni by end of December 2009.	<ul style="list-style-type: none"> UDM/29/2007 - Copy of Site Minutes 20/01/09 Copy of Site Minutes 24/03/09 - Copies of Site Minutes: <ul style="list-style-type: none"> 21/04/09 19/05/09 25/06/09 - Monthly Progress Report - 19/05/09 - Copy of Cashflow - Technical Portfolio - 14/07/09
	UThungulu House upgrade	5.0	Coordinate and facilitate all the building activities ensuring that the completion date (March 2010) is met all building standards and regulations are met. Submit quarterly report to the Technical Services Portfolio Committee at the first sitting of the committee after the end of each quarter. The report should detail the following points: <ul style="list-style-type: none"> - Financial / budgetary matters - Project progress - Resource utilisation - Any deviations from the OSH 	<ul style="list-style-type: none"> UDM/03/2007 - Technical Portfolio Agenda & Minutes - 08/10/08 - Progress Minutes 21/10/08 18/11/08 - Copy of Cashflow <ul style="list-style-type: none"> □ Technical Portfolio Agenda & Minutes 17/02/09 □ Technical Portfolio Agenda 14/04/09

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
			Act and building regulations	<ul style="list-style-type: none"> - Progress Minutes 10/03/09 - Progress Minutes - 5 April 2009 - 2 June 2009 - 30 June 2009 - Copy of Cashflow - Technical Portfolio 14/07/09
4. Water Service Authority	Annual review of the WSDP as required by the Water Services Act	2.2.1	Report annually on update of annual targets and backlogs and review the project priority lists and cash flows and report to the Technical Services Portfolio Committee by 30 July 2009.	<ul style="list-style-type: none"> Consultants invited to do presentations on terms of reference of WSDP and Master Plan Date advertised – 27/11/08 Dated Closed – 12/12/08 - BEC Item – 26/01/09 - Consultants invited to do Presentation: BEC: 02/02/09 - Ilifa Africa Engineers Ninham Shand (Pty) Ltd BKs (Pty) Ltd Makhetha Development Consultants (Pty) Ltd- Technical Portfolio Report – 14/04/09 - Appointment of Consultant – Ninham Shand (Pty) Ltd 26/02/09 - document 80% complete - Presentation to be done in August - WSDP Minutes – 30/04/09
	Update Water Services Master Plan to capture and reflect the correct picture regarding the backlog challenges and the achievements	2.2.1	Ensure the update of the Water Services master plan to reflect the true backlog picture, and submit report to the Technical Services Portfolio Committee by the 30 June 2009.	<ul style="list-style-type: none"> Consultants invited to do presentations on terms of reference of WSDP and Master Plan Date advertised – 27/11/08 Dated Closed – 12/12/08 - BEC Item – 26/01/09 - Consultants invited to do Presentation: BEC: 02/02/09 - Ilifa Africa Engineers Ninham Shand (Pty) Ltd BKs (Pty) Ltd Makhetha Development Consultants (Pty) Ltd- Technical Portfolio Report – 14/04/09 - WSDP Minutes – 30/04/09
	Annual labour week	2.2.3.3	Align the municipal activities related to labour week inline with the Sector Departments plan by September 2008 and report to the Technical Services Portfolio Committee at the first sitting of the committee after the event.	Done – 12/08/2008
	Align the Water Week plans	2.2.3.2	Ensure that the municipal	Budgeted for – Still to

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
	with DWAF requirements		activities (celebrations) related to the water week in April 2009 are inline with DWAF requirements. Report to the Technical Services Portfolio Committee at the first sitting of the committee after the event. The report should include Financial / budgetary matters.	come - March 2009 - National Water Week 16/03/09 – Mlalazi 17/03/09 – Nkandla 18/03/09 – Mthonjaneni 19/03/09 – Mbonambi 25/03/09 - Ntambanana - Report to Technical Portfolio 14/04/09 - SANITATION WEEK 01/06/09 – Mlalazi 09/06/09 – Nkandla 23/06/09 – Mthonjaneni - Report to Technical Portfolio 14/07/09
5. Water Services Operations and Maintenance	Minimize disruption on water service infrastructure	2.1.3	Reduce water losses to 20% in all the towns and ensure improvement on down time for repair and planned maintenance and report quarterly on disruption in water supply to the Technical Services Portfolio Committee. Submit quarterly water loss reconciliations to the Technical Services Portfolio Committee at the first sitting of the committee after the end of each quarter.	Replacement of old and leaking pipes in - Mbonambi Municipality - Gingindlovu Town - Eshowe Town and Mthunzini is on going A pilot project is being implemented at King Dinuzulu Suburb to effectively address the issue of water losses beyond the network supply i.e. individual households investigations. OPERATIONS REPORT: - Agenda & Minutes Technical Portfolio 17/02/09 - Technical Portfolio item 14/04/09 - Report on Water Loss Technical Portfolio Item 14/07/09
		2.1.3.3	Facilitate the installation of water meters in the approved projects as per WSA and Consumer Billing directive. Report quarterly on water connections done to the Technical Services Portfolio Committee at the first sitting of the committee after the end of each quarter.	Mpungose & Nomponjwana Meter Installation Programme Technical Portfolio Item 17/02/09 Inzalabantu Water Meter Installation - 12 Meters installed in April - 86 Meters installed in May 2009 - 44 Meters installed in June 2009
	Maintenance of rural water schemes	2.1.5	Submit report every second month on the maintenance of water pipelines and tanker delivery Report bi-monthly within the month after the mid year and full year end to the Technical Services Portfolio Committee on	Operations Report 01/10/08 15/10/08 29/10/08 05/11/08 03/12/08 10/12/08

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	IDP	PERFORMANCE TARGETS	ACHIEVEMENTS
			the maintenance of water pipelines and tanker delivery as per the tanker rosters which details which areas are to be supplied with water and on which days water is delivered. The report should also compare complaints received via the call centre to repairs effected / complaints resolved.	OPERATIONS REPORT: - Agenda & Minutes Technical Portfolio 17/02/09 - Technical Portfolio item 14/04/09 - Technical Portfolio item 14/07/09
	Maintain Reservoir capacities	2.1.5	Maintain all reservoirs at 80% capacity. Report quarterly to the Technical Services Portfolio Committee at the first sitting of the committee after the end of each quarter.	Monthly Meter Readings Eshowe Bulk Water – October – November 2008 Mbonambi – October – December 08 Upper Nseleni –October – December 08 Obanjeni Bulk Supply Bangindoda Bulk Supply Mbongolwane Bulk Supply Ofasimba Bulk Supply Catherine Booth Bulk Supply Mambuka Meter Readings Jan – March Ophindweni Bulk Supply Jan – March Nkandla Bulk Supply Jan – March Fortlouis Bulk Supply – Jan – March Middledrift Bulk Supply Jan – March Mvutshini Bulk - Mbongolwane Bulk Supply - Obanjeni Bulk Supply - Ofasimba Bulk Supply - Catherine Booth Bulk Supply - Vuma Reformatry Water - Mpungose Bulk Supply - Mbonambi Meter Readings
	Monitor Quality Control of potable water, wastewater, effluent and trade effluent	2.1.3	Ensure that 80% of schemes are analysed and that 80% of this sample pass the test in terms of water quality as per DWAF regulations. Report quarterly to the Technical Services Portfolio Committee at the first sitting after the end of each quarter.	Water Quality Report 25 September – 15 December 2008 - Water Quality Management Report – January, February and March - Technical Portfolio Item 14/04/09 - Report to Technical Portfolio Committee 14/07/09

8. Consolidated Annual Financial Statements for the year ending 30 June 2009

UTHUNGULU



uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

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REPORT OF THE AUDITOR-GENERAL TO THE KWA-ZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE GROUP FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF uTHUNGULU DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying group financial statements and financial statements of the uThungulu District Municipality which comprise the consolidated and separate statement of financial position as at 30 June 2009, and the consolidated and separate statement of financial performance, the consolidated and separate statement of changes in net equity and the consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 113 to 149.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Standard of Generally Recognised Accounting Practice (Standard of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of MFMA, my responsibility is to express an opinion on these group financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the group financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the group financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the group financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the group financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the group financial statements.
6. Paragraph 11 *et seq.* of the Standard of GRAP, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the uThungulu District Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement. Consequently, a decision has been taken that the AGSA will not audit the budget information presented in the group financial statements in terms of GRAP 1 and the audit opinion will, therefore, not cover such information.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

8. In my opinion these financial statements present fairly, in all material respects, the consolidated and separate financial position of the uThungulu District Municipality as at 30 June 2009 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended, in accordance with Statements of GRAP and in the manner required by the MFMA.

Emphasis of matter

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

Restatement of corresponding figures

9. As disclosed in note 2 to the financial statements, the corresponding figures for the year ended 30 June 2008 have been restated as a result of an error and retrospective effect of the change in accounting policy discovered during the year 2008/2009 in the financial statements of the uThungulu District Municipality at, and for the year ended, 30 June 2008.

Other matter

Without qualifying my opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements:

Unaudited supplementary schedules

10. The municipality provided supplementary information in the financial statements on whether resources were obtained and used in accordance with legally adopted budget, in accordance with GRAP1 *presentation of financial statements*. The supplementary budget information set on pages 150 to 158 do not form part of the group financial statements and is presented as additional information. Accordingly I do not express an opinion thereon

Key governance responsibilities

11. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	<input type="checkbox"/>	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		<input type="checkbox"/>
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	<input type="checkbox"/>	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 126 of the MFMA.	<input type="checkbox"/>	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	<input type="checkbox"/>	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	The Municipality had an audit committee in operation throughout the financial year.	<input type="checkbox"/>	
	The audit committee operates in accordance with approved, written terms of reference.	<input type="checkbox"/>	
	The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	<input type="checkbox"/>	
7.	Internal audit		
	The Municipality had an internal audit function in operation throughout the financial year.	<input type="checkbox"/>	
	The internal audit function operates in terms of an approved	<input type="checkbox"/>	

No.	Matter	Y	N
	internal audit plan.		
	The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.	<input type="checkbox"/>	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	<input type="checkbox"/>	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		<input type="checkbox"/>
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	<input type="checkbox"/>	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 95(c)(i) of the MFMA.	<input type="checkbox"/>	
12.	Delegations of responsibility are in place, as set out in section 79 of the MFMA.	<input type="checkbox"/>	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	<input type="checkbox"/>	
14.	SCOPA resolutions have been substantially implemented.	<input type="checkbox"/>	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	<input type="checkbox"/>	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	<input type="checkbox"/>	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the uThungulu District Municipality against its mandate, predetermined objectives, outputs, indicators and targets as per section 68 of the MFMA municipalities.	<input type="checkbox"/>	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	<input type="checkbox"/>	

12. Governance policies and practices operated effectively and appropriately, except for weaknesses identified with respect to IT Control environment, quality of financial statements and related management information. These weaknesses need to be addressed to improve adherence to the governance framework.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

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

The accounting officer's responsibility for the performance information

14. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

The Auditor-General's responsibility

15. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

16. In terms of the foregoing my engagement included performing procedures of a review nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

17. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

18. The assistance rendered by the staff of the uThungulu District Municipality during the audit is sincerely appreciated.

Auditor-General

Pietermaritzburg

30 November 2009



uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Statement of Municipal Manager's Responsibility

I am responsible for the preparation of these consolidated annual financial statements, which are set out on pages 113-158, 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 as disclosed in note 24 of these consolidated 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.



BB Biyela

Municipal Manager: uThungulu District Municipality

Richards Bay, 25 November 2009

uThungulu District Municipality and its Municipal Entities
Consolidated Annual Financial Statements for the year ended 30 June 2009
Statement of Financial Position
as at 30 June 2009

Figures in Rand	Note	Group		Municipality	
		2009 R	2008 Restated R	2009 R	2008 Restated R
Net Assets and Liabilities					
Net Assets					
Accumulated Surplus		490,501,712	418,606,051	490,501,712	418,606,151
Outside Partners Interest		162,769	158,353		
		490,664,481	418,764,404	490,501,712	418,606,151
Non-Current Liabilities					
Long-term liabilities	4	49,418,153	21,000,000	67,978,782	38,643,741
Defined benefit obligation	6	9,552,475	508,069	9,552,475	508,069
Non-current provisions	7	57,804,231	49,419,558	57,804,231	49,419,558
		116,774,859	70,927,627	135,335,488	88,571,368
Current Liabilities					
Consumer deposits	8	5,764,455	4,421,571	5,764,455	4,421,571
Provisions	7	710,363	715,364	710,363	715,364
Trade Creditors	9	46,367,757	52,163,772	46,358,696	52,154,711
Defined benefit obligation	6	460,582	695,759	460,582	695,759
Unspent conditional grants and receipts	10	141,357,509	101,172,274	141,357,509	101,172,274
Current portion of long-term liabilities	4	885,959	-	4,660,258	3,310,818
		195,546,625	159,168,740	199,311,863	162,470,497
Total Net Assets and Liabilities		802,985,965	648,860,771	825,149,063	669,648,016
Assets					
Non-Current Assets					
Property, plant and equipment	12	451,300,989	347,306,076	451,300,989	347,306,076
Intangible assets	13	357,234	674,373	357,234	674,373
Investments	14	16,838,383	15,077,902	39,657,169	36,453,925
Long-term receivables	15	910,720	1,539,448	910,720	1,539,448
		469,407,326	364,597,799	492,226,112	385,973,822
Current Assets					
Inventories	16	3,164,966	3,086,198	3,164,966	3,086,198
Consumer debtors	17	10,644,705	13,370,877	10,644,705	13,370,877
Other debtors	18	6,440,248	8,349,118	6,440,248	8,349,118
Current portion of long-term receivables	15	75,975	261,004	75,975	261,004
VAT	11	25,970,120	17,921,635	25,970,120	17,921,635
Bank balances and cash	19	287,282,625	241,274,140	286,626,937	240,685,362
		333,578,639	284,262,972	332,922,951	283,674,194
Total Assets		802,985,965	648,860,771	825,149,063	669,648,016

uThungulu District Municipality and its Municipal Entities
Consolidated Annual Financial Statements for the year ended 30 June 2009
Statement of Financial Performance

	Note	Group		Municipality	
		2009 R	2008 R	2009 R	2008 R
Revenue					
Regional Services Levies - turnover		89,509	846,594	89,509	846,594
Regional Services Levies - remuneration		572,493	384,376	572,493	384,376
Service charges	20	33,466,731	31,411,419	33,466,731	31,411,419
		<u>34,128,733</u>	<u>32,642,389</u>	<u>34,128,733</u>	<u>32,642,389</u>
Other income					
Rental income		48,300	317,696	48,300	317,696
Government grants and subsidies	21	321,885,999	244,256,711	321,885,999	244,256,711
Interest earned - external investments		36,182,387	30,311,249	36,182,387	30,311,249
Interest earned - outstanding debtors		176,501	311,162	176,501	311,162
Other income	22	6,616,084	2,182,411	11,402,449	2,595,736
Fair value adjustment in respect of partnership		-	-	447,054	-
		<u>364,909,271</u>	<u>277,379,229</u>	<u>370,142,690</u>	<u>277,792,554</u>
Total revenue		<u>399,038,004</u>	<u>310,021,618</u>	<u>404,271,423</u>	<u>310,434,943</u>
Expenditure					
Employee related costs	23	(61,158,547)	(49,998,934)	(61,158,547)	(49,998,934)
Remuneration of councillors	24	(5,021,472)	(4,740,110)	(5,021,472)	(4,740,110)
Bad debts		(7,481,448)	(3,066,528)	(7,481,448)	(3,066,528)
Depreciation, amortisation and impairments	12	(17,977,720)	(13,931,122)	(17,977,720)	(13,931,122)
Repairs and maintenance		(31,130,327)	(24,576,672)	(31,130,327)	(24,576,672)
Finance cost	25	(2,865,034)	(7,046,788)	(8,118,322)	(7,856,385)
Bulk purchases	26	(16,537,993)	(11,894,756)	(16,537,993)	(11,894,756)
Contracted services		(42,413,868)	(40,991,819)	(42,413,868)	(40,991,819)
Grants and subsidies paid	27	(1,831,924)	(1,514,515)	(1,831,924)	(1,514,515)
General expenses	28	(135,099,697)	(102,433,013)	(135,099,697)	(102,433,013)
Loss on disposal of property, plant and equipment		(220,850)	(34,186)	(220,850)	(34,186)
Fair value adjustment on investment in partnership		-	(14,053,954)	-	(14,053,954)
Total Expenditure		<u>(321,738,880)</u>	<u>(274,282,397)</u>	<u>(326,992,168)</u>	<u>(275,091,994)</u>
Surplus for the year		77,299,124	35,739,221		
Outside Shareholders' Interest		(22,312)	(3,962)		
Surplus for the year attributable to uThungulu		<u>77,276,812</u>	<u>35,735,259</u>	<u>77,279,255</u>	<u>35,342,949</u>

Refer to Appendix E(1) for the comparison with the approved budget

uThungulu District Municipality and its Municipal Entities
Consolidated Annual Financial Statements for the year ended 30 June 2009
Statement of Changes in Net Assets

Group	Accumulated surplus	Outside Partners Interest	Total
	R	R	R
Balance at 01 July 2007	367,628,818	-	367,628,818
Derecognition of assets	(204,160)	-	(204,160)
Solid waste provision reversal	(32,350,060)	-	(32,350,060)
Derecognition of depreciation	(55,006)	-	(55,006)
Balance as at 1 July 2007 restated	335,019,592	-	335,019,592
Outside Partners interest		154,391	154,391
Surplus for the year	35,735,259	3,962	35,739,221
GRAP 17 depreciation unbundling adjustment	11,023,750	-	11,023,750
Recognition of assets due to unbundling	496,204	-	496,204
Municipal entities - Prior period entities	35,795,878	-	35,795,878
Reversal of prior period creditor	535,368	-	535,368
Balance as at 30 June 2008 (Refer to note 2)	418,606,051	158,353	418,764,404
Surplus for the year	77,276,812	22,312	77,299,124
Distribution by partnership	-	(17,896)	(17,896)
Initial recognition of post retirement obligation	(6,062,886)	-	(6,062,886)
Recognition of long service awards	(919,959)	-	(919,959)
Reversal of prescribed retention held	543,060	-	543,060
Change in accounting policy	(8,608)	-	(8,608)
Municipal entities	-	-	-
Stale cheques reversed	1,067,242	-	1,067,242
Balance as at 30 June 2009	490,501,712	162,769	490,664,481
Municipality			
Balance at 01 July 2007	367,628,818	-	367,628,818
Derecognition of assets	(204,160)	-	(204,160)
Derecognition of depreciation	(55,006)	-	(55,006)
Solid waste provision reversal	(32,350,060)	-	(32,350,060)
Balance as at 1 July 2007 Restated	335,019,592	-	335,019,592
GRAP 17 depreciation unbundling adjustment	11,023,750	-	11,023,750
Recognition of assets due to unbundling	496,204	-	496,204
Municipal entities - Prior period entities	36,188,288	-	36,188,288
Reversal of prior period creditor	535,368	-	535,368
Balance as at 30 June 2008 (Refer to note 2)	383,263,202	-	383,263,202
Surplus for the year	35,342,949	-	35,342,949
Balance as at 30 June 2009	418,606,151	-	418,606,151
Surplus for the year	77,279,255	-	77,279,255
Initial recognition of post retirement obligation	(6,062,886)	-	(6,062,886)
Recognition of long service awards	(919,959)	-	(919,959)
Reversal of prescribed retention held	543,060	-	543,060
Change in accounting policy	(8,608)	-	(8,608)
Stale cheques reversed	1,064,699	-	1,064,699
Balance as at 30 June 2009	490,501,712	-	490,501,712

uThungulu District Municipality and its Municipal Entities
Consolidated Annual Financial Statements for the year ended 30 June 2009
Cash Flow Statement

Figures in Rand	Note	Group		Municipality	
		2009 R	2008 R	2009 R	2008 R
Cash flows from operating activities					
Sale of Goods and services		34,109,940	31,826,357	34,109,940	31,826,357
Grants		321,885,999	244,256,711	321,885,999	244,256,711
Other receipts		11,204,359	42,016,381	11,204,359	42,016,381
Employee costs		(65,049,393)	(54,739,044)	(65,049,393)	(54,739,044)
Suppliers		(191,130,571)	(154,420,304)	(191,130,571)	(154,420,304)
Cash generated from operations	29	111,020,334	108,940,101	111,020,334	108,940,101
Interest income		36,358,888	30,622,411	36,358,888	30,622,411
Interest paid		(8,118,322)	(7,856,385)	(8,118,322)	(7,856,385)
Net cash from operating activities		139,260,900	131,706,127	139,260,900	131,706,127
Cash flows from investing activities					
Purchase of property, plant and equipment	12	(121,860,671)	(69,071,321)	(121,860,671)	(69,071,321)
Purchase of intangible assets	13	(15,674)	(317,787)	(15,674)	(317,787)
Increase in non-current investments		(2,756,190)	(22,956,527)	(2,756,190)	(22,956,527)
Cash and cash equivalents of municipal entity		66,910	588,778	-	-
Decrease in non-current receivables		628,729	561,808	628,729	561,808
Net cash from investing activities		(123,936,896)	(91,195,049)	(124,003,806)	(91,783,827)
Cash flows from financing activities					
Net movement in other financial liabilities		30,684,481	381,458	30,684,481	381,458
Net cash from financing activities		30,684,481	381,458	30,684,481	381,458
Net (decrease) / increase in cash and cash equivalents		46,008,485	40,892,536	45,941,575	40,303,758
Cash and cash equivalents at the beginning of the year		241,274,140	200,381,604	240,685,362	200,381,604
Cash and cash equivalents at the end of the year	19	287,282,625	241,274,140	286,626,937	240,685,362

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1. Presentation of Consolidated Annual Financial Statements

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The Annual Financial Statements have been prepared in accordance with the Accounting Standards as prescribed by the Minister of Finance in terms of Government Gazette number 31021, Notice Number 516, dated 9 May 2008 and also in terms of the standards and principles contained in Directives 3 and 5 issued by the ASB in March 2009.

The Accounting Framework of the municipality, based on the preceding paragraphs is therefore as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 9	Revenue from Exchange Transactions
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 16	Investment property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GAMAP 9	Paragraphs relating to Revenue from Non-Exchange Transactions
GRAP 102	Intangible Assets
IPSAS 20	Related Party Disclosure
IPSAS 21	Impairment of Non Cash-Generating Assets
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment
IAS 39	Financial Instruments: Recognition and Measurement

1.1 Changes in accounting policy and comparability

For the year ended 30 June 2008 the municipality complied with the three effective GRAP standards, the eight effective GAMAP standards, all relevant GAAP Standards and all relevant exemptions as set out in Government Gazette 30013, as at that date. For the year ended 30 June 2009 the municipality has adopted the accounting framework as set out in 1 above.

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. The details of any resulting changes in accounting policy and comparative restatements are set out in note 2.

The municipality changes an accounting policy only if the change:

- (a) is required by a Standard of GRAP; or
- (b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the performance or cash flow.

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.2 Basis of Consolidation

The consolidated annual financial statements incorporate the financial statements of the Municipality and Municipal Entities controlled by the Municipality

On acquisition, the assets and liabilities of a municipal entity are measured at their fair values at the date of acquisition. The interests of outside shareholders are stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The results of municipal entities acquired or disposed during the year are included in the consolidated Statement of Financial Performance from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the annual financial statements of municipal entities to bring the accounting policies used into line with those used by the Municipality and other municipal entities included in the Group.

All significant transactions and balances between members of the Group are eliminated on consolidation.

1.3 Comparative figures

Where necessary, comparative figures have been restated where applicable to conform to changes in presentation in the current year.

1.4 Offsetting

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

1.5 Presentation of currency

These annual financial statements are presented in South African Rand.

1.6 Going concern assumption

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

1.7 Current year comparatives

Budgeted amounts have been included in the annual financial statements for the current financial year only in Appendix E1 & E2.

1.8 Critical judgments, estimates and assumptions

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1.8.1 Revenue Recognition

Accounting Policy 1.19.1 on Revenue from Exchange Transactions and Accounting Policy 1.19.2 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GAMAP 9: Revenue, as far as Revenue from Non-Exchange Transactions is concerned (see Basis of Preparation above). In particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.8 Critical judgments, estimates and assumptions (continued)

the revenue in the current year is appropriate.

1.8.2 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on best judgement by management.

1.8.3 Useful lives of Property, Plant and Equipment

As described in Accounting Policies 1.12 the municipality depreciates/ amortises its property, plant and equipment, investment property and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives and residual values of the assets are based on industry knowledge and reviewed annually.

1.8.4 Defined Benefit Plan Liabilities

As described in Accounting Policy 1.10, the municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Note 6 to the Annual Financial Statements.

1.8.5 Provisions

Provisions are raised and management used expert opinion to determine an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 7 - Provisions.

1.8.6 Standards, amendments to standards & interpretations issued but not yet effected

GRAP 18: Segment Reporting-Issued March 2005

Compliance with this standard would have had an effect on the presentation only. Financial information would have been reported by segments. The disclosure of this information will assist users of the financial statements to better understand the entities past performance and to identify the resources allocated to support the major activities of the entity.

GRAP 23: Revenue from Non-Exchange transactions (Taxes and Transfers) - Issued February 2008

Non-exchange transactions in which the entity receives services without directly giving approximately equal value in exchange, has not been accounted for as revenue. These transactions are minimal and are considered immaterial. Refer to paragraph 1 for compliance in current year.

GRAP 24: Presentation of Budget Information in Financial Statements - Issued November 2007:

Compliance with this standard would have had an effect on the presentation only. The budget information is currently disclosed in the appendices.

