

Annual Report 2008/2009



DR KENNETH KAUNDA
DISTRICT MUNICIPALITY

Exploring Prosperity

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Chapter 1

1. Introduction and Overview

1.1. FOREWORD BY THE EXECUTIVE MAYOR

It gives me great honour and profound privilege to submit the Annual Report for the financial year starting from the 1st of July 2008 to 30th June 2009 of Dr Kenneth Kaunda District Municipality.

The reporting period has been one of acknowledgeable challenges, but also of numerous achievements as we continued to focus momentarily on the provision of services to our people as part of our quest to explore prosperity and a better life for all. It should give our people a sense of hope and optimism that we are indeed serious about achieving our vision of exploring prosperity.

This Annual Report of Dr Kenneth Kaunda District Municipality provides an audited account of our performance and management of our resources during the year under review. It seeks to portray and demonstrate our activities during the review period and is based on sound information and management systems. This report is published in the interest of open, transparent and accountable governance to which we are relentlessly committed. It is presented in accordance with the provisions of Section 121 of the Municipal Finance Management Act, No 56 of 2003 and includes a generic core of demographic and geographic information that is relatively consistent from year to year.

We have endeavoured in our operations to address the expectations of communities as expressed in our Mayoral IDP Road Shows and other consultative processes. The year under review has been a challenging one both globally and domestically. In presenting this report, we acknowledge progress made during the 2008/2009 financial year as well as the challenges that lie ahead. Our Municipality is run efficiently, effectively and transparently as reflected in our strategic plan and this annual report itself. We continue to move towards an outcomes-based approach with measurable results.

As a District Municipality, we derive our legislative mandate through the provisions of sections 156 and 229 of the Constitution of the Republic of South Africa and section 84 of the Local Government: Municipal Structures Act No 117 of 1998 and for us to play our coordination role in a more effective, efficient and sustainable manner – in changing the material condition of the masses of our people, the mobilization of resources becomes an absolute necessity. With the delays in the replacement of the RSC levies, it is vividly conspicuous of the vacuum this creates for the District to fulfill its developmental role. Hopefully, the phasing in of the Fuel Levy and the introduction of other initiatives as a replacement of the RSC levies will

go a long in adequately addressing the scarcity of resources.

This report is published to allow public scrutiny and oversight in accordance with the spirit of the Constitution and a huge responsibility is entrusted upon us by the people of this District.

I would like to take this opportunity to extend my gratitude towards our new Speaker of Council and all Councillors, the Municipal Manager and all staff of Dr Kenneth Kaunda District Municipality for their continued support, loyalty, diligence, tenacity and contribution to the implementation of our constitutional and executive responsibilities.