GRAP 103: Heritage Assets - Issued July 2008:

Compliance with this standard will not have an impact on the current financial information as the recognition and measurement requirements of the standard have already been adopted.

1.9 Financial instruments

The municipality accounts for various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

1.9.1 Financial Assets - Classification

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality has the following types

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.9 Financial instruments (continued)

of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Investments in Fixed Deposits (Banking Institutions, etc)
- Long-term Receivables
- Consumer Debtors
- Certain Other Debtors
- Short-term Investment Deposits
- Bank Balances and Cash

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows into the four categories allowed by this standard:

Type of Financial Asset	Classification in terms of IAS 39.09
Short-term Investment Deposits – Call	Held-to-maturity investments
Bank Balances and Cash	Available for sale investments
Finance Lease Receivables	Loans and receivables
Long-term Receivables	Loans and receivables
Consumer Debtors	Loans and receivables
Other Debtors	Loans and receivables
Investments in Fixed Deposits	Held-to-maturity investments

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
- upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

Available for sale investments are financial assets that are designated as available for sale or are not classified as:

- Loans and Receivables;
- Held-to-Maturity Investments; or
- Financial Assets at fair value through the Statement of Financial Performance.

Loans and Receivables

Loans and Receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets. Loans and receivables are recognised initially at cost which represents fair value. After initial recognition Financial Assets are measured at amortised cost, using the effective interest rate method less a provision for impairment.

Held-to-Maturity Investments.

Held-to-Maturity Investments are financial assets with fixed or determinable payments and fixed maturity where the municipality has the positive intent and ability to hold the investment to maturity.

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of four months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

1.9.2 Financial Liabilities - Classification

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.9 Financial instruments (continued)

or in the notes thereto:

- Long-term Liabilities
- Certain Other Creditors
- Bank Overdraft
- Short-term loans
- Current Portion of Long-term Liabilities
- Consumer Deposits

There are two main categories of Financial Liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- (i) Fair value through profit or loss; or
- (ii) Other financial liabilities.

Any other financial liabilities are classified as "Other financial liabilities" and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

In accordance with IAS 39.09 the Financial Liabilities of the municipality are all classified as "Other financial liabilities".

1.9.3 Initial and Subsequent Measurement

Financial Assets:

Held-to-maturity Investments and Loans and Receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with revenue recognised on an effective yield basis.

Financial Liabilities:

Financial liabilities at fair value are initially and subsequently measured at fair value. Other financial liabilities are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with IAS 39.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non recoverability.

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.9 Financial instruments (continued)

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.10 Employee benefits

Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

Defined benefit plans

A defined benefit plan is a benefit plan other than a defined contribution plan.

Post-retirement Health Care Benefits:

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee, is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

Although defined benefit accounting in accordance with the requirements of IAS 19, as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information, has been exempted in the previous financial year in terms of General Notice 522 of 2007, the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of the above-mentioned General Notice which granted the municipality defined benefit accounting of its defined benefit plans in the previous financial year. Continued to apply defined benefit accounting to the defined benefit plans for the financial year ended 30 June 2009 in accordance with the requirements of IAS 19.

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.10 Employee benefits (continued)

Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to Note 6 of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

1.11 Provisions

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

Provision for the rehabilitation of the refuse landfill site is determined at best estimate by the consulting engineers.

1.12 Property, plant and equipment

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

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

1.12.1 Initial Recognition

Property, plant and equipment are tangible assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired at nil or nominal consideration the deemed cost, being the fair value of the asset on acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and tax rebates are deducted in arriving at the cost. The cost also includes the present value of estimated cost of dismantling removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment, where ever it is practicable to do so.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.12.2 Subsequent Measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.12 Property, plant and equipment (continued)

fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent measurement of all property plant and equipment, are measured at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. The municipality does not recognise in the carrying amount of an item property, plant and equipment the costs of day to day servicing of the item.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

1.12.3 Depreciation

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period shall be recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Land, with the exception of landfill sites and cemetery, is not depreciated as it is regarded as having an infinite life. If the cost of land includes the cost of site dismantlement, removal and restoration, the portion of the land asset is depreciated over the period of benefits or service potential, obtained by incurring those costs. Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets future economic benefits or service potential are expected to be consumed by the municipality. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following estimated useful lives.

Depreciation only commences when the asset is available for use, unless stated otherwise.

Item	Expected useful life
Computer Equipment	5 years
Furniture	10 years
Infrastructure Electricity	
Electrical Kiosk	15 years
Electrical Meters	15 years
Street lighting	15 years
Electrical Lines and Cables	40 years
Electrical Switchgear	40 years
Power transformers	40 years
Infrastructure - Plant & Equipment	
Heavy duty Infrastructure Pumps	15 years
Unspecified Infrastructure Assets	15 years
Standby Generator Sets - Water & Sewerage Camps	15 years
Infrastructure Sewerage Services	
Sewerage containment	50 years
Sewerage Network	50 years
Sewerage purification	50 years
Infrastructure Solid Waste cell services	
Solid waste cell	7 years
Infrastructure Water services	
Small schemes	15 years
Water abstraction	20 years
Water network	20 years
Water purification	20 years
Water storage	50 years
Motor vehicles	
Bakkie ,LDV,Sedan & Tanker	7 years

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.12 Property, plant and equipment (continued)

Truck	7 years
Trailer & caravan	5 years
Forklift	5 years
Tractors	15 years
Equipment	
Office Equipment	5 years
Land & building	
Permanent	30 years
Other buildings	30 years
Plant & Equipment	
Weed eater	2 years
Lawn mower	2 years
Other	5 years
Skid mounted fire response	15 years

The assets' residual values, estimated useful lives and depreciation method are reviewed annually, and adjusted prospectively if appropriate, at each reporting date.

1.12.4 Asset in construction

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

1.12.5 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

1.12.6 Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

Gains or losses are calculated as the difference between the net book value of assets (cost less accumulated depreciation and accumulated impairment losses) and the sales proceeds are included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

1.13 Intangible assets

1.13.1 Initial Recognition

Identifiable non-monetary assets without physical substance which are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. Where an intangible asset is acquired at no cost or for a nominal consideration, its cost is its fair value as at the date it is acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.13 Intangible assets (continued)

1.13.2 Subsequent Measurement, Amortisation and Impairment

Amortisation is charged on a straight-line basis over the intangible assets' useful lives, which are estimated to be 3 years. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, for example servitudes obtained by the municipality give the municipality access to land for specific purposes for an unlimited period however, such intangible assets are subject to an annual impairment test.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in the Statement of Financial Performance.

Item	Expected useful life
Computer software, other	3 years

Intangible assets are derecognised:
on disposal; or
when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in profit or loss when the asset is derecognised.

1.13.3 Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.13.4 Transitional Provisions

Costs incurred on intangible assets (other than on computer software) were expensed and not capitalised in the previous financial year as required by IAS 38 as this requirement was exempted in terms of General Notice 522 of 2007. Accounted for all costs incurred that meet the intangible asset definition and recognition requirements as intangible assets for the financial year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of GRAP 102, GRAP 3 and ASB Directive 3.

1.14 Investment in municipal entities

In the municipality's separate annual financial statements, investments in municipal entities are carried at fair value less any accumulated impairment at the reporting date.

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.15 Leases

Finance leases – The Municipality as lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the future minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the future minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases – The Municipality as lessee

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial performance over the period of the lease.

1.16 Inventories

Consumable stores, finished goods and purified water are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the first-in, first out method.

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

1.17 Value added tax

The Municipality accounts for Value Added Tax on the accrual basis, Based on a special exemption received from the Commissioner of Revenue in that the payment related to VAT on sales is being made after receipt of revenue.

1.18 Tax

Tax expenses

No provision has been made for taxation as the municipality is exempt from taxation in terms of section 10(1)(A) of the Income Tax Act.

1.19 Revenue Recognition

1.19.1 Revenue from Exchange Transactions

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and when the meter is not read provisional estimates are made and based on those readings the revenue is invoiced monthly and recognised. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity prepaid units is recognised when the risks and rewards of ownership has passed to the buyer.

Service charges relating to refuse are recognised on a monthly basis in arrears and on a accrual basis by applying the approved tariff to each consumer that uses the solid waste site.

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

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

Interest and rentals are recognised on a time proportion basis.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff.

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

1.19.2 Revenue from non-exchange transactions

Revenue from Regional Levies, both those based on turnover as well as those based on remuneration, is recognised on the payment due basis. Estimates are reviewed regularly to ensure that average data is appropriate.

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

1.20 Conditional Grants and receipts

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

1.21 Grants-in-aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

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

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

1.22 Borrowing Costs

Borrowing costs incurred relating to qualifying assets and all other borrowing costs incurred were recognised as expenses in the Statement of Financial Performance in the previous financial year in accordance with the benchmark treatment in the old IAS 23, i.e. expensing all borrowing costs. The municipality capitalises borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset only when the commencement date for capitalisation is on or after 1 July 2008, while all other borrowing costs incurred (including borrowing cost incurred on qualifying assets where the commencement date for capitalisation is prior to 1 July 2008) are recognised as an expense in the Statement of Financial Performance for the financial year ending 30 June 2009 in accordance with the requirements of GRAP 5 and ASB Directive 3.

Where the link between the funds borrowed and the capital asset acquired cannot be adequately established - the municipality expenses borrowing costs when it is inappropriate to capitalise it. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete.

1.23 Unauthorised expenditure

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

uThungulu District Municipality

Consolidated Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.24 Fruitless and wasteful expenditure

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

1.25 Irregular expenditure

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

1.26 Events after report date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

1.27 Contingent assets and contingent Liabilities

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

uThungulu District Municipality and its Municipal Entities
Consolidated Annual Financial Statements for the year ended 30 June 2009
Notes to the annual financial statements

2. Change in accounting policy and prior period adjustments

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

GRAP 5
 GRAP 6
 GRAP 9
 GRAP 12
 GRAP 13
 GRAP 14
 GRAP 16
 GRAP 17
 GRAP 19
 GAMAP 9
 GRAP 202
 IPSAS 20
 IPSAS 21
 IFRS 7
 IAS19
 IAS32
 IAS 39

Borrowing Costs
 Consolidated & separate Financial Statements
 Revenue from Exchange Transactions
 Inventories
 Leases
 Events after the reporting date
 Investment property
 Property plant & Equipment
 Provisions, Contingent Liabilities & Contingent Assets
 Paragraph relating to Revenue from Non-exchange Transactions
 Intangible Assets
 Related Party Disclosure
 Impairment of Non Cash Generating Assets
 Financial Instruments: Presentation
 Employee Benefits
 Financial Instruments
 Financial Instruments : Recognition & Measurement

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 30 June 2009 is as follows:

2.1 Adjustments: Change in accounting policy

Accumulated surplus as at 1 July 2007

229,245,443

Unbundling of reserves

Unbundling of capital replacement reserve

134,598,547

Unbundling of donations and public contributions reserve

3,784,826

138,383,373

367,628,816

Other Unbundling adjustments

GRAP 17 depreciation unbundling adjustment

11,023,750

11,023,750

378,652,566

2.1.1 Adjustments: Prior period errors

Adjustments: surplus for the year ended 30 June 2008

Surplus for the year as previously reported

49,643,723

Recognition of deferred revenue

1,133,728

Depreciation charge

(2,943,355)

Fair value adjustment-investment in partnership

(14,053,955)

Correction of rentals

1,562,807

35,342,948

413,995,514

2.1.2 Adjustments: Accumulated surplus as at 30 June 2008

Reversal of land site provision

(32,350,060)

Derecognition of assets

(204,160)

Derecognition of on depreciation

(55,006)

Capital investment in deposit agreement

15,553,983

Investment revenue generated through the deposit agreement

14,152,114

Investment in trust previously not accounted for

5,295,617

Adjustment to long term liability

1,186,574

Recognition of assets

496,206

Reversal of prior year creditors

535,369

4,610,637

418,606,151

2009
R

2008
R

2.2 Balance previously reported:

Capital Grant Reserve

134,598,549

Donations & Public Contribution Reserve

3,784,826

Implementation of GRAP:

Unbundling of capital grants reserve to accumulated surplus

(134,598,549)

Unbundling of reserves to accumulated surplus

(3,784,826)

uThungulu District Municipality and its Municipal Entities
Consolidated Annual Financial Statements for the year ended 30 June 2009
Notes to the annual financial statements

	2009 R	2008 R
2.3 Property, Plant & Equipment		
Balance previously reported:		
Implementation of GRAP	-	(204,160)
Change in accounting policy	-	(55,006)
-Derecognition of assets	-	(32,350,060)
-Derecognition of depreciation	-	11,023,750
-Reversal of landfill site provision	-	496,204
Implementation of GRAP 17: 30 June 2008	-	
Recognition of asset due to unbundling	-	
	-	(21,089,272)
2.4 Provisions and Reserves		
Balance previously reported:		
Implementation of GRAP	-	919,959
Retirement benefits and long service awards	-	6,062,886
Long service provision	-	
Retirement healthcare provision	-	6,982,845
	-	6,982,845
2.5 Surplus for the year		
Balance previously reported:		
Previously stated	-	49,643,723
Implementation of GRAP		
Fair value adjustment in respect of partnership	-	(14,053,954)
Recognition of deferred revenue	-	1,133,728
Correction of rental charges	-	1,562,807
GRAP 17 depreciation adjustment	-	(2,943,355)
	-	35,342,949
3 Prior period adjustment		
During the 1998 financial year uThungulu Regional Council entered into an agreement with Nedbank with respect to the acquisition and financing of the municipality's present administrative offices. As a consequence of this transaction municipal entities were created, the investment in which, has not been accounted for by uThungulu District Municipality		Municipality 2008 R
Investment as restated		
Investments as previously reported		15,077,902
Investment in Partnership		29,721,035
Investment in Financing Trust		5,708,942
Fair Value adjustment to investment in partnership		(14,053,955)
		36,453,924
As a consequence of the differing financial year end of the entities involved in the abovementioned financing relationship, the net present value of minimum lease payments was not calculated correctly in uThungulu District Municipality's accounting records.		
Long-term liabilities as previously reported		43,141,133
Adjustments		(1,186,574)
		41,954,559
INVESTMENT IN MUNICIPAL ENTITIES		
uThungulu House Development Trust		
100% Beneficiary		
Net Assets at 30 June 2008		5,682,986
Investment in finance lease		25,936
Cash and cash equivalents		5,708,922
Comprising:		
Donation		100
Net income available for distribution		5,708,842
		5,708,942
The uThungulu Financing Partnership		
At acquisition on 30 April 2008		
99% Partnership interest, previously 0.5%		
Net Assets acquired on 30 April 2008		
Investment in finance lease		20,144,962
Cash and cash equivalents		811,972
Finance lease liability		(5,270,081)
VAT		(258,212)
		15,428,641
<u>Outside partners interests</u>		(154,286)
Fair value of net assets acquired		15,274,355
At 30 June 2008		
99% Partnership interest		
Net Assets at 30 June 2008		20,954,559
Investment in finance lease		562,822
Cash and cash equivalents		(5,682,986)
Finance lease liability		(9,061)
VAT		15,825,334
Comprising:		
Partnership contributions		39,835,358
Accumulated loss		(24,010,024)
		15,825,334
Fair value of the Partnership		15,825,334
Less Outside partners interest		158,253
Fair value of partnership attributable to uThungulu District Municipality		15,667,081
Consideration paid to obtain control of the partnership		29,721,035
Fair Value adjustment		(14,053,954)

uThungulu District Municipality and its Municipal Entities
 Consolidated Annual Financial Statements for the year ended 30 June 2009
 Notes to the annual financial statements

	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
4 Long-term liabilities				
INCA 13.95%	21,000,000	21,000,000	21,000,000	21,000,000
The loan was taken to finance the purchase and development of a waste site. The loan is repayable after a 15 year period. Interest at 13.95% is paid 6 monthly in arrears on the last day of the month. The final payment of 21 million is due December 2015. A zero coupon from INCA has been taken out to repay this loan.				
INCA 11.95%	29,304,112	-	29,304,113	-
The loan was taken to finance the extensions to the Uthungulu House and development of the solid waste site cell 2. The loan is repayable after a 15 year period. Interest at 11.95% is payable 6 monthly in arrears on the last day of the month.				
Obligation under finance headlease	-	-	22,334,928	20,954,559
The finance headlease payments related to a property in which the Municipality has a controlling interest at the end of the lease through uThungulu Financing Partnership and consist of a lease over Portion 2 of ERF 10033 Richards Bay, 2 Haiti, Central Business District, known as uThungulu House. The original lease period expires on 31 October 2017, with uThungulu on the termination of the lease. The yield to maturity on the lease is 23.81 % is paid 6 monthly in advance on the last day of the month.				
Sub-total	50,304,112	21,000,000	72,639,040	41,954,559
Non-current liabilities				
Total non-current portion	49,418,153	21,000,000	67,978,782	38,643,741
Current portion of long-term liability				
Total current portion	885,959	-	885,959	-
Finance leases	-	-	3,774,299	3,310,818
	885,959	-	4,660,258	3,310,818

Refer to Appendix A for more detail on long-term liabilities.

Details of the repayment terms of the obligations and the related interest rates are set out in Appendix A. The asset encumbered to secure the loans is detailed in note 12.

5 Obligation under finance lease				
-Within 1 Year			4,341,637	3,808,453
-in the second to fifth year inclusive			24,357,034	21,365,819
-Later than 5 years			34,540,499	41,873,351
Less future finance charges			63,239,170	67,047,623
			(40,904,242)	(46,093,064)
			22,334,928	20,954,559
Present Value of Minimum lease payments				
-Within 1 Year			3,774,299	3,310,818
-in the second to fifth year inclusive			11,694,222	10,260,193
-Later than 5 years			6,866,407	7,383,548
			22,334,928	20,954,559

Details of the repayment terms of the obligations and the related interest rates are set out in Appendix A. The asset encumbered to secure the loans is detailed in note 12.

The finance headlease payments represent payments by the municipality for a head lease property in which the municipality has a controlling interest at the end of the lease and consists of lease over portion 2 of ERF 10033 Richards Bay Haiti, central business district known as uThungulu House

This lease is payable over 20 years at an interest rate of 23.81% with a renewal option at the end of the lease period

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	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
6 Defined Benefit obligations				
6.1 Post retirement health care liability				
Post employment health care benefit liability	6,805,951	-	6,805,951	-
Less: Transfer to current provisions	(80,414)	-	(80,414)	-
	<u>6,725,537</u>	<u>-</u>	<u>6,725,537</u>	<u>-</u>
<p>The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such a medical aid fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.</p> <p>The most recent actuarial valuations of plan assets and the present value of the unfunded defined obligation were carried out as at 30 June 2009 by ARCH Actuarial Consulting, a member of the actuarial society of South Africa. The present Value of the defined benefit obligation, and the related current service cost, and past service cost, were measured using the projected unit credit method. No other post retirement medical benefits are provided by the municipality.</p> <p>The Post Employment Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:</p>				
In service members	144	-	144	-
<p>The liability in respect of the past service has been estimated to be as follows:</p>				
In-service members	5,316,406	-	5,316,406	-
Continuation members	1,489,545	-	1,489,545	-
	<u>6,805,951</u>	<u>-</u>	<u>6,805,951</u>	<u>-</u>
<p>The Municipality makes monthly contributions for health care arrangements to the following medical aid schemes:</p> <ul style="list-style-type: none"> -Bonitas -Hosmed -LA Health -Key Health -Samwumed <p>The future service cost for the ensuing year is established to be R 557,420 whereas the interest cost for the next year is estimated to be R 598,109</p> <p>The principal assumptions used for the purposes of the actuarial valuations were as follows:</p>				
Discount rate	8.84%	10.59%	8.84%	10.59%
Health care cost Inflation rate	7.59%	9.50%	7.59%	9.50%
Net effective Discount rate	1.16%	1%	1.16%	1%
Expected rate of salary increases	6.84%	8.75%	6.84%	8.75%
Expected retirement age- Females	58	58	58	58
Expected retirement age- Males	63	63	63	63
<p>The amounts recognised in the statement of financial position are as follows:</p>				
Present value of fund obligations	<u>6,805,951</u>	<u>-</u>	<u>6,805,951</u>	<u>-</u>
Present Value of unfunded obligations	<u>6,805,951</u>	<u>-</u>	<u>6,805,951</u>	<u>-</u>

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	2009 R	2008 R	2009 R	2008 R
The amount recognised in the statement of financial performance are as follows:				
Current service cost	514,346	-	514,346	-
Interest cost	638,597	-	638,597	-
	<u>1,152,943</u>	<u>-</u>	<u>1,152,943</u>	<u>-</u>
Balance at the beginning of the year	-	-	-	-
Prior year unfunded	6,062,886	-	6,062,886	-
Current service cost	514,346	-	514,346	-
Interest cost	638,597	-	638,597	-
Benefits paid	(72,540)	-	(72,540)	-
Actuarial (gains)/losses on the obligation	(337,338)	-	(337,338)	-
Balance at the end of the year	<u>6,805,951</u>	<u>-</u>	<u>6,805,951</u>	<u>-</u>

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows

Increase:				
Effect on the aggregate of current service cost and interest cost	281,400	-	281,400	-
Effect on the defined benefit obligation	1,475,057	-	1,475,057	-
Decrease				
Effect on the aggregate of current service cost and interest cost	(217,300)	-	(217,300)	-
Effect on the defined benefit obligation	(1,159,940)	-	(1,159,940)	-

6.2 Long Service Awards

Provision for long service wards	3,207,106	1,203,828	3,207,106	1,203,828
Less: Transfer to current provisions	(380,168)	(695,759)	(380,168)	(695,759)
	<u>2,826,938</u>	<u>508,069</u>	<u>2,826,938</u>	<u>508,069</u>

A long service award is granted to municipal employees after the completion of fixed periods of continuous service with the municipality (which includes their uninterrupted service with the former local authorities and provincial departments from July 2002)

The said award comprises a certain number of vacation leave days which in accordance with the option exercised by the beneficiary employee, can be converted into a cash amount based on his/her basic salary applicable at the time the award becomes due, or alternatively credited to his/her vacation leave accrual. The provision represents an estimation of the awards to which employees in the service of the municipality at 30 June 2009 may become entitled to in future based on an actuarial valuation performed at that date

The most recent actuarial valuation of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2009 by ARCH Actuarial Consulting a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost, and past service cost, were measured using the projected unit credit method. No other long service benefits are provided by the municipality

The Future service cost for the ensuing year is established to be R 524,162, whereas the interest cost for the next financial year is estimated to be R 277,647.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rate	9.19%	10.96%	9.19%	10.96%
Expected rate of salary increases	6.84%	8.75%	6.84%	8.75%
Net effective Discount rate	2.45%	1.78%	2.45%	1.78%
Expected retirement age- Females	58	58	58	58
Expected retirement age- Males	63	63	63	63

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	2009 R	2008 R	2009 R	2008 R
The amounts recognised in the statement of financial position are as follows:				
Present value of fund obligations	2,826,937	508,069	2,826,937	508,069
Present Value of unfunded obligations	3,207,105	1,615,717	3,207,105	1,615,717
Net liability	3,207,105	1,615,717	3,207,105	1,615,717
The amounts recognised in the statement of financial performance are as follows:				
Current service cost	477,556	-	477,556	-
Interest cost	285,884	-	285,884	-
Actuarial Gain	56,013	-	56,013	-
	819,453	-	819,453	-
Balance at the beginning of the year	1,203,828	-	1,203,828	-
Prior year unfunded	1,615,717	-	1,615,717	-
Current service cost	477,556	983,242	477,556	983,242
Interest cost	285,884	220,586	285,884	220,586
Benefits paid	(431,893)	-	(431,893)	-
Actuarial (gains)/losses on the obligation	56,013	-	56,013	-
Balance at the end of the year	3,207,105	1,203,828	3,207,105	1,203,828

6.3 Total Post retirement benefits

Non-current				
-Post retirement health care (Refer to 5.1 above)	6,725,538	-	6,725,538	-
-Long service award (Refer to note 5.2 above)	2,826,937	508,069	2,826,937	508,069
	9,552,475	508,069	9,552,475	508,069
Current				
-Post retirement health care (Refer to 5.1 above)	80,414	-	80,414	-
-Long service award (Refer to note 5.2 above)	380,168	695,759	380,168	695,759
	460,582	695,759	460,582	695,759
Total	10,013,057	1,203,828	10,013,057	1,203,828

Provincially-administered Defined Benefit Plans	Last actuarial Valuation	Total assets R'000	Total liabilities	Controlling members
Government Employees Pension Fund	March 2007	673,407,922	673,407,962	45
Kwazulu-Natal Joint Municipal Provident	March 2008	604,849	608,096	144
Natal Joint Municipal Pension Fund (Superannuation)	March 2008	4,451,200	4,339,400	18
Natal Joint Municipal Pension Fund (Retirement)	March 2008	1,571,700	1,742,300	23
Zululand Joint Provident Fund (uThungulu District Municipality Provident Fund)	February 2006	3,747,338	3,747,338	229

7 Provisions
Group

Reconciliation of provisions - 2009

	Opening Balance	Contributions to provision	Expenditure incurred	Total
Reclamation of refuse landfill site	49,419,558	8,384,673	-	57,804,231
Performance bonus	715,364	553,988	(558,989)	710,363
Total	50,134,922	8,938,661	(558,989)	58,514,594

Reconciliation of provisions - 2008

	Opening Balance	Contributions to provision	Expenditure incurred	Total
Reclamation of refuse landfill site	17,069,498	32,350,060	-	49,419,558
Performance bonus	562,773	597,006	(444,415)	715,364
Total	17,632,271	32,947,066	(444,415)	50,134,922

Municipality

Reconciliation of provisions - 2009

	Opening Balance	Contributions to provision	Expenditure incurred	Total
Reclamation of refuse landfill site	49,419,558	8,384,673	-	57,804,231
Performance bonus	715,364	553,988	(558,989)	710,363
Total	50,134,922	8,938,661	776,167	58,514,594

Reconciliation of provisions - 2008

	Opening Balance	Contributions to provision	Expenditure incurred	Total
Reclamation of refuse landfill site	17,069,498	32,350,060	0	49,419,558
Performance bonus	562,773	597,006	(444,415)	715,364
Total	17,632,271	32,947,066	(444,415)	50,134,922

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	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
7 Provisions (continued)				
Non-current provisions	57,804,231	49,419,558	57,804,231	49,419,558
Current provisions	710,363	715,364	710,363	715,364
Total Provisions	58,514,594	50,134,922	58,514,594	50,134,922
Performance bonuses are paid after the financial year end in arrear as the assessment of eligible employees had not taken place at the reporting date.				
In terms of the licensing of the landfill refuse sites, council will incur rehabilitation costs of R 51 million to restore the old Empangeni and Cell 1 refuse sites at the end of their useful life, estimated to be in 2011. Provision has been made at best estimate determined by the consulting engineers at a cost for the current solid waste site (Cell 1) and the old Empangeni Site.				
8 Consumer deposits				
Electricity and Water	5,764,455	4,421,571	5,764,455	4,421,571
In terms of councils by-laws no interest is raised or paid.				
9 Trade Creditors				
Trade payables	34,544,812	39,500,974	34,535,751	39,500,974
Amounts received in advance	849,400	2,411,035	849,400	2,411,035
Accrued leave pay	2,782,111	2,435,786	2,782,111	2,435,786
Accrued audit fees	-	22,547	-	22,547
Other accrued expenses	22,714	29,501	22,714	29,501
Other payables	8,168,720	7,763,929	8,168,720	7,754,868
	46,367,757	52,163,772	46,358,696	52,154,711
10 Unspent conditional grants and receipts				
10.1 Conditional Grants from other spheres of government				
Department of Public Works	829,342	2,969,461	829,342	2,969,461
Department of Provincial and Local Government	429,829	1,198,875	429,829	1,198,875
Department of Sports & Recreation - Kwa-Zulu Natal	30,766	7,376,865	30,766	7,376,865
Department of Traditional & Local Government Affairs	55,682,436	20,937,657	55,682,436	20,937,657
Department of Water Affairs & Forestry	16,945,119	20,214,459	16,945,119	20,214,459
Department of Transport - Kwa-Zulu Natal	313,770	313,770	313,770	313,770
National Government - Municipal Infrastructure Grants	44,950,778	38,592,272	44,950,778	38,592,272
National Government - Other Grants	29,006	2,008,526	29,006	2,008,526
uMhlathuze Municipality	21,065,412	7,500,000	21,065,412	7,500,000
Department of Economic affairs and Tourism	300,000	-	300,000	-
Department of Provincial Treasury	514,877	-	514,877	-
Conditional Grants from other spheres of Government	141,091,335	101,111,885	141,091,335	101,111,885
10.2 Other Conditional Receipts				
United Nations Development Programme	-	60,389	-	60,389
Other	266,174	-	266,174	-
Other Conditional Receipts	266,174	60,389	266,174	60,389
Total Conditional Grants and Receipts	141,357,509	101,172,274	141,357,509	101,172,274
Unspent conditional grants and receipts				
See Note 20 for reconciliation of grants from other spheres				
11 VAT				
VAT receivable	25,970,120	17,921,635	25,970,120	17,921,635

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Figures in Rand

12 Property, plant and equipment

Group	2009		2008	
	Cost/valuation	Accumulated depreciation	Cost/valuation	Accumulated depreciation
Leasehold property	9,550,000	-	9,550,000	0
Infrastructure - in construction	154,914,162	-	75,431,916	0
Infrastructure	287,040,520	(62,192,638)	270,935,994	(47,833,132)
Community	12,265,016	-	9,002,715	0
Other property, plant and equipment	61,234,183	(11,510,254)	39,967,308	(9,148,725)
Total	525,003,881	(73,702,892)	404,287,933	(56,981,857)
				347,306,076

Municipality	2009		2008	
	Cost/valuation	Accumulated depreciation	Cost/valuation	Accumulated depreciation
Leasehold property	9,550,000	-	9,550,000	0
Infrastructure - in construction	154,914,162	-	75,431,916	0
Infrastructure	287,040,520	(62,192,638)	270,935,994	(47,833,132)
Community	12,265,016	-	9,002,715	0
Other property, plant and equipment	61,234,183	(11,510,254)	39,967,308	(9,148,725)
Total	525,003,881	(73,702,892)	404,287,933	(56,981,857)
				347,306,076

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12 Property, plant and equipment (Continued)
Reconciliation of property, plant and equipment

Group	2009						
	Opening Balance	Additions	Capital under construction	Disposals	Transfers	Depreciation	Total
Leasehold property	9,550,000	-	-	-	-	-	9,550,000
Infrastructure - In construction	75,431,916	95,611,865	-	(16,129,619)	-	-	154,914,162
Infrastructure - Community	223,102,862	0	-	16,104,526	(14,060,269)	(299,237)	224,847,882
Other property, plant and equipment	9,002,715	20,336,302	-	(17,074,001)	-	-	12,265,016
	30,218,583	5,912,504	(220,850)	17,099,094	(3,285,402)	-	49,723,929
Total	347,306,076	121,860,671	(220,850)	-	(17,345,671)	(299,237)	451,300,989

Reconciliation of property, plant and equipment

Municipality	2009						
	Opening Balance	Additions	Disposals	Transfers	Depreciation	Impairments	Total
Leasehold property	9,550,000	-	-	-	-	-	9,550,000
Infrastructure - In construction	75,431,916	95,611,865	-	(16,129,619)	-	-	154,914,162
Infrastructure - Community	223,102,862	0	-	16,104,526	(14,060,269)	(299,237)	224,847,882
Other property, plant and equipment	9,002,715	20,336,302	-	(17,074,001)	-	-	12,265,016
	30,218,583	5,912,504	(220,850)	17,099,094	(3,285,402)	-	49,723,929
Total	347,306,076	121,860,671	(220,850)	-	(17,345,671)	(299,237)	451,300,989

The carrying value for 2008/09 includes an idle asset with a value of R9,169,528 for the Nseleni bulk supply pipeline and fully depreciated assets to the value of R1,427

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12 Property, plant and equipment (Continued)

Reconciliation of property, plant and equipment

2008

GROUP	Opening Balance	Additions	Capital under construction	Disposals	Transfers	Depreciation	Impairments	Total
Leasehold property	9,550,000	-	-	-	-	-	-	9,550,000
Infrastructure - In construction	190,009,983	-	59,810,623	-	(174,388,690)	-	-	75,431,916
Infrastructure	59,369,162	-	-	-	174,384,032	(10,650,332)	-	223,102,862
Community	9,002,715	-	-	-	-	-	-	9,002,715
Other property, plant and equipment	24,267,554	8,987,995	-	(34,186)	4,658	(3,007,438)	-	30,218,583
Total	292,199,414	8,987,995	59,810,623	(34,186)	-	(13,657,770)	-	347,306,076

Reconciliation of property, plant and equipment

2008

Municipality	Opening Balance	Additions	Capital under construction	Disposals	Transfers	Depreciation	Total
Leasehold property	9,550,000	-	-	-	-	-	9,550,000
Infrastructure - In construction	190,009,983	-	59,810,623	-	(174,388,690)	-	75,431,916
Infrastructure	59,369,162	-	-	-	174,384,032	(10,650,332)	223,102,862
Other assets - in construction	9,002,715	-	-	-	-	-	9,002,715
Other property, plant and equipment	24,267,554	8,987,995	-	(34,186)	4,658	(3,007,438)	30,218,583
Total	292,199,414	8,987,995	59,810,623	(34,186)	-	(13,657,770)	347,306,076

A register containing the information required by s63 of the MFMA is available for inspection at the registered office of the municipality.

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13 Intangible assets

Group and Municipality

	2009		2008	
	Cost/Valuation	Accumulated Amortisation	Carrying Value	Cost/Valuation
Computer software and other	2,386,028	(2,028,794)	357,234	2,370,354
				(1,695,981)
				674,373

Reconciliation of Intangible assets-2009

Computer software and other

Opening Balance	Additions	Amortisation	Total
674,373	15,674	(332,813)	357,234

Reconciliation of Intangible assets-2008

Computer software and other

Opening Balance	Additions	Amortisation	Total
629,938	317,787	(273,352)	674,373

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	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
14 Investments				
14.1 Held to maturity				
Promissory Notes	-	8,424,476	-	8,424,476
INCA Zero Coupon	16,838,383	15,077,902	16,838,383	15,077,902
The INCA Zero Coupon of R 7,963,350 was purchased by council in 2002/03 to be utilized as a guarantee on the R 21 million INCA loan. Interest of R 1,760,481(2007/08 - R 1,580,504 at 11.35% was earned on the investment.				
The coupon matures on the 30th of June 2011.				
Subtotal	16,838,383	23,502,378	16,838,383	23,502,378
Held to maturity (impairments)	-	(8,424,476)	-	(8,424,476)
	16,838,383	15,077,902	16,838,383	15,077,902

14.2 INVESTMENT IN MUNICIPAL ENTITIES

	% Holding		Municipality	
	2009	2008	Carrying Amount 2009	Carrying amount 2008
uThungulu Financing Partnership	99%	99%	16,114,135	15,667,081
uThungulu House development Trust	100%	100%	6,704,651	5,708,942
			22,818,786	21,376,023

	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
Non-current Investments				
Held to Maturity	16,838,383	15,077,902	16,838,383	15,077,902
Investment in Municipal entities	-	-	22,818,786	21,376,023
	16,838,383	15,077,902	39,657,169	36,453,925

Impairment provision

The total investment of R 8,424,476 for Promissory Notes, is considered irrecoverable, as per council resolution No UDMC 1081, on the 23 January 2009, per UDMC 859 approval of the investment was written off against the provision.

15 Long-term receivables

Loans to local municipalities	-	153,640	-	153,640
Staff home loans	859,523	1,355,929	859,523	1,355,929
Staff vehicle loans	40,827	117,630	40,827	117,630
Staff study loans	86,345	173,253	86,345	173,253
	986,695	1,800,452	986,695	1,800,452
Less: Current portion transferred to current receivables	(75,975)	(261,004)	(75,975)	(261,004)
Total long term receivables	910,720	1,539,448	910,720	1,539,448

Current portion long - term receivables

Loans to local municipalities	-	138,565	-	138,565
Staff home loans	35,545	43,920	35,545	43,920
Staff vehicle loans	40,430	78,519	40,430	78,519
Total current portion of long-term receivables	75,975	261,004	75,975	261,004

Loans to Municipalities

The loan to Umlalazi Municipality was provided on the 31 of December 1999, and interest at 15.75% is charged biannually with the final repayment due on the 30 of June 2009.

Car loans

Senior staff were entitled to car loans prior to 1 July 2004, which currently attracts interest at 8.5% per annum and which are repayable over a maximum period of 6 years. These loans are repayable by 2010.

Staff home loans

Housing loans were granted to qualifying staff prior to 1 July 2004. These loans attract interest per the fringe benefit interest rate as determined by the South African Revenue Service annually. These loans will be repayable in accordance with home loan agreements and range from 5 to 10 years.

16 Inventories

Consumables and maintenance materials	2,978,385	2,902,770	2,978,385	2,902,770
Water	186,581	183,428	186,581	183,428
	3,164,966	3,086,198	3,164,966	3,086,198

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17 Consumer debtors
GROUP and Municipality

As at 30 June 2009

	2009		Net Balance
	Gross Balances	Provision for bad debts	
	R		
Service debtors	24,595,257	(13,950,552)	10,644,705
Water	16,091,190	(9,967,601)	6,123,589
Electricity	566,047	(98,157)	467,890
Sanitation	6,972,356	(3,884,794)	3,087,562
Solid waste	965,664	-	965,664
Regional Service Levies	-	-	-
	24,595,257	(13,950,552)	10,644,705

As at 30 June 2008

	2008		Net Balance
	Gross Balances	Provision for bad debts	
	R		
Service debtors	19,832,543	(7,365,931)	12,466,612
Water	14,288,776	(5,229,811)	9,058,965
Electricity	293,263	(73,659)	219,604
Sanitation	4,177,041	(2,062,461)	2,114,580
Solid waste	1,073,463	-	1,073,463
Regional Service Levies	904,265	-	904,265
	20,736,808	(7,365,931)	13,370,877

(Electricity, Water and Sanitation): Ageing

	2009	2008
	R	R
Current (0 – 30 days)	6,680,255	4,155,771
31 - 60 Days	2,107,352	2,048,158
61 - 90 Days	1,220,714	1,552,649
91 - 120 Days	73,816	1,223,783
121 - 365 Days	14,513,120	10,852,183
	24,595,257	19,832,544

Regional Services Levies: Ageing

+ 365 Days	-	904,265
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Reconciliation of Movement in Bad debts

	2009	2008
	R	R
Opening Balance	(7,365,931)	-
Less: Closing balance	13,950,552	-
Abolishment of regional service levies	896,827	-
	7,481,448	-

Prior year comparatives have not been stated as impracticable

Summary of Debtors by Customer Classification

	2009		
	Consumers	Industrial/ Commercial	National and Provincial Government
As at 30 June 2009			
Current (0 – 30 days)	3,960,845	1,063,545	806,466
31 - 60 Days	1,279,708	303,925	523,718
61 - 90 Days	767,136	138,961	314,617
91 - 120 Days	1,008,851	200,170	336,901
121 - 365 Days	11,735,823	1,005,440	1,149,151
Sub-total	18,752,363	2,712,041	3,130,853
Less: Provision for bad debts	(12,695,191)	(1,255,361)	-
	6,057,172	1,456,680	3,130,853

As at 30 June 2008

	2008		
	Consumers	Industrial/ Commercial	National and Provincial Government
As at 30 June 2008			
Current (0 – 30 days)	3,927,054	579,039	684,655
31 - 60 Days	1,263,704	291,484	492,970
61 - 90 Days	985,751	249,614	317,285
91 - 120 Days	789,119	193,949	245,957
121-365 days	6,060,737	1,248,465	2,502,760
Sub-total	13,026,365	2,562,551	4,243,627
Less: Provision for bad debts	(5,923,517)	(1,442,414)	-
	7,102,848	1,120,137	4,243,627

uThungulu District Municipality and its municipal entities
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	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
18 Other Debtors				
Other debtors	4,296,643	6,399,335	4,296,643	6,399,335
Deposits	2,143,605	1,949,783	2,143,605	1,949,783
Total other debtors	6,440,248	8,349,118	6,440,248	8,349,118
19 Bank balances and cash				
The Municipality has the following bank accounts: -				
Current Account (Old-Primary Bank Account)				
ABSA Bank - Richards Bay				
Account Number: 215 000 0079				
Current Account - Primary account				
Nedbank - Richards Bay				
Account Number: 145 408 8885				
Other Accounts				
ABSA Bank Account: 405 987 3153				
Nedbank Account : 145 408 8893				
Nedbank Account : 145 408 9016				
Cash and cash equivalents consist of:				
Cash on hand	3,200	3,200	3,200	3,200
Call Investment deposits	220,000,000	190,000,000	220,000,000	190,000,000
Bank balances	67,279,425	51,270,940	66,623,737	50,682,162
	287,282,625	241,274,140	286,626,937	240,685,362
Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :				
Cash book balance at beginning of year	50,682,160	30,378,404	50,682,160	30,378,404
Cash book balance at end of year	67,279,425	51,270,938	66,623,737	50,682,160
Bank statement balance at beginning of year	66,795,215	62,420,511	66,795,215	62,420,511
Bank statement balance at end of year	80,117,349	66,795,215	80,117,349	66,795,215
20 Service charges				
Sales of electricity	2,799,500	2,103,589	2,799,500	2,103,589
Sales of water	22,489,702	20,132,494	22,489,702	20,132,494
Refuse removal	4,678,241	5,652,803	4,678,241	5,652,803
Sewerage and sanitation charges	3,020,874	2,930,678	3,020,874	2,930,678
Cemetery revenue	478,414	591,855	478,414	591,855
	33,466,731	31,411,419	33,466,731	31,411,419
21 Government grants and subsidies				
Equitable share	73,788,014	57,101,476	73,788,014	57,101,476
Levy replacement grant	107,313,857	95,972,000	107,313,857	95,972,000
Municipal Infrastructure Grant and other Capital Grants	83,543,495	67,808,538	83,543,495	67,808,538
Department of Public Works	2,140,120	4,804	2,140,120	4,804
Department of Sport & Recreation	3,375,340	5,031,800	3,375,340	5,031,800
Department of Provincial Local Government	3,446,651	212,980	3,446,651	212,980
Department of Traditional and Local Government Affairs	24,025,980	6,149,220	24,025,980	6,149,220
Department of Water Affairs and Forestry	22,281,039	11,108,794	22,281,039	11,108,794
National Government - Other	1,971,503	867,099	1,971,503	867,099
Reimbursement Grants	-	-	-	-
	321,885,999	244,256,711	321,885,999	244,256,711

uThungulu District Municipality and its municipal entities
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	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
21.1 Equitable Share				
In terms of the Constitution, this grant which is unconditional is used to subsidise the provision of basic services to the community. These subsidies includes 6 kilolitre free basic water to the entire district with the exception of KZ 282, and 50 kilowatts for electricity, which is provided only in the town of Nkandla.				
21.2 Levy replacement grant				
Regional council levies have been discontinued as from 30 June 2006, and the national fiscus has allocated a levy replacement grant to the district municipalities. The levy replacement grant is an interim measure to ensure the financial stability of the district municipalities while national government is currently defining the overall fiscus streams to local government.				
21.3 Municipal Infrastructure Grant				
Balance unspent at beginning of year	38,592,272	25,081,184	38,592,272	25,081,184
Current year receipts	89,902,000	81,319,626	89,902,000	81,319,626
Conditions met - transferred to revenue	(83,543,495)	(67,808,538)	(83,543,495)	(67,808,538)
Conditions still to be met - transferred to liabilities	44,950,777	38,592,272	44,950,777	38,592,272
This grant is used to construct water and sewerage infrastructure as part of the upgrading of informal settlement areas. No funds have been withheld.				
21.4 Department of Public Works Grants				
Balance unspent at beginning of year	2,969,461	2,974,265	2,969,461	2,974,265
Conditions met - transferred to revenue	(2,140,120)	(4,804)	(2,140,120)	(4,804)
Conditions still to be met - transferred to liabilities	829,341	2,969,461	829,341	2,969,461
This grant is used to construct water and sewerage infrastructure as part of the upgrading of informal settlement areas. No funds have been withheld.				
21.5 Department of Sport & Recreation				
Balance unspent at beginning of year	7,376,865	418,233	7,376,865	418,233
Prior year allocation error- refer to note 22.7	(4,970,759)		(4,970,759)	
Current year receipts	1,000,000	11,990,432	1,000,000	11,990,432
Conditions met - transferred to revenue	(3,375,340)	(5,031,800)	(3,375,340)	(5,031,800)
Conditions still to be met - transferred to liabilities	30,766	7,376,865	30,766	7,376,865
Provincial Department of Sport & Recreation Projects grants are used to construct Sports & Swimming Pools in Nkandla. This grant also includes funding for the 2010 sports stadium that will be constructed by the municipality. The grant is spent in accordance with a business plan approved by the Provincial Government. No funds have been withheld.				
21.6 Department of Provincial and Local Government				
Balance unspent at the beginning of year	1,198,875	1,411,855	1,198,875	1,411,855
Current year receipts	2,677,605		2,677,605	
Conditions met - transferred to revenue	(3,446,651)	(212,980)	(3,446,651)	(212,980)
Conditions to be met - transferred to liabilities	429,829	1,198,875	429,829	1,198,875
The Department of Provincial and Local Government grants are used To build capacity within the District in order to perform functions as per legislature.				
21.7 Department of Traditional and Local Government Affairs				
Balance unspent at the beginning of the year	20,937,657	22,040,177	20,937,657	22,040,177
Prior year allocation	4,970,759		4,970,759	
Current year receipts	53,800,000	5,046,700	53,800,000	5,046,700
Conditions met - transferred to revenue	(24,025,980)	(6,149,220)	(24,025,980)	(6,149,220)
Conditions to be met - transferred to liabilities	55,682,436	20,937,657	55,682,436	20,937,657
The Department of Traditional and Local Government grants are used : To build capacity within the district in order to perform functions as per legislature. For disaster programmes, fire fighting equipment, water service delivery planning, shared services unit and infrastructure.				

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	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
21.8 Department of Water Affairs and Forestry				
Balance unspent at the beginning of the year	20,214,459	5,795,653	20,214,459	5,795,653
Current year receipts	19,011,700	25,527,600	19,011,700	25,527,600
Conditions met - transferred to revenue	(22,281,039)	(11,108,794)	(22,281,039)	(11,108,794)
Conditions to be met - transferred to liabilities	16,945,120	20,214,459	16,945,120	20,214,459
The Department of Water Affairs and Forestry Grant are used for: Water infrastructure and sanitation projects. Drought relief and disaster relief programmes.				
21.9 Department of Transport (Kwa-Zulu Natal)				
Balance unspent at the beginning of the year	313,770	313,770	313,770	313,770
Current year receipts	-	-	-	-
Conditions to be met - transferred to liabilities	313,770	313,770	313,770	313,770
The Department of Transport Grant is used for: The development of the Public Transport Plan.				
21.10 National Treasury - Other grants				
Balance unspent at the beginning of the year	2,008,526	1,187,837	2,008,526	1,187,837
Current year receipts	(1,442,605)	1,500,000	(1,442,605)	1,500,000
Conditions met - transferred to revenue	(536,915)	(679,311)	(536,915)	(679,311)
Conditions to be met - transferred to liabilities	29,006	2,008,526	29,006	2,008,526
The National Treasury - Other Grants are used for: To promote and support reforms to municipal financial management and the implementation of the Municipal Finance Management Act.				
21.11 uMhlatuze Municipality - Other grants				
Balance at the Beginning of the year	7,500,000	-	7,500,000	-
Current year receipts	15,000,000	7,500,000	15,000,000	7,500,000
Conditions met transferred to revenue	(1,434,588)	-	(1,434,588)	-
Conditions met transferred to liabilities	21,065,412	7,500,000	21,065,412	7,500,000
The uMhlatuze Municipality Grants - are used for: To build the 2010 sports stadium in the District.				
21.12 Changes in levels of government grants				
Based on the allocations set out in the Division of Revenue Act, (Act 2 of 2007), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.				
21.13 Provincial Treasury				
Current year receipts	514,877	-	514,877	-
21.14 Department Economic affairs and Tourism	300,000	-	300,000	-
22 Other income				
Shared services revenue	2,411,150	250,000	2,411,150	250,000
Public contribution	81,409	683,758	81,409	683,758
-Sale of maps	282	322	282	322
-Shared service unit	258,200	-	258,200	-
-SETA Refund	164,961	30,597	164,961	30,597
-Discount received	2,538	28,491	2,538	28,491
-lease income	74,332	93,117	74,332	93,117
-Salary reimbursements	1,916,191	-	1,916,191	-
-Sundry income	1,261,578	285,078	1,261,578	285,078
-Insurance refund	250,017	704,972	250,017	704,972
-Other income-Mark up	41,918	759	41,918	759
-Tender deposits	151,508	105,317	151,507	105,317
-Donations and sponsorship received	2,000	-	2,000	-
-Income from the uThungulu financing partnership	-	-	1,761,855	-
-Income from the uThungulu House Development trust	-	-	3,024,511	413,325
	6,616,084	2,182,411	11,402,449	2,595,736

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	Group		Municipality	
	2009	2008	2009	2008
23 Employee related costs				
Employee related costs - Salaries and Wages	41,637,728	35,962,243	41,637,728	35,962,243
Employee related costs - Contributions for UIF, pensions	7,711,332	6,312,336	7,711,332	6,312,336
Travel, motor car, and other allowances	5,193,396	4,190,707	5,193,396	4,190,707
Housing benefits and allowances	2,556,535	1,236,635	2,556,535	1,236,635
Overtime and relief payments	3,316,491	2,297,013	3,316,491	2,297,013
Defined Benefit obligation	743,065	-	743,065	-
	61,158,547	49,998,934	61,158,547	49,998,934
There were no advances to employees.				
Remuneration of the Municipal Manager				
Annual Remuneration	738,702	677,897	738,702	677,897
Performance Bonus	121,902	101,187	121,902	101,187
Car Allowance	277,778	259,103	277,778	259,103
Contributions to UIF	1,539	1,411	1,539	1,411
	1,139,921	1,039,598	1,139,921	1,039,598
Remuneration of the Deputy Municipal Manager				
Annual Remuneration	668,067	646,947	668,067	646,947
Performance Bonus	113,093	109,751	113,093	109,751
Car Allowance	305,880	297,065	305,880	297,065
Contributions to UIF	1,539	1,511	1,539	1,511
	1,088,579	1,055,274	1,088,579	1,055,274
Remuneration of Individual Executive Directors				
Technical Services				
Annual Remuneration	671,426	596,929	671,426	596,929
Performance Bonus	107,141	33,403	107,141	33,403
Car allowance	172,493	149,229	172,493	149,229
Contributions to UIF, Medical and Pension funds	1,539	1,678	1,539	1,678
	952,599	781,239	952,599	781,239
Corporate Services				
Annual Remuneration	679,747	753,814	679,747	753,814
Performance Bonus	107,141	100,755	107,141	100,755
Car allowance	193,660	179,771	193,660	179,771
Contributions to UIF	1,539	1,511	1,539	1,511
	982,087	1,035,851	982,087	1,035,851
Chief Financial Officer				
Annual Remuneration	769,615	743,804	769,615	743,804
Performance Bonus	109,712	107,990	109,712	107,990
Car Allowance	86,287	91,521	86,287	91,521
Contributions to UIF, Medical and Pension funds	1,539	1,511	1,539	1,511
	967,153	944,826	967,153	944,826
24 Remuneration of councillors				
Total Councillors' Remuneration				
Mayor	314,647	428,711	314,647	428,711
Deputy Mayor	406,949	371,084	406,949	371,084
Speaker	404,696	366,643	404,696	366,643
Executive councillors	1,917,689	1,665,911	1,917,689	1,665,911
Councillors	1,581,395	1,540,521	1,581,395	1,540,521
Councillors' pension contribution	396,096	367,240	396,096	367,240
	5,021,472	4,740,110	5,021,472	4,740,110
In-kind Benefits:				
The Mayor, Deputy Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council which is included with other expenditure in the Statement of Financial Performance. To note the mayors remuneration in 2008/2009 is paid based on the difference of a full time mayor and that of a part time councillor of uMalalazi municipality. The municipality is leasing a vehicle at cost to Council for the Mayor which is included with other expenditure in the Statement of Financial Performance.				
25 Finance Cost				
Interest paid - long term liabilities	2,865,034	7,046,788	8,118,322	7,856,385
26 Bulk Purchases				
Electricity	10,397,740	7,488,700	10,397,740	7,488,700
Water	6,140,253	4,406,056	6,140,253	4,406,056
	16,537,993	11,894,756	16,537,993	11,894,756
27 Grants and Subsidies				
KZ 282 Umhlatuze Municipality	1,319,418	966,250	1,319,418	966,250
KZ 284 Umlalazi Municipality	512,506	548,265	512,506	548,265
	1,831,924	1,514,515	1,831,924	1,514,515
During the 2007/08 and 2008/09 financial year, the grants payable were for environmental health services for the function that was performed by the local municipalities.				
28 General expenses				
Included in general expenses are the following cost items :				
Fuel and oil	2,148,817	1,795,559	2,148,817	1,795,559
IDP operational externally funded projects	47,265,475	33,812,028	47,265,475	33,812,028
IDP operational internal funded projects	58,109,863	50,790,377	58,109,863	50,790,377
Publicity	1,317,847	1,025,773	1,317,847	1,025,773
Rent - Plant and vehicles	2,905,427	2,645,009	2,905,427	2,645,009
Telephone	1,365,586	1,074,006	1,365,586	1,074,006
External audit fees	1,348,971	1,297,033	1,348,971	1,297,033
Insurance	2,009,157	1,742,156	2,009,157	1,742,156
Subsistence & Travelling	1,344,877	940,360	1,344,877	940,360
Advertisements	686,994	803,010	686,994	803,010
Grants and Donations	-	483,359	-	483,359
Chemicals	1,494,240	903,510	1,494,240	903,510
Landfill site reclamation	8,384,673	-	8,384,673	-
Other general expenses	6,717,770	5,120,833	6,717,770	5,120,833
	135,099,697	102,433,013	135,099,697	102,433,013

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	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
29 Cash generated from operations				
Surplus for the year	77,279,255	35,342,949	77,279,255	35,342,949
Adjustments for:				
Loss on sale of assets	220,850	34,186	220,850	34,186
Interest received	(36,358,888)	(30,622,411)	(36,358,888)	(30,622,411)
Fair Value adjustments	(447,054)	14,053,954	(447,054)	14,053,954
Interest paid	8,118,322	7,856,385	8,118,322	7,856,385
Movements in provisions	8,379,672	31,512,732	8,379,672	31,512,732
Contribution to bad debt provision	-	-	-	-
GRAP 17 adjustments	-	11,260,788	-	11,260,788
Movement in Retirement benefits	-	1,203,828	-	1,203,828
Depreciation and amortisation	17,977,720	13,931,122	17,977,720	13,931,122
Municipal entities	-	11,448,713	-	11,448,713
Initial recognition of post retirement obligation	-	-	-	-
Initial recognition of long service awards	-	-	-	-
Adjustment to lease liability	1,826,384	-	1,826,384	-
Reversal of prior period creditor	-	535,368	-	535,368
Reversal of retention held	543,060	-	543,060	-
Correction of revenue recognition	(8,608)	-	(8,608)	-
Solid waste reversal	-	(32,350,060)	-	(32,350,060)
Stale cheques reversed	1,064,698	-	1,064,698	-
Changes in working capital:				
(Increase) in Inventories	(78,767)	(1,201,448)	(78,767)	(1,201,448)
(Increase) / Decrease in other debtors	1,908,870	(3,370,494)	1,908,870	(3,370,494)
Decrease/(Increase) in debtors	1,342,884	105,140	1,342,884	105,140
Decrease in consumer debtors	2,726,172	632,619	2,726,172	632,619
Long term receivables	185,029	74,390	185,029	74,390
(Decrease) / Increase in creditors	(5,796,015)	15,678,544	(5,796,015)	15,678,544
Increase in conditional and other grants	40,185,235	41,242,800	40,185,235	41,242,800
(Increase) in Vat	(8,048,485)	(8,429,004)	(8,048,485)	(8,429,004)
	111,020,334	108,940,101	111,020,334	108,940,101

30 Unauthorised, irregular, fruitless and wasteful expenditure disallowed

Unauthorised expenditure

To the best of our knowledge no known incidences of unauthorised expenditure was incurred during the year under review

Fruitless and wasteful expenditure

To the best of our knowledge no known incidences of fruitless and wasteful expenditure was incurred during the year under review

Irregular expenditure

To the best of our knowledge no known incidences of irregular expenditure was incurred during the year under review

31 Additional disclosure in terms of Municipal Finance Management Act

31.1 Contributions to organized local government

Council subscriptions	386,580	257,872	386,580	257,872
Amount paid - current year	(386,580)	(257,872)	(386,580)	(257,872)
Balance unpaid (included in creditors)	-	-	-	-

31.2 Audit fees

Opening balance	22,547		22,547	
Current year audit fee	1,316,317	1,300,000	1,316,317	1,300,000
Amount paid - current year	(1,333,122)	(171,318)	(1,333,122)	(171,318)
Amount paid - previous years	(5,742)	(1,106,135)	(5,742)	(1,106,135)
Balance unpaid (included in creditors)	-	22,547	-	22,547

31.3 VAT

VAT inputs receivables and VAT outputs receivables are shown in note 10.

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

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	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
31.4 PAYE and UIF				
Current year payroll deductions	8,971,006	7,285,113	8,971,006	7,285,113
Amount paid - current year	(8,971,006)	(7,285,113)	(8,971,006)	(7,285,113)
Balance unpaid (included in creditors)	-	-	-	-
31.5 Pension and Medical Aid Deductions				
Current year payroll deductions and Council Contributions	7,132,337	5,877,261	7,132,337	5,877,261
Amount paid - current year	(7,132,337)	(5,877,261)	(7,132,337)	(5,877,261)
Balance unpaid (included in creditors) - -	-	-	-	-
32 Commitments				
Commitments in respect of capital expenditure:				
- Approved and contracted for				
. Infrastructure	146,115,138	88,878,690	146,115,138	88,878,690
. Other property, plant and equipment	29,862,809	33,197,794	29,862,809	33,197,794
	175,977,947	122,076,484	175,977,947	122,076,484
- Approved but not yet contracted for				
. Infrastructure	4,367,494	-	4,367,494	-
	4,367,494	-	4,367,494	-
This expenditure will be financed from:				
- Government Grants	136,205,567	79,707,234	136,205,567	79,707,234
- Own resources	17,861,492	42,369,250	17,861,492	42,369,250
-Borrowings	26,278,382	-	26,278,382	-
	180,345,441	122,076,484	180,345,441	122,076,484
The outstanding commitments relate to capital projects and other assets that have been committed by order, by the Bid Adjudication Committee and Executive committee prior to 30 June 2009. The majority of the capital projects include water infrastructure.				
33 Contingencies				
Future legal fees				
1. Contractor - outstanding invoice claimed (Matter pending)	-	80,000	-	80,000
2. Contractor (Matter pending)	-	10,000	-	10,000
3. Ex - employee and councillors - legal action	200,000	200,000	200,000	200,000
4. Contractor (Matter pending)	-	200,000	-	200,000
5. Contractor (Matter pending)	100,000	599,506	100,000	599,506
6. Contractor (Matter pending)	30,000	-	30,000	-
	330,000	1,089,506	330,000	1,089,506

- The municipality is being sued by a contractor for work that the contractor alleges to have completed.
- The municipality is suing the contractor for poor performance on a project.
- The municipality has legal action against an ex-employee that made an illegal investment and against councillors on council matters.
- The municipality is suing the contractor for incompleteness of work on a project.
- Dispute with contractor as the consultant increased the scope of work without prior approval from the municipality
- The Municipality has legal action against a contractor

uThungulu District Municipality and its municipal entities
Consolidated Annual Financial Statements for the year ended 30 June 2009
Notes to the annual financial statements

	Group		Municipality	
	2009 R	2008 R	2009 R	2008 R
34 Related parties				
Municipal Entities				
			The uThungulu Financing Partnership (With effect 30 April 2008)	
			uThungulu House Development Trust	
Related Party Balances				
Investment in Municipal Entities				
The uThungulu financing partnership			16,114,135	15,667,081
uThungulu House development trust			6,704,651	5,708,942
			<u>22,818,786</u>	<u>21,376,023</u>
Related party transactions				
Sub-Lease Payments				
Uthungulu Financing Partnership	3,808,543	593,217	3,808,543	593,217
<p>uThungulu financing partnership is a partnership between uThungulu District Municipality, NIB9810 trust and Nedcor. uThungulu District municipality as at the 30 April 2008 holds 99% and Nedcor and NIB 9810 holds the balance of 1% The uThungulu Financing Partnership was formed to facilitate the purchase of uThungulu House in order to provide offices for uThungulu District Municipality. In order to finance the purchase of uThungulu House, the partnership entered into loan agreement with Nedcor. In terms of the sub-lease agreement, uThungulu District Municipality is obliged to make bi-annual sub lease payments to the partnership to reimburse uThungulu Financing Partnership for the loan repayments made to Nedcor. The loan is payable over 20 year period (starting in 1998 - 2017).</p> <p>uThungulu House Development trust leases immovable property to the uThungulu financing partnership, in terms of a financing lease. The original lease period expires on the 31 October 2017</p> <p>Both of the above mentioned entities are incorporated in South Africa</p>				
Income received from Related Parties				
The uThungulu Financing Partnership			1,761,855	-
uThungulu House Development trust			3,024,511	-
Balances outstanding at 30 June from Related parties				
The uThungulu financing partnership			22,334,928	20,954,559
% Interest in Municipal entities				
The uThungulu Financing Partnership			99	99
uThungulu House Development trust			100	100

35 Events after reporting date

At the date of submission of the annual financial statements there are no known events.

36 Comparison with budget

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

APPENDIX A						
GROUP						
UTHUNGULU DISTRICT MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009						
Redeemable Rand	Balance at 30 June 2008		Received during the period Rand	Redeemed written off during the period Rand	Balance at 30 June 2009	
	Rand				Rand	Property, Plant & Equip Rand
LONG-TERM LOANS						
INCA @ 13.95%	12/31/14	21,000,000	-	-	21,000,000	21,000,000
		21,000,000	-	-	21,000,000	21,000,000
ANNUITY LOAN						
INCA @ 11.95%	6/30/23	-	30,000,000	695,887	29,304,113	-
		-	30,000,000	695,887	29,304,113	-
TOTAL EXTERNAL LOANS						
LONG - TERM LOANS		21,000,000		-	21,000,000	21,000,000
ANNUITY LOAN		-	30,000,000	695,887	29,304,113	-
		21,000,000	30,000,000	695,887	50,304,113	21,000,000

APPENDIX A		Municipality					
		UTHUNGULU DISTRICT MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009					
Redeemable Rand	Balance at 30 June 2008 Rand	Received during the period Rand	Redeemed written off during the period Rand	Balance at 30		Carrying Value of Property, Plant & Equip Rand	
				June 2009 Rand	June 2009 Rand		
LONG-TERM LOANS							
INCA @ 13.95%	21,000,000	-	-	21,000,000	21,000,000	21,000,000	
	21,000,000	-	-	21,000,000	21,000,000	21,000,000	
ANNUITY LOAN							
INCA @ 11.95%	-	30,000,000	695,887	29,304,113	-	-	
	-	30,000,000	695,887	29,304,113	-	-	
LEASE LIABILITY							
Leased Property @ 23.8%	20,954,559	1,380,368	-	22,334,927	9,550,000	9,550,000	
	20,954,559	1,380,368	-	22,334,927	9,550,000	9,550,000	
TOTAL EXTERNAL LOANS							
LONG - TERM LOANS	21,000,000	-	-	21,000,000	21,000,000	21,000,000	
ANNUITY LOAN	-	30,000,000	695,887	29,304,113	-	-	
LEASE LIABILITY	20,954,559	1,380,368	-	22,334,927	9,550,000	9,550,000	
	41,954,559	31,380,368	695,887	72,639,040	30,550,000	30,550,000	

**APPENDIX B
GROUP AND MUNICIPALITY
UTHUNGULU DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009**

	Cost/Revaluation				Accumulated Depreciation				Carrying Value			
	Opening Balance	Transfers	Asset Register Balance	Additions	Disposal	Impairments	Closing Balance	Opening Balance		Current	Disposals	Closing Balance
Land and Buildings												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - In Construction												
Water Mains and purification	75,476,550	-	-	95,611,864	16,129,619	-	154,958,795	-	-	-	-	154,958,795
	75,476,550	-	-	95,611,864	16,129,619	-	154,958,795	-	-	-	-	154,958,795
Infrastructure												
Infrastructure Land Servitudes	7,752,718	-	-	-	-	-	7,752,718	-	196,718	-	1,339,286	6,413,432
Infrastructure Solid Waste Services	30,151,624	-	-	-	-	-	30,151,624	-	4,356,561	-	13,828,505	16,323,119
Waste Site Rehabilitation	-	-	-	-	-	-	-	-	-	-	-	-
Waste Site Empangeni	-	-	-	-	-	-	-	14,286,114	-	-	-	-
Waste Site Empangeni - Land	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Sewerage Services	23,481,326	-	-	-	-	-	23,481,326	-	423,279	-	3,843,587	19,637,739
Sewerage Mains & Purif	-	-	-	-	-	-	-	-	-	-	-	-
Water Mains & Purification	-	-	-	-	-	-	-	6,497,787	-	-	-	-
Water Mains & Purification	-	-	-	-	-	-	-	19,727,156	-	-	-	-
Infrastructure Water Services	40,236,900	-	-	1,914,054	299,237	-	41,851,717	-	1,127,950	-	9,601,373	32,250,344
Water Network	147,037,860	-	-	13,840,190	-	-	160,878,050	-	6,571,465	-	25,267,280	135,610,770
Infrastructure Plant and Equipment	20,981,785	-	-	350,282	-	-	21,332,067	-	1,332,112	-	6,297,668	15,034,399
Infrastructure Electricity	2,419,402	-	-	-	-	-	2,419,402	-	53,371	-	1,716,190	703,212
	272,061,615	-	-	16,104,526	-	299,237	288,166,141	42,930,459	14,060,756	-	61,893,889	225,973,015
Other assets in construction												
Cemetery - Buildings	2,452	-	-	-	2,452	-	-	-	-	-	-	-
uThungulu Buildings	-	-	-	-	-	-	-	-	-	-	-	-
uThungulu Disaster	8,585,008	-	-	20,336,302	16,507,158	-	12,414,152	-	-	-	-	12,414,152
uThungulu Store Eshowe	559,734	-	-	-	559,734	-	-	-	-	-	-	-
uThungulu Cemetery	9,147,194	-	-	20,336,302	17,069,344	-	12,414,152	-	-	-	-	12,414,152
	7,993,469	-	-	1,185,990	108,130	-	9,071,329	1,689,396	1,120,951	86,129	3,950,520	5,120,809
Other assets												
Motor Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	5,657,379	-	-	1,051,058	868,957	-	5,839,480	1,201,408	772,899	696,265	2,831,363	3,008,117
Land and Buildings	28,315,072	-	-	19,762,716	-	-	48,077,788	1,067,166	649,488	-	1,716,654	46,361,134
Leasehold Property	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Permanent Works - Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Cemetery Land	-	-	-	-	-	-	-	-	-	-	-	-
Furniture, Fittings and Office Equipment	2,314,351	-	-	256,758	97,328	-	2,473,781	944,890	336,088	92,632	1,408,123	1,065,658
Office Equipment	2,127,147	-	-	455,934	61,351	-	2,521,730	893,350	202,945	39,894	1,056,401	1,465,329
Furniture	-	-	-	-	-	-	-	-	-	-	-	-
Technical Equipment	1,195,169	-	-	294,969	8,957	-	1,481,181	355,123	203,031	8,953	547,201	933,980
Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-
	47,602,587	-	-	23,007,425	1,144,723	-	69,465,289	3,835,494	3,285,402	923,873	11,510,262	57,955,027
Total carried forward	404,287,946	-	-	185,060,117	34,343,686	299,237	524,705,140	46,766,153	17,346,158	923,873	73,404,151	451,300,989
INTANGIBLE ASSETS												
	2,370,354	-	-	15,674	-	-	2,386,028	1,695,981	332,812	-	2,028,793	357,234
TOTAL	406,658,300	-	-	185,075,791	34,343,686	527,091,168	527,091,168	58,477,847	17,678,970	923,873	75,432,944	451,658,223

APPENDIX C
UTHUNGULU DISTRICT MUNICIPALITY : SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009
Group and Municipality

	Opening Balance	Cost/Revaluation			Impairment	Closing Balance Rand	Accumulated Depreciation			Disposals	Closing Balance	Carrying Value
		Asset Register Balance	Additions Rand	Disposal Rand			Depreciation Rand	Asset Register Balance	Current			
Executive & Council	1,458,150		9,727	65,447		1,402,430	582,848	164,050		46,740	700,158	702,272
Finance & Admin	42,337,359		39,667,922	17,142,883		64,862,398	3,700,324	1,573,677		518,647	4,755,354	60,107,044
Planning & Development	615,257		120,126	8,220		727,163	431,421	57,857		6,151	483,127	244,036
Community & Social Services	1,798,647		1,866,235	606,672		3,058,210	283,065	90,365		37,537	335,893	2,722,317
Public Safety	1,954,910		1,320,470	-		3,275,380	423,341	309,412			732,753	2,542,627
Waste Management	43,778,669		24,452,961	-	299,233	68,231,630	12,966,482	5,078,299		314,799	18,044,781	50,186,849
Water	285,614,935		87,472,606	16,520,464		356,267,844	33,281,832	9,539,935			42,506,968	313,760,875
Electricity	2,419,402		-	-		2,419,402	1,662,819	53,370			1,716,189	703,213
Waste Water	24,310,607		150,068	-	299,233	24,460,675	3,649,726	479,193			4,128,919	20,331,756
INTANGIBLE ASSETS	404,287,936	-	155,060,115	34,343,686	299,233	524,705,132	56,981,858	17,346,158		923,874	73,404,142	451,300,989
Finance & Admin	2,370,354		9,364	-	-	2,379,718	1,695,981	330,990		-	2,026,971	352,747
Planning & Development	-		6,310	-	-	6,310	-	1,823		-	1,823	4,487
	2,370,354	-	15,674	-	-	2,386,028	1,695,981	332,813		-	2,028,794	357,234

APPENDIX D

**UTHUNGULU DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF
FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009**

GROUP

2008		2009		2009	
Actual Income Year to date	Actual Expenditure Year to date	Actual Income Year to date	Actual Expenditure Year to date	Surplus / (Deficit)	Surplus / (Deficit)
Rand	Rand	Rand	Rand	Rand	Rand
-	18,336,807	-	24,187,921	(24,187,921)	
221,305,496	41,565,248	290,584,064	21,777,150	268,806,914	
-	19,298,052	-	25,603,277	(25,603,277)	
591,855	11,642,369	478,414	26,183,244	(25,704,830)	
-	8,429,902	-	7,967,471	(7,967,471)	
-	2,302,799.0	-	2,434,791.1	(2,434,791)	
5,652,803	13,186,164	4,678,241	17,260,533	(12,582,292)	
2,108,378	2,389,222	2,944,125	3,464,590	(520,465)	
3,010,495	17,062,340	3,468,919	17,528,504	(14,059,585)	
77,352,591	140,069,494	96,884,241	175,331,399	(78,447,158)	
310,021,618	274,282,397	399,038,004	321,738,880	77,299,124	

Executive & Council
Finance & Admin
Planning & Development
Community & Social Services
Public Safety
Environmental Protection
Waste Management
Electricity
Waste Water
Water

APPENDIX D

**UTHUNGULU DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF
FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009**

Municipality

2008		2009		2009	
Actual Income Year to date	Actual Expenditure Year to date	Actual Income Year to date	Actual Expenditure Year to date	Surplus / (Deficit)	Surplus / (Deficit)
Rand	Rand	Rand	Rand	Rand	Rand
-	18,336,807	-	24,187,921	(24,187,921)	
221,718,821	42,374,845	295,817,483	27,030,438	268,787,045	
-	19,298,052	-	25,603,277	(25,603,277)	
591,855	11,642,369	478,414	26,183,244	(25,704,830)	
-	8,429,902	-	7,967,471	(7,967,471)	
-	2,302,799.0	-	2,434,791.1	(2,434,791)	
5,652,803	13,186,164	4,678,241	17,260,533	(12,582,292)	
2,108,378	2,389,222	2,944,125	3,464,590	(520,465)	
3,010,495	17,062,340	3,468,919	17,528,504	(14,059,585)	
77,352,591	140,069,494	96,884,241	175,331,399	(78,447,158)	
310,434,943	275,091,994	404,271,423	326,992,168	77,279,255	

Executive & Council
Finance & Admin
Planning & Development
Community & Social Services
Public Safety
Environmental Protection
Waste Management
Electricity
Waste Water
Water

APPENDIX E(1)

UTHUNGULU DISTRICT MUNICIPALITY: ACTUAL VERSES BUDGET (REVENUE & EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009					
	2009 Actual Bal R'000	2009 Bud Amount R'000	GROUP		Explanation of Significant Variance greater than 10% versus Budget
			2009 Variance R'000	2009 Variance	
Revenue					
Service Charges	33,467	30,916	2,551	8%	
Regional Services Levies - Turnover	90	-	90	100%	Collection of outstanding declarations from previous years
Regional Services Levies - Remuneration	572	-	572	100%	Collection of outstanding declarations from previous years
Rental of Facilities	48	23	25	110%	
Interest Earned - external investments	36,182	32,323	3,859	12%	Investment income is generated from funds committed but not yet paid
Interest Earned - internal investments	177	103	74	71%	Increased debtor defaults due to the economic climate
Government grants and subsidies	321,886	382,191	(60,305)	-16%	
Other Income	6,616	1,214	5,402	445%	Funds relating to the uThungulu House Structure
Surplus					
external borrowings					-33,836
GG trf					
	399,038	446,770	(47,732)	-11%	
Expenses					
Executive & Council	24,188	30,259	6,071	20%	General savings
Finance & Admin	21,777	33,593	11,816	35%	General savings
Planning & Development	25,603	77,955	52,352	67%	Savings due to grant utilisation.
Community & Social Services	26,183	44,203	18,020	41%	Savings due to grants utilisation.
Public Safety	7,967	11,234	3,267	29%	Savings due to grants utilisation.
Environmental Protection	2,435	3,567	1,132	32%	Savings on grant provided to Umhlatuze and Umlalazi municipality
Waste Management	17,261	12,092	-5,169	-43%	The provision for the waste site rehabilitation was previously accounted in PPE additions however with the implementation of Grap 17 it is now expensed.
Electricity	3,465	4,887	1,422	29%	General savings
Waste Water	17,529	21,244	3,715	17%	General savings
Water	175,331	168,452	-6,879	-4%	The implementation of IAS 39 and Grap 17 have had an impact on the budget.
	321,739	407,486	85,747	21%	

APPENDIX E(1)

UTHUNGULU DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE & EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009					
	2009 Actual Bal R'000	2009 Bud Amount R'000	Municipality		Explanation of Significant Variance greater than 10% versus Budget
			2009 Variance R'000	2009 Variance	
Revenue					
Service Charges	33,467	30,916	2,551	8%	
Regional Services Levies - Turnover	90	-	90	100%	Collection of outstanding declarations from previous years
Regional Services Levies - Remuneration	572	-	572	100%	Collection of outstanding declarations from previous years
Rental of Facilities	48	23	25	110%	
Interest Earned - external investments	36,182	32,323	3,859	12%	Investment income is generated from funds committed but not yet paid
Interest Earned - internal investments	177	103	74	71%	Increased debtor defaults due to the economic climate
Government grants and subsidies	321,886	382,191	(60,305)	-16%	
Other Income	11,849	1,214	10,635	876%	Funds relating to the uThungulu House Structure
Surplus					
external borrowings					-33,836
GG trf					
	404,271	446,770	(42,499)	-10%	
Expenses					
Executive & Council	24,188	30,259	6,071	20%	General savings
Finance & Admin	27,030	33,593	6,563	20%	General savings
Planning & Development	25,603	77,955	52,352	67%	Savings due to grant utilisation.
Community & Social Services	26,183	44,203	18,020	41%	Savings due to grants utilisation.
Public Safety	7,967	11,234	3,267	29%	Savings due to grants utilisation.
Environmental Protection	2,435	3,567	1,132	32%	Savings on grant provided to Umhlatuze and Umlalazi municipality
Waste Management	17,261	12,092	-5,169	-43%	The provision for the waste site rehabilitation was previously accounted in PPE additions however with the implementation of Grap 17 it is now expensed.
Electricity	3,465	4,887	1,422	29%	General savings
Waste Water	17,529	21,244	3,715	17%	General savings
Water	175,331	168,452	-6,879	-4%	The implementation of IAS 39 and Grap 17 have had an impact on the budget.
	326,992	407,486	80,494	20%	

APPENDIX E(2)
30 JUNE 2009
GROUP AND MUNICIPALITY

UTHUNGULU DISTRICT MUNICIPALITY: ACTUAL VERSES BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED							
GROUP AND MUNICIPALITY							
	Additions Rand	Under Construction Rand	Total Additions Rand	Budget Rand	Variance Rand	Variance %	Explanation of Significant Variances greater than 5% versus Budget
Property, Plant & Equipment							
Executive & Council	9,727		9,727	70,000	60,273	86%	Budget not utilised due to building in progress
Finance & Administration	5,448,904	17,142,883	22,591,787	41,757,105	19,165,318	46%	Balance committed for the construction of the Municipal building
Planning & Development	126,436		126,436	190,000	63,564	33%	General Savings
Community & Social Services	1,866,235		1,866,235	3,837,633	1,971,398	51%	Balance committed for the fire fighting equipment
Public Safety	1,320,470		1,320,470	1,261,303	-59,167	100%	
Environmental Protection	-		-	-	-	0%	
Water	184,084	71,158,903	71,342,987	196,086,868	124,743,881	64%	Balance committed on ongoing projects
Waste Management	-	24,452,961	24,452,961	20,000,000	-4,452,961	-22%	Due to economic conditions and increase in prices relating to specialised materials
Electricity	-		-	-	-	0%	
Waste Water	150,068		150,068	200,000	200,000	100%	Transfer of function under negotiation
	9,105,924	112,754,747	121,860,671	263,553,077	141,692,406	54%	

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2009

We present our report for the year ended 30 June 2009.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee has adopted appropriate formal terms of reference as its audit committee charter and consisted of three independent, suitably experienced and outside members as listed below.

During the 2008/09 year, three meetings were held.

Name of member	No. of meetings attended
F. J. Malherbe (Chairperson)	5
H. Oosthuizen	4
S.Z. Hlophe (resigned May 2009)	1
M. Nkopane (appointed 01st September '09)	

AUDIT COMMITTEE RESPONSIBILITIES

The committee has complied with its responsibilities arising from Section 166(2) b of the Municipal Finance Management Act

The committee also has complied, as far as possible, with its responsibilities set out in its Council approved terms of reference and has discharged all its responsibilities contained therein.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROLS

The Municipality's system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the Municipal Finance Management Act and the King II Report on Corporate Governance requirements, Internal Audit and the Auditor General's report provide the Audit Committee and management with assurance that the internal controls of the Municipality are appropriate and effective. This is achieved by means of a risk review process, testing of controls, as well as the identification of corrective actions and suggested enhancements to controls and processes. From the various reports of the Internal Auditors, the audit report on the Annual Financial Statements, and the management letter of the Auditor General, it was noted that no significant or material non compliance with prescribed policies and procedures have been reported. Accordingly, the Audit Committee can report that the system of internal controls for the period under review appears efficient and effective.

The Committee has urged management to take corrective action to ensure that internal checking and control measures are as effective as possible so as to improve the internal control environment.

REVIEW OF THE ANNUAL FINANCIAL STATEMENTS

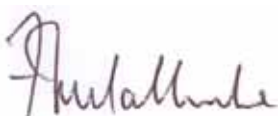
The Audit Committee has noted the unqualified opinion expressed by the Auditor-General in his report on the Annual Financial Statements and commends management on addressing the issues raised in the previous year.

The Audit Committee has also:

- reviewed and discussed the audited Annual Financial Statements, to be included in the annual report, with the Auditor-General, management and the Accounting Officer;
- reviewed the Auditor-General's management letter and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed significant adjustments resulting from the audit; and
- concluded that the going concern premise is appropriate in preparing the Annual Financial Statements.

CONCLUSION

The Audit Committee concurred with and accepted the Auditor-General's conclusions on the Annual Financial Statements for the year ended 30 June 2009 and recommended that the audited Annual Financial Statements be adopted by the Council of the Municipality.



F. Malherbe
Chairperson

December 2009

9. Finance and Administration

CHIEF FINANCIAL OFFICER REPORT

1. INTRODUCTION

The financial department aligns to the national key performance areas of financial viability and management; and per the Integrated Development Plan, is linked to the "Leadership Excellence" strategic objective of the district municipality. Emanating from this strategy our Vision and Mission was adopted as follows.

Our vision:

"A Finance Department that demonstrates leadership excellence"

The department's mission statement:-

Develop and maintain sound financial management;

Excellent support services for both internal and external stakeholders;

Economical, effective and efficient service delivery ensuring value for money.

The Department comprises of three operational sections, namely

Budget & Management accounts

Revenue

Expenditure, Supply Chain Management & Assets

"The finance department aligns to the national key performance areas of financial viability and management; is linked to the "Leadership Excellence" strategic objective of the District Municipality."



A handwritten signature in black ink, appearing to read 'C Staniland'.

C Staniland

Chief Financial Officer: uThungulu District Municipality

OVERVIEW

(i) Budget & Management accounts

The Budget & Management section plays an important role in co-ordinating and preparing the multi-year budgets and thereafter continuous monthly monitoring and reporting to Council as well as Provincial and National Treasury. These financial controls and processes enable the district to promote the development and maintenance of sound financial management.

It must be noted this financial year saw the end of the three year phase-in process as allowed per Gazette 300013. Effective from 2008/09, all Generally Recognised Accounting Practice (GRAP) statements as approved by the Minister in May 2008 are applicable and we can proudly state that our Financial Statements are GRAP compliant.

(ii) Revenue

In 2004, the Revenue section expanded significantly to incorporate the billing functions for the local municipalities. The department has grown over the past years to accommodate this function and now includes a full complement of credit controllers and meter readers.

We have satellite revenue staff situated at Nkandla, Melmoth, Eshowe, Gingindlovu, Mtunzini and Kwambonambi. Their purpose is to provide convenient access to the residents of the entire District who wish to pay an account or make enquiries about Municipal Services, thereby supporting both internal and external stakeholders.

Working together with the Technical Department, the Revenue section strives to fulfill the strategic objectives of the Council, which includes the provision of potable water and safe sanitation systems to all its residents.

- Revenue statistics for 2008/09

The total revenue as reflected in the 2008/09 Statement of Financial Performance is R404 million (2007/8 R 310 million); this comprises National and Provincial Grants, Trading and Non-Trading revenue.

Of concern is that the municipality's revenue generation accounts for 8% (2007/08: 9, 8%) of the total revenue, with Grants and subsidies and interest from investments accounting for 92% (2007/08: 88%).

GRANTS & SUBSIDIES

For the year under review Grants and subsidies increased by 32% in comparison to 2008, being R322 million and R244 million respectively. This accounts for 92% of the total revenue of the District, however this includes interest, amounting to R36 million.

TRADING SERVICES

The trading services for 2008/09 totaled R33 million (2007/08: R 31, 4 million); this comprises cemetery revenue, sale of electricity (Nkandla town), sewerage and sanitation charges, refuse removal and the sale of water.

The Trading services revenue increased by 9% in comparison to 2008; this accounts for 8% of the total revenue of the municipality. The increase was mainly in the water services which was as a result of striving to roll out service delivery to all residents, where meter installations have been a priority, thereby assisting with the increasing of our debtor base, which leads to revenue enhancement.

(iii) DEBTORS

The greatest challenge experienced by the District is the demographics of the municipality, in that 80% is rural with poor infrastructure that does not allow the municipality to collect revenue and only 20% is urban, allowing for revenue collection and credit control implementation.

The revenue section ensures that consumers located within the municipal areas of Nkandla, Mbonambi, and uMlalazi are timeously billed for water and sanitation. In addition, this section manages the billing of the Regional Landfill site in the uMhlathuze municipal area and Electricity billing within the town of Nkandla. Our strict credit control measures during the financial year have seen defaulting consumers having restrictions implemented.

	2009	2008	2007
DEBTORS (Rm)			
- Electricity	0.5	0.3	0.3
- Water	16.0	14.3	12.4
- Sanitation	7.0	4.1	2.8
- Solid Waste	1.0	1.0	1.1
TRADING DEBTORS	24.5	19.7	2.8
- RSC Levies	-	0.90	1.1
CONSUMER DEBTORS	24.5	20.7	18.0

In 2008/09, Service debtors increased from R20.7 million to R24.5 million due to the increase in water and sanitation debtors.

The total provision for doubtful debts amounted to 56.7% of consumer debtors in 2009, up from 36% in 2008. This increase is as a result of the percentage of debtors that are greater than 90 days; in addition the increased provision is attributable to the change in accounting policy with regards to provision for doubtful debts. In compliance with GRAP standards, debtors' accounts have been individually assessed and the provision calculated based on their payment history.

Total other Debtors amount to R 6.4 million in 2009 (2008: R8, 3 million), resulting in a decrease in the total net debtors of R15.8 million, compared to R20, 6 million in 2008. The debtors average collection rate (relative to billing) was around 88%. This is based on collections vs. billing for the financial year ending 2009.

In January 2009 Council enlisted the services of a debt collection service provider (NICS). All debt which could not be recovered following our internal processes is handed over to the collection company. Their attempts have recently started yielding positive results.

(iv) DEBTORS AGE ANALYSIS: AGEING SERVICE DEBTORS

The total debtors' age analysis records for water, sewerage, solid waste & electricity (Nkandla town), indicates a considerable portion of trade debtors have outstanding balances greater than 121 days (R 14.5million).

	2009		2008		2007	
	R	%	R	%	R	%
Current (0 – 30 days)	6.6	27.3	4.1	21.3	4.4	27
31 – 60 days	2.1	8.5	2	10.2	3.5	21
61 – 90 days	1.2	4.9	1.6	8	0.8	5
91 - 120 days	.07	0.3	1.2	6	0.7	4
121 - 365 days	14.5	59	10.8	54.5	7.2	43
	24.5	100	19.7	100	16.6	100

The statistics indicate the economic climate experienced by the District Municipality whereby consumers are unable to keep current obligations up to date. Council has taken cognizance of these hardships faced by our consumers and embraced an incentive strategy, approved in March 2008 (UDMC: 619) in which an Incentive Scheme allows for our domestic consumers who have long outstanding debts to be eligible to participate in the scheme.

The provisions of the said policy allow the council to write off 1/9 of the outstanding debt after each 4 consecutive month's payments that are received on or before the due date in full. The write-off process will continue until the debt is written off in full. Further full Municipal services shall be made available, and no penalties, interest or legal costs shall be levied to the customer.

The development of the incentive policy aims at encouraging a culture of payment and going forward, this policy should greatly assist in reducing the long outstanding debtors.

In addition the indigent policy assists consumers who are unable to pay their accounts, to come forward and register as an indigent. In 2007/08 financial year an additional stepped tariff was implemented for water consumed of 7- 10 kl, in order to assist consumers.

(v) INVESTMENTS

The approved Investment Policy regulates all investments placed during the financial year. The following schedule reflects the total investment of the Council for the year under review:

Bank	Maturity	Amount
ABSA	CALL	20,000,000
ABSA	2009/09/11	20,000,000
ABSA	2009/08/18	20,000,000
First National Bank	2009/09/23	10,000,000
First National Bank	2009/07/13	20,000,000
Nedbank	2009/07/13	20,000,000
Nedbank	2009/09/23	10,000,000
Nedbank	2009/09/11	20,000,000
Standard Bank	2009/07/13	10,000,000
Standard Bank	2009/09/23	10,000,000
Standard Bank	2009/09/11	20,000,000
Standard Bank	2009/08/18	20,000,000
Standard Bank	2009/07/20	20,000,000
		220,000,000

(vi) CREDIT RATING

Over the past three financial years Messrs Global Rating has performed the credit rating for the District Municipality; furthermore no fundamental changes have occurred to our credit rating since the 2007 assessment. Although it is noted that for the short term we received an "A1-rating" in 2008, this rating is described as "high certainty of timely payment. Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are very small."

Summary of rating issued: -

	2008	2007	2006
Long term	A-	A	A
Short term	A1-	A1-	A1

Key: A = "high certainty of timely payment. Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are very small."

: A1 = "very high certainty of timely payment. Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are minor."

: A1- = "high certainty of timely payment. Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are very small."

(vii) EXTERNAL LOANS

The District Municipality's total loans taken amount to R 51 million and accounts for 7% of the District's total approved Budget.

(viii) Supply Chain Management, Expenditure & Assets

SUPPLY CHAIN MANAGEMENT

The third update of the Supply Chain Management Policy has been approved by council on 28 May 2009 and has since been implemented as such and in accordance with the Municipal Finance Management Act regulations.

The most important challenge for the Supply Chain Management section is to maintain and adhere to all relevant policies and legislation and to streamline existing processes thereby enhancing service delivery internally and to the community at large.

During the 2008/2009 financial year there were a total of 45 tenders awarded. The awarding of these tenders have been made possible by the dedication of the members of the Bid Specifications, Bid Evaluation and Bid Awards committees, who meet on a regular basis to ensure the awarding of tenders occur as efficiently and as effectively as possible. Also to be mentioned are all the non-committee members who have shown their dedication to make this process a success. The total value of the top ten tenders awarded amounts to R 156.7 million. It must be noted that the above-mentioned amount excludes all rates-based tenders.

The top ten tenders awarded for the year is as follows: -

Tender No	Description	Tenderer	Amount
UDM/17/2009	Tender for Long Term Loan: Funding of Municipal Capital Projects 2008/09	ABSA	46,000,000.00
UDM/MIG/19/2008	Tender for Greater Mthonjaneni Water Supply Phase 2A & 2B – Construction of 350 to 400 Bulk Water Pipeline from Zimela to Ndundulu	Thuthuka Group Limited	45,775,764.10
UDM/23/2008	Tender for the Multi-Purpose Stadium (Phase 1) Richards Bay	Sifiso Sibisi at DGIT	24,952,243.78
UDM/MIG/17/2008	Tender for the Construction of Upper Nseleni Water Phase 2D: Construction of Reservoirs and Bulk Services	Klus Civils cc	10,130,181.26
UDM/MIG/02/2008	Tender for the Construction of the Middledrift Phase 2 Water Supply Project (Western Section): Construction of Reticulation	Sivest (Pty) Ltd	8,951,607.18
UDM/MIG/06/2009	Tender for the Construction of 1880kl & 150kl Reservoirs and the Repair of the Ntingwe Dam	Mfihleleni Construction cc	5,132,899.48
UDM/16/2008	Tender for the Supply and Installation of Geosynthetic Lining for Cell 2 at the Emangeni Solid Waste Site	Jan Palm Consulting Engineers	4,935,925.23
UDM/36/2008	Refurbishment of the Eshowe Ocean View Waste Water Treatment Works: Eshowe Town	BKS (Pty) Ltd	4,403,253.09
UDM/04/2008	Tender for the Establishment of a Database of Consultants to Undertake Infrastructure Projects for the uThungulu District Municipality for the period ending 30 June 2010: Appointment of Civil Engineering Consultants for Mbonambi Phase 2 Bulk Water Project	DMV Richards Bay	3,906,177.52
UDM/02/2009	Tender for the Construction of a Water Supply System at Kholweni in the uMlalazi Local Municipality	DPI Ichweba	2,558,095.87

Procurement / Expenditure

Following is a summary of orders that have been placed during the 2008/2009 financial year. As can be seen, there is a dramatic increase on the previous financial year, which is an indicator that service delivery is on the increase.

Purchases 2008/2009			
Direct purchase orders processed			
Order count	Total Value 08/09	Previous Period 07/08	Increase in value
2156	21,182,481.35	14,733,860.06	6,448,621.29
Stock orders processed			
Order count	Total Value	Previous Period	Difference
105	2,067,502.12	2,609,619.42	-542,117.30
Total purchase orders processed			
Order count	Total Value	Previous Period	Difference
2261	23 249 983.47	17 343 479.48	5 906 503.99

Stores (Logistics)

The following is a summary of stock holding at all four stores under the control of Uthungulu District Municipality, during the 2008/2009 financial year. It must be noted that the Empangeni store, which is council's biggest store in value, had a comprehensive stock count of all items as at 30 June 2009.

The Empangeni store had a new addition made to it, with the building of a walk-in safe where face value books, protective clothing, etc. can be stored. It also has a storage space on top with handrails all around.

The SCM unit is also proud of the new stores building in Eshowe that was occupied on 15 June 2009. This was purpose-built at a cost of approximately R2 300 000.00. This building has the following exclusive features:

A generator set - should a power failure occur, service delivery will not be hampered

An electronic hoist that can transport material from the bottom to the mezzanine floor inside of the building.

A new asset store was established at the Disaster Management Centre at Empangeni, from where better control over assets can be done; it was previously kept in steel containers.

Database

Council is currently in the process of upgrading its accredited list of suppliers (Database) to make it more automated in an attempt to eliminate human intervention when requesting quotations.

Council's database is web-based and suppliers can apply online as well as manually.

The current status of approved service providers on the database is as follows:

213 – Consultants

1168 – Contractors

8 – Co-operatives

123 – Other

8 – Professional Services

558 – Suppliers

1 – Voluntary Associations

Payments

Following is a short summary of payments to creditors that were made during the 2008/2009 financial year. As can be seen, there is a dramatic increase over the previous financial year, which is an indicator that service delivery is on the increase.

Payments			
Combined store orders payments			
Cheque count	Total Value 08/09	Previous Period 07/08	Increase in value
19	2,895,560.72	265,111.36	2,630,449.36
Direct purchase orders payments			
Cheque count	Total Value 08/09	Previous Period 07/08	Increase in value
1228	18,013,677.76	14,076,342.01	3,937,335.75
Stock orders payments			
Cheque count	Total Value 08/09	Previous Period 07/08	Increase in value
73	1,779,667.48	1,933,016.96	-153,349.48
Other payments			
Cheque count	Total Value 08/09	Previous Period 07/08	Increase in value
5475	295,271,792.02	216,964,021.36	78,307,770.66
Total purchase orders payments			
Cheque count	Total Value	Previous Period	Increase in value
6776	315,065,137.26	232,973,380.33	84,722,206.29

Assets

High capacity municipalities throughout South Africa were compelled by legislation to comply with GRAP 17 accounting standard by 30 June 2009. In order to ensure compliance the Department embarked on a strategy which commenced in 2007 wherein all assets were identified, assessed and recorded, which has culminated in a Fixed Asset Register that is fully compliant with GRAP Statements. Furthermore, an Asset Care Centre has been established and through this initiative we are able to ensure that all our assets will be optimally used to ensure the highest service delivery.

EXPRESSION OF APPRECIATION

It is appropriate that a sincere note of appreciation is expressed to the staff members of the municipality, especially those in my department, who have provided ongoing support to me for the past financial year. A word of gratitude is extended to the Municipal Manager for his guidance and dedication to the municipality and the community, under whose leadership the district continues to grow into one of the most respected districts in the country. My gratitude is further extended to His Worship the Honourable Mayor, Ald S.B. Larkan, for his support and assistance during the 2009 financial year.

10. Corporate Services Overview

The Corporate Services Department is divided into four functions:

- Management services
- Administrative Services
- Community services
- IT Services

MANAGEMENT SERVICES

Management Services is at the heart of the institution, serving its internal clients, comprising of 265 permanent and contract employees. The department is headed by Ms Andrea Louw and is a hive of activity with recruitment, training, occupational health & safety, industrial relations challenges, and personnel administration.

Communication is key in any organisation, no matter the type or size, and this year one of the main focal areas of Management Services was to improve on this. As a result the section embarked on its first ever HR Roadshows and Organisational Climate Survey. Skills development has remained in the spotlight again this financial year with the introduction of an ABET programme for our employees as well as the awarding of two external bursaries.

“Communication is key in any organisation, no matter the type or size, and this year one of the main focal areas of Management Services was to improve on this.”



K Moodley

Executive Director Corporate Services: uThungulu District Municipality



As a sub-directorate of the Corporate Services Department, the Management Services Section provides a comprehensive service to all of its employees in terms of the following:

- Recruitment & Selection (Permanent, Contract & Temporary)
- Manpower Planning & Budgeting
- Employment Equity
- Skills Development
- Employee Benefits
- Industrial Relations
- Occupational Health & Safety
- Bursaries & Learnership Administration
- Drafting of Policies & Procedures
- Employee Assistance Programme

Recruitment

During the period 01 July 2008 to 30 June 2009, 57 new employees were recruited and 16 employees were promoted by the municipality.

The total staff complement (permanent & contract) as at 30 June 2009 is 265 employees. The staff complement breakdown per department is as follows:

DEPARTMENT	STAFF COMPLEMENT
Municipal Manager	16 (Planning & MM)
Corporate Services	57
Financial Services	62
Technical Services	130

Employment Equity

The Employment Equity Committee has held four meetings in the 2008/2009 financial year, as follows:

- 26 August 2008
- 18 September 2008
- 16 April 2009
- 29 April 2009 (Special EE meeting)

The Employment Equity Report of the uThungulu District Municipality was successfully completed, approved and submitted to the Department of Labour (DOL) by 01 October 2008. The Employment Equity Plan of the uThungulu District Municipality for period 2009-2014 was successfully approved and submitted to the Department of Labour (DOL) by 30 April 2009.

The workforce profile as at 30 June 2009 is as follows:

uTHUNGULU District Municipality WORKFORCE PROFILE AS AT 30 JUNE 2009												
OCCUPATIONAL LEVEL	MALE					FEMALE					% OF PDIs	COMBINED TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	MALE TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	FEMALE TOTAL		
Top Management	2	0	0	1	3	0	0	1	1	2		5
	40%	0%	0%	20%	60%	0%	0%	20%	20%	40%	80%	100%
Senior Management	4	0	0	1	5	1	0	2	3	6		11
Senior Management	36%	0%	0%	9%	45%	9%	0%	18%	27%	55%	91%	100%
Professionally qualified, experienced specialists and mid-management	7	0	2	1	10	6	0	2	3	11		21
	33%	0%	10%	5%	48%	29%	0%	10%	14%	52%	95%	100%
Skilled technical, academically qualified and jnr management	17	1	0	3	21	8	0	1	1	10		31
	55%	3%	0%	10%	68%	26%	0%	3%	3%	32%	90%	100%
Semi-skilled and discretionary decision making	22	0	1	2	25	28	3	10	8	49		74
	30%	0%	1%	3%	34%	38%	4%	14%	11%	66%	97%	100%
Unskilled and defined decision making	90	0	0	0	90	2	0	0	0	2		92
	98%	0%	0%	0%	98%	2%	0%	0%	0%	2%	100%	100%
TOTAL PERMANENT	142	1	3	8	154	45	3	16	16	80		234
	61%	1%	1%	3%	66%	19%	1%	7%	7%	34%	97%	100%
Non-permanent employees	7	0	0	1	8	21	0	1	1	23		31
	23%	0%	0%	3%	26%	68%	0%	3%	3%	74%	97%	100%
TOTAL	149	1	3	9	162	66	3	17	17	103		265
	56%	1%	1%	3%	62%	25%	1%	6%	6%	38%	97%	100%

- Unskilled workers comprise of plant operators, general workers and drivers.
- The reason for the high number of males in comparison to females in this category is that most of the males were transferred from Department of Works and from Local Municipalities resulting in the skewed figures.
- UDM's Employment Equity Plan for the next 5 years addresses these skewed figures.

Labour Turnover as at 30 June 2009:

Terminations										TOTAL	
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male		Female
Resignation	7	0	0	3	0	0	1	1	0	0	12
Non-renewal of contract											
Medically Boarding	3	0	0	0	0	0	0	0	0	0	3
Dismissal - misconduct	2	0	0	1	0	0	0	0	0	0	3
Retirement	3	0	0	0	0	0	0	0	0	0	3
Retrenched	1	0	0	0	0	0	0	0	0	0	1
Dismissal - incapacity											
Other (Death)	2	0	0	1	0	0	0	0	0	0	3
TOTAL	15	0	0	3	0	0	1	1	0	0	25

Skills Development

During the 2008/2009 financial year, skills development was afforded to the following occupational categories:

OCCUPATIONAL CATEGORY	NO. TRAINED
Councillors	39
Director and Corporate Managers	32
Professionals	36
Technicians and trade workers	32
Community and personal services workers	5
Clerical and Administrative Workers	75
Machine Operators and drivers	7
Labourers	1
TOTAL	227

The Annual Training Report for 2008/2009 and the approved Workplace Skills Plan for 2008/2009 was successfully submitted to LGSETA by the deadline date of 30 June 2008. Levy grants totaling an amount of R164 960.00 were received from LGSETA for this period.

ABET

A tender was awarded to an external service provider for the provision of ABET over a two year period. An amount of R 499 996.00 was budgeted for ABET for this period.

The ABET programme for Officials is divided into 4 areas:

OFFICIALS - RICHARDS BAY AREA				
MTL	English Level 1	English Level 2	English Level 3	English Level 4
5	11	2	3	4
OFFICIALS - ESHOWE AREA				
MTL	English Level 1	English Level 2	English Level 3	English Level 4
8	5	2	4	0
OFFICIALS - MTUNZINI/GINGINDLOVU AREA				
MTL	English Level 1	English Level 2	English Level 3	English Level 4
1	10	1	0	0
OFFICIALS - NKANDLA AREA				
MTL	English Level 1	English Level 2	English Level 3	English Level 4
0	1	0	4	0

ABET Programme

The ABET programme classes commenced on the 11 November 2008 for the Richards Bay area; the Eshowe classes commenced on the 25 November 2008; the Mtunzini/ Gingindlovu classes commenced on the 26 November 2008 and the Nkandla classes commenced on the 03 March 2009.

Learners participating in the Richards Bay programme wrote their first exams on 01-02 June 2009 for MTL (Mother Tongue Language) and English Communication Level 1 - Level 3 through IEB. Of these, five ABET learners participating in English Communication Level 1 passed away, and four learners failed their exams.

Three ABET learners participating in Mother Tongue level 1 passed, one learner failed and one passed away. Three ABET learners participating in English Communication level 2 failed their exams. Three ABET learners participating in English Communication level 3 failed their exams.

The Nkandla, Eshowe, Mtunzini and Gingindlovu group wrote exams on the 04-07 August 2007, of which the results are pending.

Total Employee Qualification Profile as at 30 June 2009

EMPLOYMENT CATEGORY	BELOW NQF 1	NQF 1	NQF 2	NQF 3	NQF 4	NQF 5	NQF 6	NQF 7	NQF 8
Councillors			2	1	15	6	10	4	1
Directors & Corporate Managers						1	5	9	1
Professionals				1	1	3	16	0	1
Technicians & Trade Workers		3			7	6	11	1	
Community & Personal Service						4	2		
Clerical & Administrative					35	41	4		
Machine Operators & Drivers	38	1	6						
Labourers	38	8		4	25				

Total number of employees with an NQF Level 1 and below	88
Employees with an NQF Level 1 and below as a % of total employees	28.30%
Total number of employees with an NQF Level 2,3 and 4	88
Employees with an NQF Level 2,3 and 4 as a % of total employees	28.30%
Total number of employees with an NQF Level 5 and above	126
Employees with an NQF Level 5 and above as a % of total employees	40.50%
Total employees in SOC 100 and 200 with an NQF Level 6 and above	32
Employees in SOC 100 and 200 with an NQF Level 6 and above as a % of total employees in those categories	10.29%
Total employees in SOC 300 with an NQF Level 5 and above	18
Employees in SOC 300 with an NQF Level 5 and above as a % of total employees in those categories	5.79%

SOC 100 = Legislators, Directors & Corporate Managers
 SOC 200 = Professionals
 SOC 300 = Technicians & Trade Workers

HR Roadshows

The first ever HR Roadshows were conducted by the HR Department with the purpose of communicating the approved policies and procedures of the municipality as well as the employee benefits & conditions of service to all employees. These roadshows were carried out during the period 26 May to 24 June 2009 covering the vast area of the District, i.e., Richards Bay, Empangeni, KwaMbonambi, Eshowe, Nkandla, Mtunzini/Gingindlovu, Ntambanana & Melmoth. Each employee was provided with an induction manual made available in English or Zulu and a gift.

Organisational Climate and HR Satisfaction Survey

A Service Provider was appointed to conduct an Organisational Climate and HR Satisfaction Survey at UDM. The survey was carried out during the period 11 to 20 May 2009. A total of 230 employees participated in the survey, representing 86% of UDM's workforce.

The final survey report was received on the 26th June 2009 and feedback was presented to the Management Committee by the Service Provider on the 6th July 2009. Overall the perception of the municipality is good throughout.

Bursaries

The following numbers of bursaries were awarded during 2008/2009:

BURSARY TYPE	NUMBER AWARDED	TOTAL AMOUNT SPENT 2008/2009
OFFICIALS	17	R94 968.00
DEPENDENTS	7	R81 724.00
EXTERNAL (IT)	2	R24 163.00
TOTAL	26	

By Gender:

BURSARY TYPE	NUMBER AWARDED	GENDER
OFFICIALS	2	MALES
OFFICIALS	15	FEMALES
DEPENDENTS	1	MALE
DEPENDENTS	6	FEMALES
EXTERNAL	1	MALE
EXTERNAL	1	FEMALE

By Race Group:

BURSARY TYPE	NUMBER AWARDED	RACE GROUP
OFFICIALS	13	AFRICAN
OFFICIALS	3	INDIAN
OFFICIALS	1	COLOURED

BURSARY TYPE	NUMBER AWARDED	RACE GROUP
DEPENDENTS	5	AFRICAN
DEPENDENTS	1	COLOURED
DEPENDENTS	1	WHITE

BURSARY TYPE	NUMBER AWARDED	RACE GROUP
EXTERNAL	2	AFRICAN

Three officials successfully completed their tertiary qualification through the bursary scheme as at 30 June 2009. In addition to the newly awarded bursaries for the financial year, nine Officials and two Dependants are continuing from the previous financial year.

Internships / In-Service Training

Type Of Internship/ In-Service Training	NO.
Financial	2
IT	2
Engineering	1
Technician-in-Training	3

Occupational Health & Safety

Health and Safety Inspections

The annual inspection of water plants and offices was conducted in March and April 2009. The comprehensive progress report was addressed at the Health and Safety meeting held on the 19th of June 2009. Identified hazards and risks are being addressed. A second health and safety manual was written and printed. The manual was distributed to all employees in March 2009.

Incidents

The following incidents were reported for the period 01 July 2008 to 30 June 2009:

Injuries on duty referred to the doctor – 9

Minor injuries - 1

Health and Safety Meetings

The Health and Safety Committee meets quarterly. The health and safety meetings were held on the following dates:

19 September 2008

10 December 2008
13 March 2009 and
19 June 2009

Occupational Medicals

The occupational medicals for 86 employees based at the water plants and cemetery were conducted on the 1st and 2nd of December 2008. The doctor's recommendations are being implemented. The occupational medicals for 61 sewerage employees were conducted on the 18th of June 2009. The results have been submitted to Supervisors and Heads of Department.

Executive Medicals

Eighteen MANCO members attended executive medicals between 19 May 2009 and 27 May 2009. The reports were discussed with each executive member.

Employee Assistance Programme (EAP)

ICAS conducted presentations on Debt Management for uThungulu District Municipality employees between the 6th and the 16th of March 2009. EAP utilization reports are submitted quarterly and annually. Overall annual utilization which amounts to 19.9%, is above the average among comparable organizations. This compares to 12.2% during the comparable previous period.

Substance Abuse

Breath alcohol tests are conducted randomly in all water plants and results are submitted monthly to the OHS Officer. All Breathalyzers were calibrated on 30 March 2009. About 8.2% of UDM employees were assisted by ICAS for addictive behavior.

Two additional employees were trained as Health and Safety Reps for KwaMbonambi and Eshowe on the 22nd to the 24th of October 2008.

HIV/AIDS Policy

The municipality has an HIV/AIDS policy in place for employees.

1. Occupational Medicals

Occupational medicals are conducted twice a year for employees at the water plants and at the Cemetery. Employees are given an opportunity to test for HIV after pre-test counseling. This is voluntary.

2. Condoms

Condoms are available free of charge and are placed in the toilets. Water plants are also supplied with condoms.

3. Employee Assistance Program

ICAS provides counseling and assistance regarding any medical condition, including HIV/AIDS. This service is confidential.

4. Visit By Faranani Health Solutions

Faranani Health Solutions, in conjunction with Bonitas Medical Scheme, visited the Eshowe water plant on the 10th of November 2008 to educate water plant employees on HIV/AIDS. Employees were given an opportunity to test for HIV after pre-test counseling.

Employees who tested positive and do not belong to any medical aid were referred to local doctors. Tshepang Trust provides ARV's free of charge.

Administrative Services Directorate

The Constitution, 1996, provides that "everyone has a right to administrative action that is lawful, reasonable and procedurally fair". This entitlement extends to municipal departments and must be eminent in their administrative practices.

To give effect to this provision, the uThungulu District Municipality through its Administrative Services Section has the following core functional areas:

General Administration

The Administrative Section under the Leadership of Director: Administrative Services, Ms Zodwa Conco, strives to be open, transparent and accessible in all administration matters of this Council.

Records Management and Registry Section:

This section is responsible for the process of ensuring the proper creation, maintenance, use and disposal of records to achieve efficient, transparent and accountable governance.

This Section's actions are bound by the statutory and regulatory framework in which sound records management practice is found i.e. The National Archives and Records Service of South Africa Act (Act No 43 of 1996 as amended) and The Promotion of Access to Information Act (Act No. of 2000). Furthermore the Records Management Policy has been approved by Council to ensure that this Council promotes transparency, accountability and effective governance by empowering and educating the officials to understand and exercise their rights.

Council makes use of the Hummingbird system for its electronic record management and makes use of Metro File for off-site record keeping. An Access to Information Manual is updated and submitted to relevant government departments annually to facilitate access to information.

Secretariat Services

The Admin Section is responsible for managing the provision of secretariat support to the committees within the municipality. It arranges all meetings, including logistical requirements, drafting of agendas and minutes of meetings. The quality control of all documents, agendas and minutes that are distributed to the committee members is part of the responsibilities of the Section Head. It also keeps track of the decisions taken at committees. It is again tasked to ensure that all meetings take place according to the agreed programme and according to the Terms of Reference of the respective committees.

Fleet and Maintenance Control Section

The Municipality, through its Pool Motor Vehicle Policy and Procedures, controls the utilization and gives guidance to officials and councillors on vehicle utilisation. It controls the day to day management of the municipal fleet. The pool vehicles may only be used by licensed employees who are not on the subsidised scheme, to perform their duties. Through monthly reporting to Management and quarterly reports to the Performance Panel, the Municipality prevents unnecessary costs from occurring and ensures that the necessary ones are justifiable.

Furthermore, the Municipality recently re-visited the policy on Upper Limits of Remuneration for Councillors, touching specifically on travel allowances and out of pocket expenses and invited Mr Joel from SALGA National to give clarity on certain issues which were not too clear.

Communication Services

The Head of this Section manages all Council's external and internal communication flow and reports bi-annually on statistics. Although this is another way of promoting business through communication, it must at the same time be kept under control by making sure that the facilities are used for official purposes. Through the MAN3000 the Municipality is able to monitor the flow of calls and control excessive use of Council's budget and time by making employees pay for all personal calls made. This again is reported quarterly to Council's structures. All mail received is scanned into the electronic system for record purposes and routed to the intended recipients for actioning. Communication is expeditious and effective.

Councillor Support

To ensure that every Councillor participates meaningfully in meetings of Council, Councillors are provided with continuous support from the Administrative Section. The Municipality through the Admin Section, ensures that its Standing Rules of Order are in line with the legislation and drafted in such a way that all Councillors can understand them to exercise their democratic rights to participate in Council and Committee meetings. As applicable to all by-laws, the Council's Standing Rules of Order have been revised, approved by Council and sent to all relevant Government departments for publication.

Legal Services

The uThungulu District Municipality is obliged by law to conduct its affairs in a manner which is in accordance with the Constitution of the Republic of South Africa and the laws governing local government. To deal with the required level of compliance, the Municipality has an in-house legal unit and personnel with extensive experience in this area to assist the municipality to alleviate non compliance at all costs. The internal Legal Unit also works hand in hand with other external legal consultants when dealing with major legal assignments to ensure ethical conduct and provide guidelines to Council Committees in conducting municipal business.

Physical Security

The Admin Section has been assigned with the responsibility of implementing and managing physical security within the municipality. This covers physical security measures for the safeguarding of the premises, people, equipment and assets. With the completion of the building, the installation of surveillance camera equipment is being commissioned to enforce and improve the security measures within the premises.

COMMUNITY SERVICES DIRECTORATE

Community Services as a directorate is charged with the responsibility of driving those municipal programmes that are essential for the social development and well-being of communities within the District. Among the services delivered through this Directorate are:

- Municipal Health Services
- Disaster Management and Fire-Fighting Services
- Regional Cemetery Facilities
- Sport and Recreation
- Programmes for the marginalized
- Gender Equality
- Disability Programme
- HIV/AIDS Programme
- Children's Rights
- Programmes for the Elderly
- Youth Development

1. Municipal Health Services

Day to day environmental health services were rendered throughout the uThungulu District. EHPs employed by uThungulu District Municipality were directly responsible for rendering services in the towns of Mbonambi, Mthonjaneni and Nkandla. The environmental health services in the uMhlathuze and uMlalazi municipalities were rendered by the EHPs employed by the two municipalities respectively. This is as per service level agreements between uThungulu and these two municipalities. Ntambanana Municipality and all rural areas within the uThungulu District are serviced directly by the Provincial Dept. of Health.

The services rendered included, among others,

- Food safety and hygiene monitoring;
- Waste management and general hygiene monitoring;
- Premises health surveillance;
- Environmental pollution monitoring;
- Vector control;
- Health education

Food safety and hygiene monitoring, as well as waste management are regarded as very important because, if not monitored and kept under strict control, it could lead to outbreaks of various diseases within the municipalities in question, as well as in the district as whole.

It is important that diseases be prevented before they occur. Hence, health education was conducted to raise awareness on communicable diseases and how to prevent them from spreading. Health education is definitely pre-emptive and is crucial in the war against diseases. The diseases that were commonly targeted were cholera, bilharzias, rabies, and measles. These are some of the diseases that spread rapidly and become problematic if they break out.

Among the educational campaigns and workshops conducted, are the following:

- A waste management /environmental hygiene workshop held in Melmoth Town (Mthonjaneni) on 6 November 2008.
- A health promotion campaign conducted at Khabela Traditional Authority Court grounds in Nkandla on 18 December 2008
- A cholera campaign conducted on 18 December 2008 in the Mbonambi Municipal area
- A bilharzia awareness campaign conducted at Sizanotho Primary School in Mthonjaneni on 19 March 2009
- A workshop for emerging caterers on food handling techniques conducted at Mthonjaneni on 14 May 2009.

2. Disaster Management and Fire Fighting Services

Section 43 (1) of the Disaster Management Act (Act 57 of 2002) stipulates that: "Each metropolitan and each District Municipality must establish in its administration a disaster management centre for its municipal area". Government policy dictates that the Municipal Disaster Management Centre (MDMC) is the primary functional unit for disaster risk management in metropolitan and district municipalities. In the event of disaster occurring or threatening to occur, the MDMC must provide support and guidance to the relevant sub-administrative units, in the case of metropolitan municipalities, and to local municipalities, in the case of district municipalities. In addition the MDMC has to work in close collaboration with the Provincial Disaster Management Centre (PDMC) and the National Disaster Management Centre (NDMC). These prescriptions are as per the Policy Framework for Disaster Risk Management in South Africa GN 654 of 2005 as updated in 2008.

It is in accordance with the legislative imperatives outlined in the preceding paragraph that the uThungulu Disaster Management Centre is operated.

During the year under review, a number of disaster incidents were attended to by uThungulu Disaster Management Centre. The

services of a company known as Rural Metro continued to be used to manage and operate emergency services including Fire Fighting and the 24 hour Emergency Call Centre.

2.1 Disaster Incidents

One major fire disaster incident took place on the weekend of 30 - 31 August 2008. Four municipalities, namely, Ntambanana, uMlalazi, Mthonjaneni, and Nkandla were severely hit by runaway fires and strong winds damaging over 1500 houses. A large number of livestock (chickens, goats, cattle, etc) were killed by the fires. Seventeen people lost their lives and many households were left destitute and without shelter.

The uThungulu Disaster Management Centre distributed relief material in the form of blankets, food parcels, tents, and foldable houses. In this regard the resources of uThungulu were augmented by donations of blankets, food parcels, and items of clothing that came from the Red Cross, business community, church organizations and other groups of civil society. uThungulu coordinated the distribution of the relief material.

3. Regional Cemetery

During the year under review (08/09) the Regional Cemetery continued to be managed and operated by uMhlathuze Municipality on behalf of uThungulu. A Service Level Agreement between uMhlathuze and uThungulu is in place to regulate the operation of the Cemetery.

4. Social and Community Development

The limited resources that uThungulu has at its disposal continued to be a factor militating against the adequate execution of social and community development programmes. Nevertheless, with the support from the business sector, huge inroads were made towards improving the quality of life for the marginalized groups within the district.

4.1. Gender Equality Programme

The Provincial event for the celebration of Women's Day in 2008/2009 was held in uMlalazi. The uThungulu Community Services Directorate was directly involved in coordinating the event for the Premier's Office.

To further acknowledge and celebrate the Women's Month, a three-day capacity building workshop was held at uThungulu in Richards Bay from 21 to 23 August 2008. This workshop was geared at providing business skills to women.

On 30 August 2008, three widowed women were handed keys to homes also as part of celebrating Women's Day. These homes had been built in a collaborative, volunteer exercise involving personnel from uThungulu District Municipality, Habitat for Humanity, BHP Billiton, Inkanyezi Child Welfare, the Provincial Gender Machinery, uKhozi FM Radio, and the Dept of Correctional Services team, which included sentenced offenders.

The ABSA Financial Literacy training workshops, targeting mainly women, were successfully organized in 5 local municipalities within uThungulu District. These workshops took place from 11 to 14 November 2008.

In March 2009 a two-day workshop on shoe making skills was conducted. The target group for this workshop was unemployed women.

4.2. Disability Programme

The Community Services Directorate of uThungulu were involved in a number of projects aimed at improving the quality of life for people living with disabilities.

Amongst the projects, is an initiative whereby 52 wheel chairs were obtained from APC Zululand and distributed to people who are unable to walk. The wheel chairs were handed to local municipalities as follows:

- Mbonambi Municipality: 24 wheel chairs were handed over on 8 August 2008
- Ntambanana Municipality: 20 wheel chairs were handed over on 17 September 2008
- uMhlathuze Municipality: 8 wheel chairs handed over on 10 October 2008

Another important activity for people living with disabilities, during the 08/09 financial year, was the launching of the uThungulu District Disability Forum. The function to launch the Forum was held on 25 November 2008 at the Disaster Centre at Empangeni. All six local municipalities of uThungulu District were represented.

The Provincial function to celebrate the International Day for People Living with Disabilities was held on 3 December 2008 in the uThungulu District, at Nseleni (uMhlathuze) in the KwaKhoza Traditional Authority. uThungulu's Community Services Directorate played an important role in coordinating the preparations for the event.

4.3. HIV/AIDS Programme

The three year partnership between the uThungulu District Municipality and UNDP on the HIV/AIDS Programme came to an end on 30 June 2008. The financial year under review was the first year of uThungulu running the programme outside the partnership. Indeed, the end of the partnership has meant that one important source of funding has been lost but uThungulu has done its level best in ensuring that all four sub-programmes of the HIV/AIDS strategy, adopted during the partnership with UNDP, continue to operate. The four sub-programmes are: Awareness & Prevention; Care & Support; Impact Mitigation; and Coordination.

uThungulu, through the Community Services Directorate, has continued to play an active role in the distribution of condoms. uThungulu does this working hand in hand with the Department of Health and Non-Governmental Organizations. The Department of Health provides the condoms and uThungulu distributes them to Non-Governmental Organizations who in turn distribute them to communities.

From time to time big business also lends a helping hand. For example, during the financial year under review, Richards Bay Minerals donated a huge container, amongst other items, to serve as a condom distribution depot in the Ntambanana Municipality.

Local Aids Council workshops were conducted in Mbonambi, uMhlathuze, uMlalazi, and Mthonjaneni municipalities.

World Aids Day was celebrated at Mthonjaneni Local Municipality on 1 December 2008, and at Ethembeni Care Centre in Mbonambi on 5 December 2008.

4.4. Children's Rights

Four projects were undertaken to benefit children during the 2008/2009 financial year. The projects are as follows:

Chairs and Cups Project

This project involved identifying two needy crèches per local municipality and providing them with chairs and cups. This project was carried out in celebration of Child Protection Week. On 15 July 2008, 300 chairs and cups were handed to six local municipalities from

within uThungulu District. Two crèches from each municipality benefited.

Housing Project for Orphans and Vulnerable Children (OVC Housing)

This is an ongoing project championed by a United Nations unit known as Habitat for Humanity to provide housing to children who are very poor and have no parents, mainly due to the Aids pandemic. Some of the households may be "Child Headed Households" or the children may be in the care of an elderly grandparent who also lives in abject poverty. The continuation of this project very much depends on the goodwill of small and big business, NGOs, church groups, Welfare organizations, and civil society to donate money or labour to build the houses. Up to the end of the 08/09 financial year, 30 houses had been completed.

School Uniforms Project

Sixty one needy school children benefited from this project during the 2008/2009 financial year. The 61 included 11 children from Madlankala Primary School (uMhlathuze Municipality), whose school uniforms were sponsored by BHP Billiton. Each of the other 5 local municipalities within uThungulu had 10 pupils benefiting from the project.

Bibs and First Aid Kits Project

Twelve crèches, two per local municipality, were identified and provided with support materials. The twelve crèches identified for this project excluded those which benefited under the chairs and cups project.

Under this project 475 bibs branded with the uThungulu logo and the words "uThungulu Children's Rights Programme" were handed over to the children. In addition each of the 12 crèches received a First Aid Kit, a 25 litre liquid dispenser (25 litre bucket with a tap) and an SA Flag.

5. Youth Development

The Community Services Directorate was heavily involved in coordinating the ID Yourself Campaign that was held on 1 August 2008 at uMlalazi Municipality.

The Campaign was driven by the KwaZulu Natal Youth Commission together with the Department of Home Affairs, SABC Education, and the Independent Electoral Commission. The main aim of the campaign was to encourage the Youth, particularly those in grades 11 and 12, to apply for identity documents, not only to register and vote, but to be able to access government services for the betterment of their own lives.

In June 2009, as part of the Youth Month celebrations, and following an invitation from National Parliament, Youth Leaders of uThungulu were taken on an educational mission to Cape Town where they visited the Cape Town City Council, and the National Parliament. On the visit to parliament, the Youth Leaders got an opportunity to mingle with some parliamentarians and were exposed to some parliamentary procedures and protocols. A number of historical sites and museums (Table Mountain, iZiko SA Museum, Castle of Good Hope) were also visited, including a guided tour of Robben Island.

Sport and Recreation

The major Sports event in which uThungulu has participated over the years is the SALGA KZN Games. In 2008 these games were held in the Amajuba District Municipality from 5 - 8 December 2008. The uThungulu District Municipality fielded teams in each of the 13 Sport codes of the competition.

As part of its preparations for the games at Amajuba, uThungulu organized a 6-day camp for the athletes. The venue for the camp was the University of Zululand. The camp started on 29 November 2008 and ended on 05 December 2008.

Even though the camp was only for six days it did however serve the purpose for which it had been organized. The codes engaged in practice sessions and the teams' morale was lifted. The uThungulu Team departed for Amajuba on the morning of Friday, 5 December 2008, in nine buses.

uThungulu District Municipality performed relatively well in the games. Out of the 10 districts and one metro that participated, uThungulu achieved position 4.

The uThungulu sports codes that did relatively well are as follows:

CODE	POSITION
Rugby Women	GOLD
Swimming	BRONZE
Indigenous Games	BRONZE
Netball Men	BRONZE
Netball Women	BRONZE
Football Men	BRONZE

The overall results were as follows:

- 1st Position - Ethekewini Metro
- 2nd Position - Amajuba District Municipality
- 3rd Position - Umkhanyakude District Municipality
- 4th Position - uThungulu District Municipality

The SALGA KZN Games play an important role in the development of the youth within the districts and the province. Through these games young talent is unearthed, nurtured, and given exposure as young athletes get a chance to represent their municipalities in 13 different sporting codes.

INFORMATION TECHNOLOGY

The Information Technology Section is growing in leaps and bounds as the organisational demands and staff numbers increase each year. In a bid to keep in touch with the resultant technological demands, we have implemented a number of IT initiatives in the last financial year.

Among these initiatives is the installation of a VPN (Virtual Private Network) connecting Ntambanana Municipality to uThungulu Shared Services for Financial Systems, the upgrading of VPN (Virtual Private Network) link between the Disaster Recovery Centre and uThungulu main office and the revamping of the District Municipality website.

The Shared Services concept is an exciting one and is highly recommended and supported by government. The Financial Shared Services system is shared between the District and three local municipalities, namely; Nkandla, Mbonambi and Ntambanana. Ntambanana Municipality was the only one that was not connected due to logistical problems. The Shared Services concept is aimed at reducing costs on systems, support, maintenance and the duplication of servers which provide the same end results.

Whilst the system server resides at uThungulu District Municipality offices, the system is interconnected via Telkom VPN (virtual private network) which enables the participating municipalities to connect and make use of the system.

The upgrading of the link between the Disaster Recovery Centre and uThungulu Richards Bay office took place during the reporting year, for enabling daily replications of data to servers installed at the Disaster Recovery Centre as part of uThungulu DRP/BCP

(Disaster Recovery & Business Continuity Plan). The DR Centre has been identified as the alternative site and DRP site as part of the business continuity strategy of the District Municipality.

The website revamp was necessitated by a need for the same look and feel of government entity requirements, while the old website was outdated, not user friendly and did not comply with municipal website styles. A newly revamped website will be launched before the end of November 2009.

Strategic Focus

One of the key pillars supporting the District's vision of improving the quality of life for its people is to build a strong skills and technology base. This is seen as a strategic intervention necessary to make the uThungulu District Municipality a globally competitive and smart District with good governance structures. It is clear then that Information Technology is seen not just as another support process to the business, but as an integrating, strategic enabler and a partner for all the District's objectives. But more than that, it is seen as a potential driver for innovation to the District's initiatives. This realization that IT and the business are two sides of the same coin is important because transforming the District requires an integrated approach, and Information Technology will play a crucial role in this transformation process.

Furthermore, the District's leadership recognises that even though there are pockets of technology excellence in specific service units, IT is not being effectively leveraged across the District as a whole. It has therefore become imperative that an overarching IT strategy be formulated that will not only assist the District in reaching its strategic goals, but also guide and therefore yield improved returns on future IT investments.

The realisation of the IT vision: Laying the foundations

Objective 1: Develop a District-wide IT architecture:

Establish an enterprise-wide IT architecture supported by a customer-focused infrastructure that is based on openness, standards, and information sharing.

This will achieve the following:

Decreased complexity

Increased reliability and flexibility

Lower operating and maintenance costs

Same or better quality services while freeing resources.

Sharing/re-use of IT solutions, thus leveraging IT investments

Alignment of IT and the business

Increased productivity and lower learning curve for users and developers, thus leveraging existing skills

Integration of disparate software, platforms and protocols into one comprehensive framework resulting in:

Improved service delivery to citizens / customers by improving geographic-based information management

Reduced manpower requirements due to the reduction of intricate networks of applications and interfaces

Consistent updates of any data (citizens, employees, businesses, assets etc.) across multiple data sources

Create a robust organizational structure and an ICT governance mechanism that has the flexibility and responsiveness necessary to prioritize and deliver an increased scale, range and complexity of requirements.

Outcome:

Increased value from IT investments.

Alignment of departments, budget, and ICT projects/initiatives with the District's goals and objectives

Policy direction and coordination facilitate communication among District executives, IT staff, and business.

Technology is developed and deployed in an expeditious, manageable, and predictable manner.

Objective 3: Have an integrated IT planning and budget process:

The IT planning process must be integrated into the budget process to provide a comprehensive planning and funding model which will prioritise District-wide projects to realize the District's shared vision. A streamlined process will facilitate the efficient allocation of funds across the departments. This in turn will reduce the disparity of technological capability between business units, and ensure the coordinated, District-wide move of all business units towards the realisation of uThungulu District Municipality's IT and business strategies, goals and objectives.

Objective 4: Standardize:

Standardisation refers to standardising hardware, software and IT governance policies across all departments. IT architecture standardisation consists of a series of principles, guidelines or rules used by an enterprise to guide the process of acquiring, building, modifying and interfacing IT resources throughout the enterprise.

Objective 5: Leverage existing physical IT resources:

Appropriately aggregate and rationalize IT facilities and resources to improve security, operational effectiveness and efficiency. This is to ensure that the municipality has qualified staff to support its IT projects, to make shared services efficient and responsive and to establish measures and monitor performance for continuous improvement of IT.

Objective 6: Create a world class digital infrastructure:

Create a world-class, high-speed digital infrastructure with a good internal communications network and effective links to all sectors, the broader public sector, and service delivery partners, in order to enhance the delivery of public services and facilitate information and resource sharing at the lowest cost.



11. Technical Services Overview

DEPARTMENTAL VISION

The reduction of poverty and unemployment by investing in the small and medium business sector and by providing effective and sustainable infrastructure in the pursuit of backlog eradication.

Mission

Striving to meet the millennium targets on backlog eradication and basic services provision and to ensure sustainable integrated development with minimum impact on the environment

“Striving to meet the millennium targets on backlog eradication and basic services provision and to ensure sustainable integrated development with minimum impact on the environment.”



Z Msomi

Executive Director Technical Services: uThungulu District Municipality

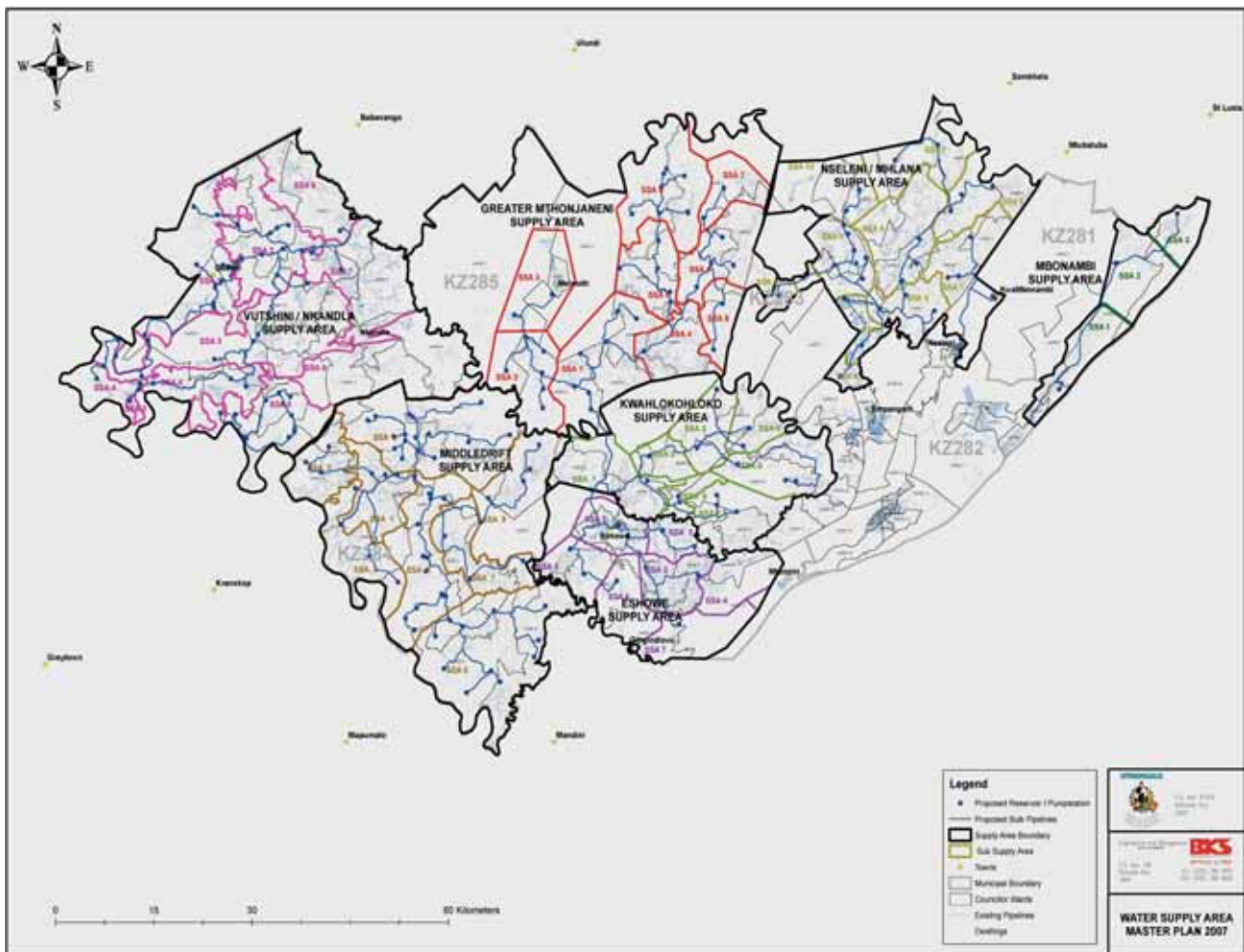


SECTION A: WATER SERVICES AUTHORITY

This directorate is responsible for the compilation of the Water Services Development Plan (WSDP) and the Master Plan. It is also responsible for the verification and review of bylaws and tariffs in terms of the Water Service Act, Act 108 of 1997. In this financial year, intensive study was conducted in the sectors of urban and peri urban. The following items formed part of the WSDP update for the year 2007/2008.

- 1.1 Liaise with all consultants to get close-out reports and as-build information on all newly completed water and sanitation projects, not included in the previous master plan update.
- 1.2 Visiting the towns within the UDM area of jurisdiction, obtain previous planning reports (where available) and do an assessment of the existing bulk and reticulation (water supply and sanitation) infrastructure.
- 1.3 Liaise with all consultants, institutions and NGO's to obtain data related to existing boreholes, springs and small surface water sources.
- 1.4 Conducting field visits to establish additional ground and surface water sources for new short- and medium-term small water supply schemes to address the needs as per supply area where there is a lack of water sources (at least RDP level), which will not be covered by the proposed bulk supply schemes within the next 10 years; and investigate and propose new sources (ground and surface) to be implemented within the short- to medium-term.
- 1.5 Update the Municipality's five-year Borehole Development Plan to include disaster/drought areas.
- 1.6 Identifying, analysing and re-engineering of current water schemes to improve services to the community, for example; where the water demands of the users are greater than the original RDP design criteria set by DWAF.
- 1.7 Integrate identified new sources with the previous master plan layout.
- 1.8 Determine the progress of the Municipality according to the master plans for implementing water supply schemes.
- 1.9 Update master planning, including growth projections, new infrastructure, refurbishment/upgrading requirements, costing and reporting, of both water and sanitation systems (including upgrading of water and wastewater treatment works), for the following urban and peri-urban areas with the incorporation of adjacent townships:
 - 1.9.1 Nkandla Town
 - 1.9.2 Melmoth
 - 1.9.3 Gingindlovu
 - 1.9.4 Kwambonambi Town
 - 1.9.5 Eshowe
 - 1.9.6 Mtunzini
 - 1.9.7 Ntambanana town
- 1.10 Recalculate the backlogs for water and sanitation and determine the trends in eradicating the backlogs (using the information acquired from the satellite photos) according to the UDM policies and show any deviations thereof.
- 1.11 Compile the uThungulu Water and Sanitation Capital Programme for 2009/2010 budget year, update the following 35-year targets and the millennium targets, as well as the full Programme to eradicate the backlog.
- 1.12 Reprioritise the implementation of new water infrastructure projects according to the process developed through the WSDP and prioritisation model approved by Uthungulu.

- 1.13 Review and consolidate the implementation phases (Master Plan update 2006) and newly-created supply and sub-supply areas (created in 2007) to reflect ward boundaries and capital budgets to ensure a smooth transition between the implementation of the previous phases and now SSA's.
- 1.14 Update the master plan layouts with the newly completed infrastructure information pipelines, pump stations and reservoirs from the project consultants and update the existing GIS accordingly.
- 1.15 Present the backlogs for both water and sanitation on maps on GIS and A1 hard copies.



Design office

The design office was established last year and all equipment was purchased through a grant received from DWAF. The staff costs and other design packages were scheduled to be funded in this financial year. Two out of three posts (Design Manager & Design Technician) of the design office have been filled.

The section was created with the idea of expanding the role of the Municipality in research and development services, including the investigations and designs of small schemes and extensions.

This office is supported by the GIS office that has been relocated from the Planning to the WSA section.
Community participation and water services awareness campaigns

The community participation and water awareness programmes were conducted to educate communities about the UDM policies e.g. Credit Control, Indigent, Free Basic Water, and procedures to be followed when applying for an individual connection, or for educating communities about Water Loss Management / Conservation, Water Harvesting and Health and Hygiene.

There were challenges like poor attendance, especially during week days, and thus the strategy was changed. Education campaigns were conducted during community ward meetings, or during project hand-overs, or when there was an awareness campaign in the area to workshop the WSDP.

The water and sanitation awareness campaigns were done at the following areas:

Local Municipality	WARD	AREA	DATE	REMARKS
UMLALAZI	Ward 1	Nkezwi		Community awareness & Project Handover
	Ward 8	Sqandaqanda	6/10/2009	Community awareness & Project Handover
	Ward 19	Sabeka	5/26/2009	Community awareness & Project Handover
	Ward 18	Cathrene Bootht	7/31/2009	Community awareness & Project Handover
	Ward 4, 5 & 6.	Samungu	7/31/2009	Community awareness & Project Handover
	Mpungose 1D stage 3	Mpungose 1D stage 3	7/22/2009	Community awareness & Project Handover
	Ward 4	Ngedlezi	7/22/2009	Community awareness & Project Handover
Nkandla	Ward 10	Mvutshini	4/1/2009	Community awareness & Project Handover
	Ward 13	Thuma	4/17/2009	Community awareness & Project Handover
	ward 03	Thaleni	2009/05/11 2009/07/02	Community awareness & Project Handover
	ward 09	Kwa Dina	5/4/2009	Community awareness & Project Handover
	ward 7	Mdlelanga	2009/05/22 2009/06/26	Community awareness & Project Handover
Ntambanana	Ward 4	Nomponjwana	7/25/2009	Meter installation awareness
	Wad 6	Bhiliya	6/26/2009	Community awareness
Mbonambi	Ward 5	Nzalabantu	2009/04/05 2009/06/28	Community awareness
	Ward 6	Mzingazi	2009/04/25 2009/05/03 2009/06/06	Community awareness

THE 5 YEAR PROJECT PLAN

The following projects form the 5-year Water Services Project Plan

Water & Sanitation MIG Projects 09/10 - 12/13	KZ	Project Name	Council Wards	Start	Complete	Estimated Project cost	Consultant Appointment	MUNICIPAL BUDGET YEARS					R 23,991,661	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
								Previous Years Expenditure	09/10	10/11	11/12	12/13										
Mbonambi		281-2 - VIP Sanitation Project	12,13, Partial 10	Sep-06	Nov-10	R 18,433,582	UDM	R 11,523,333	R 6,250,000	R 6,218,328	R 0	R 0	R 0	R 23,991,661	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583
Mbonambi		281-3 - VIP Sanitation Project	7,9	Nov-08	Jun-12	R 14,260,000	SIVEST	R 0	R 0	R 0	R 6,250,000	R 7,560,000	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Mbonambi		Kwambonambi Low Cost Housing	2	Aug-06	Nov-09	R 2,291,000	ENDECON	R 1,914,027	R 0	R 0	R 0	R 0	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Mbonambi		Mbonambi Water Phase 1	5,6	Sep-06	Jun-10	R 16,104,000	PDNA	R 15,642,528	R 0	R 0	R 0	R 0	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Mbonambi		Mbonambi Water Phase 2	Partial 2,3	Mar-09	Mar-12	R 27,901,268	DMV	R 726,138	R 8,000,000	R 8,000,000	R 9,871,750	R 9,303,380	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Mbonambi		Mhiana Bulk Water Supply 3B ext.	4	Aug-06	Sep-10	R 3,900,000	NDAWONYE	R 1,454,648	R 3,413,700	R 0	R 0	R 0	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Mbonambi		Mhiana Somopho Phase 3C	Partial 7,8,11	Jan-09	May-13	R 59,736,000	ZAI / ILIFA / ISIGODI	R 0	R 1,203,417	R 8,000,000	R 8,000,000	R 15,000,000	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Mbonambi		Upper Nseleni Phase 3B (reticulation)	Partial 7	Dec-08	Jun-11	R 22,000,000	ILIFA	R 9,000,000	R 0	R 6,000,000	R 4,750,000	R 2,169,821	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Mbonambi		Upper Nseleni Phase 2	Partial NT8 and Partial MB7	Feb-08	Aug-11	R 23,600,000	ZAMANANI	R 5,000,000	R 0	R 5,300,000	R 5,000,000	R 8,219,658	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Mthonjaneni		285-3 - VIP Sanitation Project	Partial 1&2, 3	Nov-08	Oct-11	R 21,750,000	DMV	R 3,267,467	R 8,000,000	R 8,000,000	R 6,482,533	R 4,000,000	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Mthonjaneni		Greater Mthonjaneni Phase 1 & 2	Reg. Scheme	Jul-06	Mar-13	R 128,000,000	UWP / ZAI / BKS / VGC	R 81,693,165	R 29,573,046	R 0	R 0	R 0	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Niambanana / Mthonjaneni		Greater Mthonjaneni Phase 4	4	Nov-10	Mar-12	R 18,000,000		R 0	R 8,000,000	R 8,000,000	R 8,000,000	R 2,000,000	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Niambanana / Mthonjaneni		Greater Mthonjaneni Phase 3	MT5, NT4	Jul-11	Aug-13	R 32,000,000		R 0	R 9,500,000	R 9,500,000	R 11,000,000	R 11,000,000	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Nkandla		286-3 - VIP Sanitation Project	13 & 14	Nov-08	Jul-13	R 17,360,000	MAKHETHA	R 0	R 3,000,000	R 7,000,000	R 7,000,000	R 360,000	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Nkandla		Vulshini Phase 1	Partial 2	Jun-11	Sep-15	R 29,500,000		R 0	R 0	R 0	R 14,233,000	R 15,267,000	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Nkandla		Vulshini Phase 2	Partial 8,10 and 12	Apr-11	Mar-15	R 19,800,000	MBB	R 6,765,414	R 5,757,000	R 6,000,000	R 5,243,000	R 5,243,000	R 29,008,414	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Nkandla		Middledrift Phase 4		Dec-12	Oct-15	R 18,000,000		R 0	R 0	R 7,712,620	R 4,402,694	R 8,000,000	R 12,402,694	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Nkandla		Mvushini S/A SSA 5	Partial 8,9,12,13	Nov-13	Nov-09	R 75700000		R 0	R 0	R 0	R 0	R 0	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Niambanana		285-2 - VIP Sanitation Project	8, Partial 6,7	Jan-06	Jun-10	R 22,000,000	THELANI	R 11,127,198	R 7,250,000	R 7,250,000	R 7,250,000	R 170,401	R 33,047,599	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Niambanana		285-3 Sanitation Project	1, Partial 6	Feb-08	Feb-12	R 18,400,000	ERNEST CLOETE	R 0	R 0	R 4,400,000	R 8,000,000	R 6,000,000	R 18,400,000	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Umlalazi		284-3 - VIP Sanitation Project	partial 2,3	Nov-08	Jun-12	R 18,130,000	PDNA	R 0	R 1,500,000	R 8,570,292	R 7,500,000	R 5,597,708	R 0	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Umlalazi		Mpungose Phase 1D	Partial 23,24,26 and 25	May-06	Dec-09	R 10,000,000	BJFC	R 9,143,465	R 2,390,336	R 0	R 0	R 0	R 11,533,801	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Umlalazi		Mpungose Phase 1D VO	Partial 11,19,20,21	Mar-10	Aug-12	R 10,000,000		R 0	R 2,000,000	R 7,000,000	R 1,000,000	R 0	R 10,000,000	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Umlalazi		Mpungose Phase 1E	Partial 21,22,23	Oct-12	Dec-14	R 15,313,000		R 0	R 0	R 0	R 4,696,537	R 10,000,000	R 14,696,537	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Umlalazi		Kwinkholoko S/A SS5	Partial 23,22	Nov-09	Mar-13	R 84,600,000		R 0	R 5,188,760	R 7,000,000	R 7,000,000	R 15,000,000	R 27,188,760	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Umlalazi/ Nkandla		Middledrift Phase 2	Um1 and NK7, 14	May-07	Oct-10	R 32,080,885	SIVEST	R 14,784,954	R 7,200,000	R 8,000,000	R 8,210,000	R 8,591,709	R 46,786,663	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	
Umlalazi/ Nkandla		Middledrift (Purification Plant)	2,14	Nov-08	Jul-11	R 56,000,000	ERNEST CLOETE	R 0	R 10,800,000	R 26,800,000	R 7,400,000	R 11,000,000	R 56,000,000	R 13,810,000	R 450,000	R 3,262,865	R 19,528,586	R 3,424,586	R 0	R 4,868,348	R 27,532,583	

THE MIG STATUS REGISTRATIONS OF THE 5 YEAR PROJECT PLAN

ANNEXTURE 2		Project Name	Council Wards	Subwards	Start	Complete	Estimated Project cost	Municipal Budget years	MIG Approval	Detail Design
								Consultant Appointment	BP Approved	
Water & Sanitation 5 Year Plan MIG Projects Registration 08/09 - 12/13										
KZ										
Mbonambi	281-2 - VIP Sanitation Project	12,13, Partial 10	None, Etyeni, Emakwezini, Ezidomni, Fuleni Reserve, KwaGcoba, Kwamendo, Mahlahuva, Manembeni, Nohaha, Ntuhunga, Patane	Sep-06	Nov-10	R 18,433,582	UDM	DONE	DONE	DONE
Mbonambi	281-3 - VIP Sanitation Project	7,9	Mabhuyeni, Mgazini, Mhlana, Ntoyini, Ntweni, Ntwezi, Nxebeni, Obizo, Sabhuza	Nov-08	Jun-12	R 14,260,000	SIVEST			
Mbonambi	Kwambonambi Low Cost Housing	2	Kwambonambi Town	Aug-06	Nov-09	R 2,291,000	ENDECON	DONE	DONE	DONE
Mbonambi	Mbonambi Water Phase 1	5,6	Nzabalanthu, Nishingimpisi	Sep-06	Jun-10	R 16,104,000	PDNA	DONE	DONE	DONE
Mbonambi	Mbonambi Water Phase 2	Partial 2,3	Emhlanzini, Velabandhla, Mankwathini, Nhlambane, Ezindzbeni	Mar-09	Mar-12	R 27,901,268	DWV			
Mbonambi	Mhlana Bulk Water Supply 3B ext.	4	Mazawula and Enhlabosini	Aug-06	Sep-10	R 3,900,000	NDAWONYE	DONE	DONE	DONE
Mbonambi	Mhlana Somopho Phase 3C	Partial 7,8,11	Ntweni, Ntwezi, Ndanyeni, Bumbaneni, Ngwebu, Mfiozane, Nzambula, Ekusayeni	Jan-09	May-13	R 59,736,000	ZAI / ILIFA / ISIGODI			
Mbonambi	Upper Nseleni Phase 3B (reticulation)	Partial 7	Partial Mhlana, Mabhuyeni	Dec-08	Jun-11	R 22,000,000	ILIFA	DONE	DONE	DONE
Mbonambi	Upper Nseleni Phase 2	Partial NT8 and Partial MB7	Hlaza, Obizo, Ntoyini and Partial Mhlana	Feb-08	Aug-11	R 23,600,000	ZAMANANI	DONE	DONE	DONE
Mithonjaneni	285-3 - VIP Sanitation Project	Partial 1 & 2, 3	None, bedlane, Eyingwenya, Goedgeloo, Ingwenya, KwaMagwaza, KwaMazulu, Mgabhi, Zimbube, Melmoth Town, Mithonjaneni NU	Nov-08	Oct-11	R 21,750,000	DWV			
Mithonjaneni	Greater Mithonjaneni Phase 1 & 2	Reg. Scheme	Mehlamashe, Kwamazulu, Mgabhi, Ngwenya, Goedgeloo, Zimdube, Eyingwenya, Ekutheleni, Bedlane, Isibaya Esikhulu, Nkunzempungu, Zigagayi, Emahlabathini, Makhosani, Phezukwehlanza, Edubeni, Mabungu, Nduro, Memezi, Emukhindi, Ehlabathini, Makhasaneni	Jul-06	Mar-13	R 128,000,000	UWP / ZAI / BKS / VGC	DONE	DONE	DONE
Niambanana / Mithonjaneni	Greater Mithonjaneni Phase 4	4	Esicolweni, Oomintaba, Kwagamu, Diomodomo, Mabhensa, Ongelweni, Emkhandlwini, Gobihlahla, Emfeceni, Oqhabyeni, Makhasaneni	Nov-10	Mar-12	R 8,000,000				
Niambanana / Mithonjaneni	Greater Mithonjaneni Phase 3	MT5, NT4	Ndundulu, Hawule, Wambaza, Mpevu, Nomporjwane, Enkwenkwe, Emadangweni	Jul-11	Aug-13	R 32,000,000				
Nkandla	286-3 - VIP Sanitation Project	13 & 14	Ezimbidla, Mhungeni, Thuma, Ohutshini, Mdimela, Mzwaneni, Hlwehiewe, izindlozi, Mdimela, Ngwundo, Nothekwane, Mkhazazi, Ntombeni, Ntoliwane, Swane, Nkandla NU	Nov-08	Jul-13	R 17,360,000	MAKHETHA	DONE		
Nkandla	Vutshini Phase 1	Partial 2	Bhacane, Cunguwane, Kwazondi, Masoka	Jun-11	Sep-15	R 29,500,000				

THE MIG STATUS REGISTRATIONS OF THE 5 YEAR PROJECT PLAN CONTINUED

Nkandla	Vutshini Phase 2	Partial 8,10 and 12	Ekombe, Vutshini, Salofu, Kwa Gugu, Msukane, Mtsiwili, Msobolisheni	Apr-11	Mar-15	R 19,800,000	MBB	DONE	DONE	DONE
Nkandla	Middledrift Phase 4		Nollia, Nkhohlela, Ntamoyankunzi, Mbongolwane, Slambo, Dakeni, Partial Izinyathi and Shushu	Dec-12	Oct-15	R 18,000,000				
Nkandla	Mvutshini S/A SSA 5	Partial 8,9,12,13	Ezilozini, Tulwane, Ntulwane, Ngwundo, Nyawoshane, Masolosolo, Masolosolo 2, Silokomane, Mwane, Pholela, Khofohngweni, Macele, Phumuzamaphilo, Nsingaheni, Dloiwane, Manyane, Partial Ezijibeni	Nov-10	Dec-13	R 75700000				
Nlambanana	283-2 - VIP Sanitation Project	8, Partial 6,7	Hlaza, Mabeka, Malongweni, Ndongwane, Ningizimu, Ubizo, Magweishana, Makholwase, Maqedipuleli, Mhingi, Mvazane, Reibokrand, Tshokolwane, Lower Umfolozi NU, Macekane, Makhwela, Ntabinamasi, Sihuzu	Jan-06	Jun-10	R 22,000,000	THELANI	DONE	DONE	DONE
Nlambanana	283-3 Sanitation Project	1,Partial 6	None, Debe, Emaphikaqala, KwaMawanda, Lumbi, Fuleni, None, Bilya, Sangoyana	Feb-08	Feb-12	R 18,400,000	ERNEST CLOETE			
Umlalazi	284-3 - VIP Sanitation Project	partial 2,3	Ntamoyenkunzi, Nqamane, Shushu, Mbizane, Mbongolwane, Mphundumane, Mpongolwane, Ngedlesi, Slambo	Nov-08	Jun-12	R 18,130,000	PDNA			
Umlalazi	Mpungose Phase 1D	Partial 23,24,26 and 25	Habeni, Ngodini, Ematsheni, Ntshamshelu, Mqaday, Enqoleni, Nomyaci, Mashishi, Khabingwe, Emgosinaneni, Elemoya	May-06	Dec-09	R 10,000,000	BJFC	DONE	DONE	DONE
Umlalazi	Mpungose Phase 1D VO	Partial 11,19,20,21	Habeni, Ngodini, Ematsheni, Ntshamshelu, Mqaday, Enqoleni, Nomyaci, Mashishi, Khabingwe, Emgosinaneni, Elemoya	Apr-10	Aug-12	R 10,000,000				
Umlalazi	Mpungose Phase 1E	Partial 21,22,23	Mkhunyana, Yemeni, Ohaheni, Makholokholo, MtenguMakhenle	Oct-12	Dec-14	R 15,313,000				
Umlalazi	Kwhikholoko S/A SS5	Partial 23,22		Nov-10	Mar-13	R 84,600,000				
Umlalazi/ Nkandla	Middledrift Phase 2	Um1 and NK7, 14	Ezimbidla, Ohutshini, Izindlozi, Sibhudeni, Nhlababo, Mophihli, NkondweniKwaNloza, Nyimbitshina, Mbileni, Mfolozi	May-07	Oct-10	R 32,080,885	SIVEST	DONE	DONE	DONE
Umlalazi/ Nkandla	Middledrift (Purification Plant)	2,14		Nov-09	Jul-11	R 56,000,000	ERNEST CLOETE	DONE	DONE	DONE

WATER WEEK CELEBRATION

Water Week is celebrated annually during the month of March 2009 to promote water conservation by emphasizing upon all citizens the role they should play in protecting water resources and to ensure that water resources are not polluted.

The uThungulu Water Services Authority section planned and celebrated 2009 Water Week by conducting Water Awareness Campaigns through Schools Roadshows in 5 local municipalities as follows:-

LM	School	Date	Time
Mlalazi	Ndongande C Primary	16 March 09	09:00
	Bhekeshowe H. School	16 March 09	12:00
Nkandla	Khombe C. Primary	17 March 09	11:00
	Mvutshini H. School	17 March 09	13:00
Mthonjaneni	Ekuthuleni Primary	18 March 09	09:00
	Ntembeni H. School	18 March 09	12:00
	Mehlamasha Primary	20 March 09	09:00
Mbonambi	Welabasha H. School	19 March 09	10:30
	Gijima H. School	19 March 09	13:00
Ntambanana	Ndondwane Primary School	25 March 09	11:30
	Sabokwe Primary School	26 March 09	10:00

Activities for the day included the following:

- Educating learners on the following:-
 - Water Institutions within the district and their responsibilities.
 - Levels of water services available for the communities
 - What to do if you don't have safe water
 - Water Conservation & Water harvesting
 - Water Pollution
- Health and Hygiene (which include the following)
 - How to keep clean and Healthy (Hand Wash)
 - How to look after your toilet
- Conducting Career Guidance
- Asking questions and giving of prizes

SANITATION WEEK CELEBRATION

Sanitation and Environmental Week was celebrated on the 1st week of June and it focused on creating an awareness and understanding amongst community members about the proper use and care of public toilets, and to encourage the involvement and contribution to

better sanitation habits. It was celebrated in three local municipalities (Nkandla, Mthonjaneni and uMlalazi) as they have public facilities with a sizeable number of individuals making use of them. The two small events were celebrated at the uMlalazi Bus Rank and S'gananda Primary School, due to unfavourable weather conditions. The 3rd event was held at Mthonjaneni Town Hall.

SECTION B: MUNICIPAL INFRASTRUCTURE IMPLEMENTATION

1. Review of the Integrated Waste Management Plan (IWMP)

The review of the IWMP commenced in January 2009. In summary, this review is focused on the following key issues:

- Re-assessment of the waste streams
- Waste categorization
- Waste reduction measures at the landfill site
- Identification of down-streaming activities at the landfill site

Funding amounting to R300 000.00 for this exercise was secured from the Department of Environment Affairs and Tourism (DEAT) and the municipality only provided R100 000.00 through its budget.

This exercise is on the verge of completion as the Technical Department has commenced with the public participation processes. It is anticipated that the implementation of findings from this review will be included in the 2010/11 financial year.

2. Construction of Cell 2 – Regional Solid Waste Site

The construction of Cell 2 of the Regional Solid Waste Site in Empangeni commenced on 28 August 2008.

Progress on the project is estimated at over 60% and the project completion date was projected as 16 July 2009. During 2008/09 there were various problems due to the site having a higher than normal groundwater table, with a lot of additional preparation required to mitigate the situation. The new date for completion is set at the end of September 2009.

3. uThungulu House building construction

This is a continuation of the work that was started four years ago. The project was separated into three phases, with phase 1 being the renovation of the ExCo Boardroom, Council Chambers and the Municipal Manager's Department. Phase 1 was completed successfully.

Phase 2 was the drilling of the piles as a founding structure for the new Multi-Storey middle building linking Bateleur Park and uThungulu House. The project was completed successfully within budget on 26 July 2007.

Phase 3 is currently under construction and the total contract amount was R27,780,000.00. An additional floor has been approved at a cost of R4,817,751.00; to add more offices and relieve the current office shortage. The completion of phase 3 is estimated to be end of November 2009.

The project budget was cash-flowed as follows:

Phase	2004/05	2006/07	2007/08	2008/09	2009/10
Renovation of MM's boardroom and Council chamber	R2,488,353				
Piling for the new building in the middle block		R3,206,991			
Construction of new offices and renovation of uThungulu House and Bateleur Park buildings			R6,998,658	R27,668,616	R7,000,000

4. Regional Cemetery upgrade

The construction of a new ablution facility and a Wall of Remembrance was completed at a cost of R1 000 000, and has been in operation since June 2009.

These two facilities have been positioned strategically to also service the future phases of the cemetery.

Currently the consultant (ZAI Consultants cc) has completed the preliminary report for phase 2, which will comprise not less than 2000 graves. Construction of Phase 2 is planned to commence in December 2009 and should take about one year to complete, at an estimated cost of R6 000 000.

5. Progress on water projects under construction

The following projects were under implementation in the 2008/09 financial year:

PROJECT	WARD	Project Value	% Complete
Middledrift Water Supply Phase 2 -includes the Water Treatment Plant	Ward 14 (KZ 286) & Ward 1 (KZ 284)	R30,080,885.00	40
KwaMbonambi Low Cost Housing	KwaMbonambi Town	R2,291,000.00	72
Mbonambi Water Supply Phase 1	KZ281 - 5 and 6	R16,104,012.00	80
Mhlana Bulk Phase 3B ext.	KZ281 - ward 4	R3,970,113.00	9
Mpungose Bulk Water Supply Phase 1D	KZ 284- 25	R10,344,426.00	90
Upper Nseleni Bulk Water Supply	KZ 282 & KZ 281	R8, 471,254.53	100
Upper Nseleni Phase 1A and 1B	KZ 281 – ward 8 and part 7	R11,661,595.00	100
Upper Nseleni Phase 2	KZ281- Ward 7	R11,661,595.00	5
Upper Nseleni Phase 3B	KZ281- Ward 7	R23 874 330.00	16
Vutshini Phase 2	KZ286 - ward 10	R19,873,400.00	18
Greater Mthonjaneni Phase 1 & 2	Regional Project	R108,695,570.00	85
Ocean View Sewer Treatment Plant	Eshowe – ward 11	R4,403,253.00	58



The newly constructed waterworks at Phobane for the Greater Mthonjaneni Water Supply



Construction of ductile rising main to Zigagayi 2.5 ML reservoir



Greater Mthonjaneni settlers



A 2.5 ML reservoir built at Zigagayi as part of the Greater Mthonjaneni Bulk Supply

6. Progress on sanitation projects

PROJECT	WARD	Project Value	% Complete
Mthonjaneni Sanitation Phase 2	4	R5,006,226.00	100
Mbonambi Sanitation Phase 2	10, 12 & 13	R11,761,275.00	56
uMlalazi Sanitation Phase 2	Part. 19,20,21,22 & 23	R9,227,080.00	100
Ntambanana Sanitation Phase 2	6,7 and 8	R16,088,854.20	46
Nkandla Sanitation Phase 2	8,9 and Part12	R11,748,706.00	98

The Mbonambi Sanitation Phase 2 project is being implemented by the Technical Department, utilizing pre-cast concrete units that are manufactured at the uMlalazi Pre-cast yard.



Mbonambi sanitation concrete structure



Precast yard production at the uMlalazi Precast yard

7. Other Projects

PROJECT	WARD	Project Value	% Complete
New Eshowe Stores	Ward 11	R2,680,844.00	98

8. Support to local municipalities (building regulations)

uThungulu is currently supporting Nkandla and Mthonjaneni municipalities on this function. uThungulu support includes the following:

- Evaluation and approval of building plans
- The total approved plans done by the Building inspectorate in 2008/09:
 - Mthonjaneni (KZ285) - 10
 - Nkandla (KZ286) - 22
- Inspection of new constructions and enforcement of building regulations
- Inspection of town buildings and identification of encroachments
- Reporting encroachments to the relevant municipality and making recommendations with regards to dealing with such offenders
- Review of municipal building regulations and comments on the municipal bylaws.

9. Management of the Landfill Site Cell 1

In terms of the powers and functions, uThungulu District Municipality is responsible for the provision of the regional landfill site.

The current air space (Cell 1) at the regional site is nearing the end of its capacity and this has resulted in a need for the construction of Phase 2 earlier than planned. In March 2009 the lifespan of Cell 1 was extended by a further 6 months by upgrading the existing access road to facilitate heavy vehicle traffic.

Due to a number of requests continuously received from local industries regarding the acceptance of hazardous waste, Cell 2 has been designed to accommodate the H:h category of waste. The current cell is designed to accept only the GMB+ waste.

The cell 2 liner consists of the following layers from the insitu material upwards:

1. 150mm base preparation layer
2. 150mm compacted clay layer with a very low permeability
3. 150mm sand leachate detection and collection layer
4. geo-textile material cover 1,2 &3 this is to separate the sand from the clay
5. 4x150mm (600mm) compacted clay layers with a very low permeability
6. 1.5mm HDPE Geo-membrane – this is an impermeable durable plastic layer
7. 200mm sand protection layer- this plus the stone layer will protect the HDPE geo-membrane from damage by trucks and waste
8. 300mm stone leachate collection layer

The landfill site has been plagued by an increase in scavengers entering illegally due to the current economic situation.

As per the permit conditions, a monitoring committee was formed in June 2009 and will be meeting on a quarterly basis to monitor the operations of the site.

SECTION C: OPERATIONS AND MAINTENANCE DIRECTORATE

- The work of this directorate is split into a number of sections reflected in the directorate's organizational structure as follows:
- Operation and maintenance of the water purification and sewage plants within Mtunzini, Gingindlovu, Eshowe, Melmoth and Nkandla Towns; and operation and maintenance of the bulk and reticulation networks in the aforementioned towns, including Kwambonambi Town.
- The operation and maintenance of all rural schemes, including the water and sewage plants for clinics and hospitals within the uThungulu District.
- Repairs and maintenance of boreholes and handpumps, and spring protection.
- Management of the Support Service Agent (WSSA).
- Water quality testing and compliance with legislative requirements.

The main functions of this directorate can be summarized as follows:

- Operation and maintenance of all water services infrastructure which includes the following:
- Ensuring that all rural water schemes are operational
- Ensuring water production is done in terms of the applicable specifications and national guidelines
- Ensuring that all Town water networks are functional and leak-free, and that the turn-around time for repairs is kept to a minimum
- Ensuring that the sewage systems and plants are operational and maintained in accordance with the DWAF guidelines and prevailing legislation
- Ensuring that water quality tests are conducted and checked against the SANS 241 specifications
- Effective implementation of the water loss management system
- Effective implementation and management of the Emergency and Drought Relief Programmes of the municipality which includes the following:
 - Drilling, testing and equipping of new boreholes
 - Repairs and maintenance of hand pumps
 - Spring development and protection to provide safe and clean water
 - Provision of water through tankers to the drought-stricken areas

The directorate continued with its efforts to reduce customer complaints related water disruptions and systems failures. This has helped in keeping the water losses within the urban areas to 20%, which is in compliance with DWAF guidelines.

The main challenge for the year has been to optimize the water tanker supply activities within the Council's available resources. This included communicating the Council resources and constraints to the local municipalities and to the affected ward Councillors. One of

the challenges has been to reduce the water tankers by providing alternative water sources such as hand pumps and pipe extensions where applicable. This culminated in the formulation of a Tanker Reduction Strategy.

The strategy looks at the overloaded tanker route and attempts to provide some medium- to long-term solutions for such areas. The list below summarizes the tanker reduction strategy to be implemented over next three years.

As an interim measure, while awaiting appropriate funding for the bulk scheme, the following projects have been identified and will be implemented (subject to availability of funds) in order to ensure that communities continue to access water in the interim. The aim of these projects is also to reduce water tanker requests, as well as remove water tankers where applicable:

1) NKANDLA PROJECTS

Project Name	Location	Ward	Budget	Current Status
Jameson's Drift Artesian borehole (Thuma)	Nkandla LM, Kwamagwaza	Ward 13	R 115789-36	Pump house and borehole installation have been completed
Jameson's Drift Artesian borehole (Thuma) phase 2 pipe work	Nkandla LM, Kwamagwaza	Ward 13	R 1619741-01	Contractor introduced to the Cllr and community on 03 July 2009.
Mdlelanga	Nkandla LM	Ward 11	R 224989-35	Construction of pump house and borehole installation and reticulation is 45% completed.
Nkethabawili (Thaleni)	Nkandla LM	Ward 3	R 249531-58	Construction of pump house and borehole installation and reticulation is 47% completed.
Epaki Borehole	Nkandla LM, Emagidini	Ward 2	R 243003-82	Construction of pump house and reticulation is in progress. Reticulation 96% completed.
Thizman Borehole	Nkandla LM	Ward 8	R 320298-69	Construction of pump house and reticulation is in progress 94% completed.
Khethukuthula Borehole	Nkandla LM	Ward 2	R 357621-99	Construction of pump house completed and pump installation 35% completed. Reticulation commenced on 13 July 2009.
Madiyane Borehole	Nkandla LM, Nkandla Town	Ward 5	R 339177-00	Concrete slab for the genset completed.
Mandaba Borehole	Nkandla LM, Mandaba	Ward 7		Document has been sent to SCM for advertisement.

The estimated value of the nine Nkandla projects is estimated at R 3 470 152.80 excluding the two projects where the scope of works is still being finalized.

This means that the municipality can only be able to complete these projects in phases e.g. equipping of borehole and pump house

first, then construction of initial reticulation and rising main, and depending on the availability of funds, further extension prospects are looked at.

2) uMlalazi Projects:

Project Name	Location	Ward	Value	Current Status
Nkezweni	uMlalazi	1	R155 737.27	Finalising works order
Ntuli Ngedlezi	uMlalazi	4	R155 544.04	Finalising works order
Samungu	uMlalazi	Part of 6,5 and 4	R1 205 000.00	Contractor appointed
Isidibha	uMlalazi	7	R 500 000.00	Quotes are being finalised
Kholweni Water	uMlalazi	8	R2 400 000.00	Contractor appointed
Sqandaqanda	uMlalazi	8	R 191 144.71	Contractor on site.
Ethafeni	uMlalazi	18	R1 800 000.00	Contractor appointed

The estimated value for the uMlalazi Projects is R 6 407 426.00 excluding the projects that might arise as a result of ongoing sighting and drilling of boreholes.

3) Kwambonambi Projects

Project name	Location	Ward	Value	Current Status
Mbabe borehole	Kwambonambi	8	R105 000	Completed
Zonza borehole	Kwambonambi	8	R125 000.	Completed
Thandaza	Kwambonambi	8/11	R218 000.	Completed
Ekupheleni	Kwambonambi	11	R 399 000	In progress

There are only 4 projects at Kwambonambi, and 3 of them have been completed at a total value of R 847 000.00. This is due to the fact that there is a very poor quality of underground water in this area.

4) Mthonjaneni Projects

Project Name	Location	Ward	Value	Current status
Bedlane	Mthonjaneni	6	R600 000.00	Procurement in progress
Mayeni	Mthonjaneni	5	R120 000.00	Completed
Thunzini	Mthonjaneni	2	R 100 000.00	Project in progress
Yanguye	Mthonjaneni	4	R1 800 000.00	Contractor on site

The total estimated for the Mthonjaneni projects is R2 620 000.00, less the R120 000.00 that has been completed at Mayeni. Other boreholes are being drilled at Ndundulu and the costs for equipping thereof have not been factored in the above costs.



The above photos show the Bangicala River intake, which has dried up and is now being serviced by a water tanker.

Drought

One of the challenges affecting this Municipality's ability to deliver sustainable services, is the persistent drought conditions. The images below show the extent of the drought in the District, especially in the areas of Ntambanana and Mbonambi. This affects the water tanker reduction plan/strategy when rivers and dams dry up, as it increases demand on the service of water tankers, which then become the only option to service that community.

DROUGHT INTERVENTION

KZ	NO. OF TANKERS	NO. OF JOJO TANKS	OTHER STORAGE
281	5	140	6 concrete reservoirs
283	10	178	2 Steel tanks + 1 concrete reservoir
284	8	140	2 concrete reservoir + 2 steel tank
285	1	14	7 concrete reservoirs
286	1	18	7 concrete reservoirs + steel tank
TOTAL	25	490	28

For the period 01 July 2008 to 30 June 2009, approximately 1 803 227 kilometers (22% less compared to last year) were covered by water tankers in supplying water to these tanks, as well as to individuals who placed orders, and to different Municipalities and other government functions within the District, totaling 23 034 loads (16% less compared to last year), which translates to about 462 ML of water supplied (7% less compared to last year).

There are 25 water tankers used for this task. About 64 boreholes were drilled in this financial year, but only 70% could be developed. From the 70% only 27% are being used as production boreholes. The rest were capped due to poor underground water quality and very low yields. These results have influenced the thinking of the municipality in supporting the bulk or regional water scheme concept in its approach to reduce backlogs.

Other Challenges

Vandalism

The entire district has been plagued by vandalism, which has left a number of communities without water. Numerous attempts have been made to address this issue, including arranging community meetings, addressing communities through the media via the Mayoral radio slots on Ukhozi FM, and the municipality's own monthly newsletter (Ezimtoti) but this has had a minimal impact.



The photo above shows the space where a transformer used to be at the Ndundulu water project in Mthonjaneni Municipality.



The picture above shows how vandals cut the protective cage to gain access to steal a pump at Zimbidla in Nkandla.

Illegal Connections/ Abuse of water

Another challenge that the municipality is facing is that of the increasing number of illegal connections, as well as water wastage by communities, which impact on the supply to the rest of the scheme or network.



The photo above shows a trough that was excavated next to a communal standpipe by community members for their cattle to have access to water.



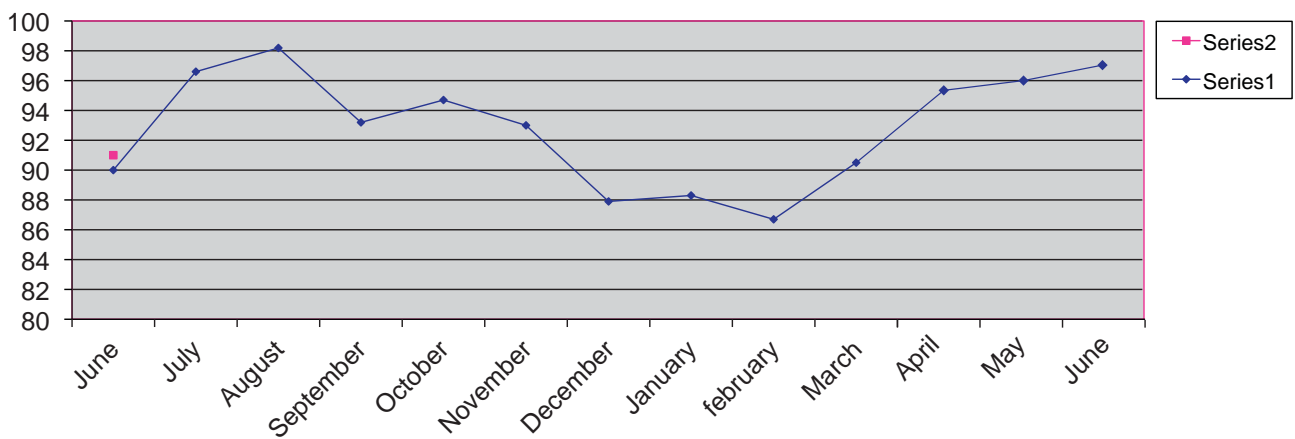
Garden being irrigated with purified water at Ekuphumuleni water scheme in uMlalazi

Water quality management

The municipality has been monitoring and testing all water sources used for human consumption within its boundaries as the Water Services Authority. Out of over two hundred water sources, the municipality has maintained a success rate of 80% and above. The summary of results for the past year is tabled below:

ANNEXURE 3: COMPLIANCE REPORT

Water Quality Percentage Compliance Summary								
	Turbidity Compliance			Percentage		Bacteriological Compliance		
Month	No.of samples	% Class I	% Class II	No Water	Std E-coli	No.of samples	Complied	% Compliance
June	229	38	48	17	0/100ml	229	205	90
July	265	52	36.6	10.9	0/100ml	265	256	96.6
August	276	31.88	43.84	14.13	0/100ml	276	271	98.19
September				15.4	0/100ml	266	248	93.2
October	266	56.76	31.2	12	0/100ml	266	252	94.7
November	265	54.3	31.6	13.9	0/100ml	265	246	93
December	264	36.4	29.2	21.2	0/100ml	264	232	87.9
January	256	52.3	33.9	16.4	0/100ml	256	226	88.3
February	264	31.4	55.3	16.6	0/100ml	264	229	86.7
March	263	46	22.1	12.9	0/100ml	263	238	90.5
April	212	37	38	12.2	0/100ml	212	202	95.3
May	230	40	38	7.39	0/100ml	230	220	96
June	300	46	38	13	0/100ml	300	297	97



12. Oversight Report

1. Introduction

Section 129(1) of the Municipal Finance Management Act, Act 56 of 2003 requires the Council of a municipality to consider the Annual Report by not later than two months after the annual report was tabled in Council.

Council is further required to adopt an Oversight Report containing Council's comment on the Annual Report.

The final Audit Report for the 2008/2009 financial year was received on 01 December 2009.

Council deliberated on the Annual Report on 15 December 2009 and made recommendations and comments which have been effected in the final draft annual report.

2. Oversight Committee

The following members serve on the Oversight Committee and have been tasked to finalise the Oversight Report and present it to Council.

Cllr Dr BV Mithethwa
Cllr IA Stone
Cllr LCM Fourie
Cllr DM Herbert
Cllr BZ Mncadi-Mpanza
Cllr MJ Xulu
Cllr FPB Mpungose

3. 2008/2009 Annual Report

The community was advised through the print media on 10 December 2009 that the Annual Report containing the Audited Financial Statements and the Audited Performance Report will be discussed at a Special Council meeting to be held on 15 December 2009.

The 2008/2009 Annual Report highlights the many successes of the municipality in terms of the five strategic focus areas captured in its vision statement, viz. "An economically sound district with effective infrastructure and a district municipality which empowers people, protects the environment and demonstrates leadership excellence."

The municipality's success in each of the five strategic focus areas, are well captured in the Annual Performance Report, which makes up a significant portion of the Annual Report.

4. Recommendations of the Oversight Committee

4.1. The Committee noted that the final Auditor General (AG) report was tabled at the Audit Steering Committee meeting held on 16 November 2009, where the audit committee members, together with management acknowledged receipt of the final management letter and audit report for the financial year ending 30 June 2009.

4.2. It be noted that the AG Report indicated that the District Municipality had received an unqualified audit report and the opinion is as follows :

" In my opinion these financial statements present fairly ,in all material respects , the consolidated and separate financial position of the uThungulu District Municipality as at 30 June 2009 and its consolidated and separate financial performance and its consolidated and separate cashflow for the year then ended , in accordance with the Statements GRAP and in the manner required by the MFMA."

Furthermore attention was drawn by the Auditor General regarding the restatement of the 2008 comparative amounts, which was as a result of the adoption of the GRAP standards for the first time .

The Auditor General reiterated the drive by the Auditor General, Mr. T . Nombembe , that Municipalities must prepare a strategy which will ensure that the goal of achieving a clean audit by 2014 is tabled and implemented. (i.e. Clean audit report – unqualified report with no matters of emphasis)

The Oversight Committee notes the Audit Committee's approval of the audit opinion expressed by the AG in the audit report as contained in the annual financial statements 2008/09.

5. Conclusion

The uThungulu Council has approved the 2008/09 Annual Report without reservation.

13. Picture Gallery







UTHUNGULU



Uthungulu District Municipality
Uthungulu Distrik Munisipaliteit
Umasipala Wesifunda Waso Thungulu