COUNCILLOR: BOITUMELO. MOLOI
EXECUTIVE MAYOR

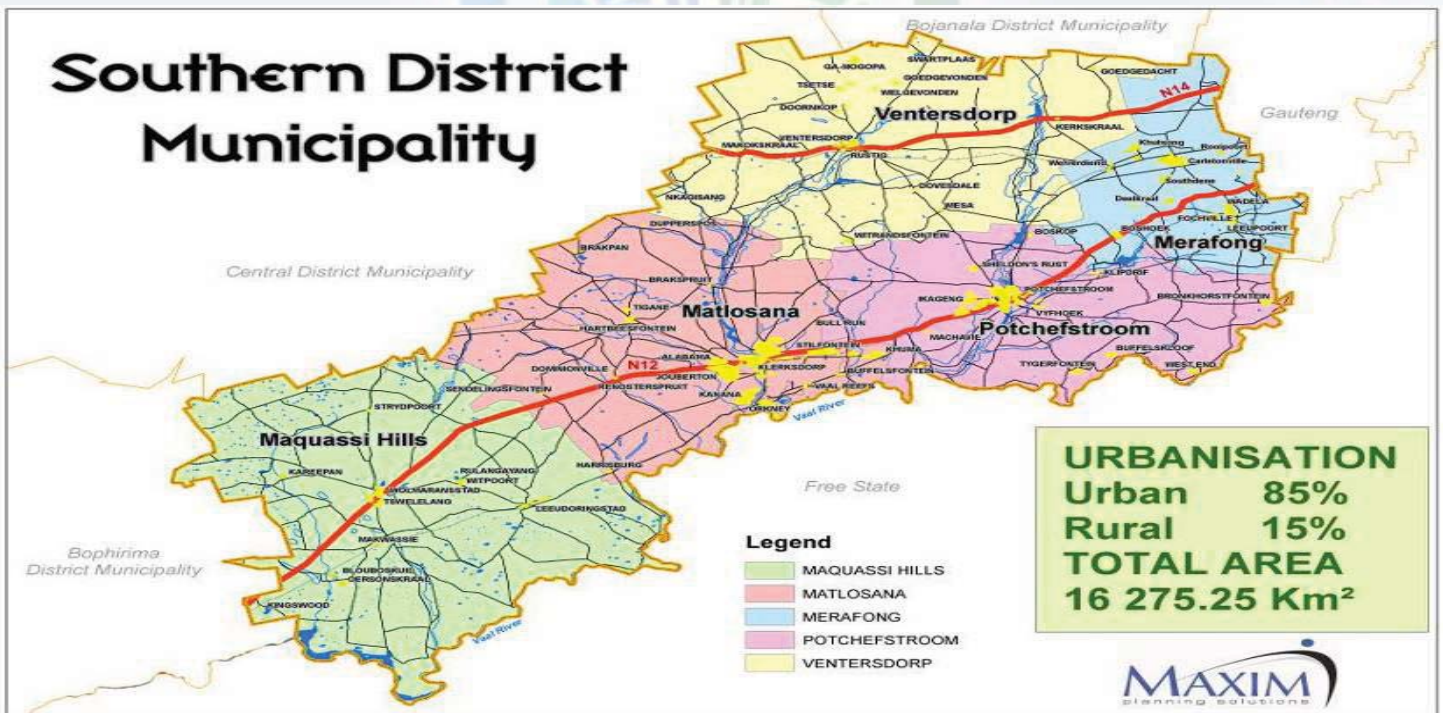


2. Overview of the Municipality

The Dr Kenneth Kaunda DM consists of five local municipalities i.e. Matlosana, Merafong, Potchefstroom, Maquassie Hills, and Ventersdorp. The area covered by the District Municipality appears on the map in the next page (Figure B.1) and this is followed by the statistics. The statistical information is the combination of the projections of the 2006 population based on the 2001 Census, the 2007 Community Survey by StatsSA, the Quantec Research 2008 and other analyses by Urban-Econ Development Economists. All analyses are based upon demarcations boundaries as at 09 December 2005 provided by Statistics South Africa.

The common priority issues, wherever stated, are identified at the local municipalities and have been used as prerequisite for the compilation of the DM IDP. This means that the analyses of all the prioritized issues from local municipalities have been consolidated at community and stakeholder level.

Figure B.1 Map of Dr Kenneth Kaunda District Municipality.



2.1. The Municipal Demographics

2.2. Total Population

According to Statistics South Africa (*Community Survey, 2007*), the **population** of the Dr. Kenneth Kaunda District was about 871,000 in 2007. The population is unevenly distributed among the five Local Municipalities.

The majority of the Dr. Kenneth Kaunda District population reside within the City of Matlosana LM (41%), followed by Merafong City LM (29%) and Tlokwe LM (16%) (Consider Fig. B.2.1). The two Local Municipalities with the smallest percentages of the Dr. Kenneth Kaunda District population are Maquassi Hills (8%) and Ventersdorp (5%). The number of wards per local municipality is Matlosana (31), Merafong (26), Potchefstroom (21), Maquassi Hills (8) and Ventersdorp (5) for a total of 91 in the SDM.

The number of **households** within the Dr. Kenneth Kaunda District was estimated at about **287,000** during 2007 (StatsSA, *Community Survey, 2007*).

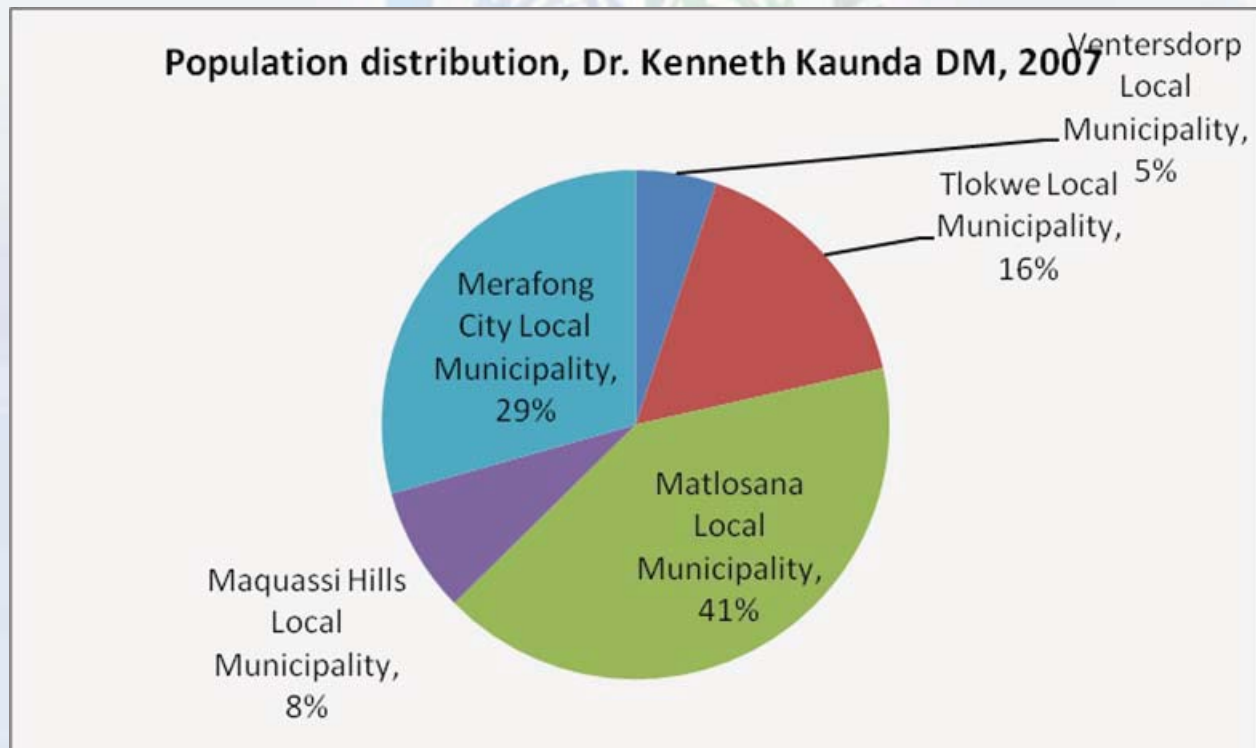
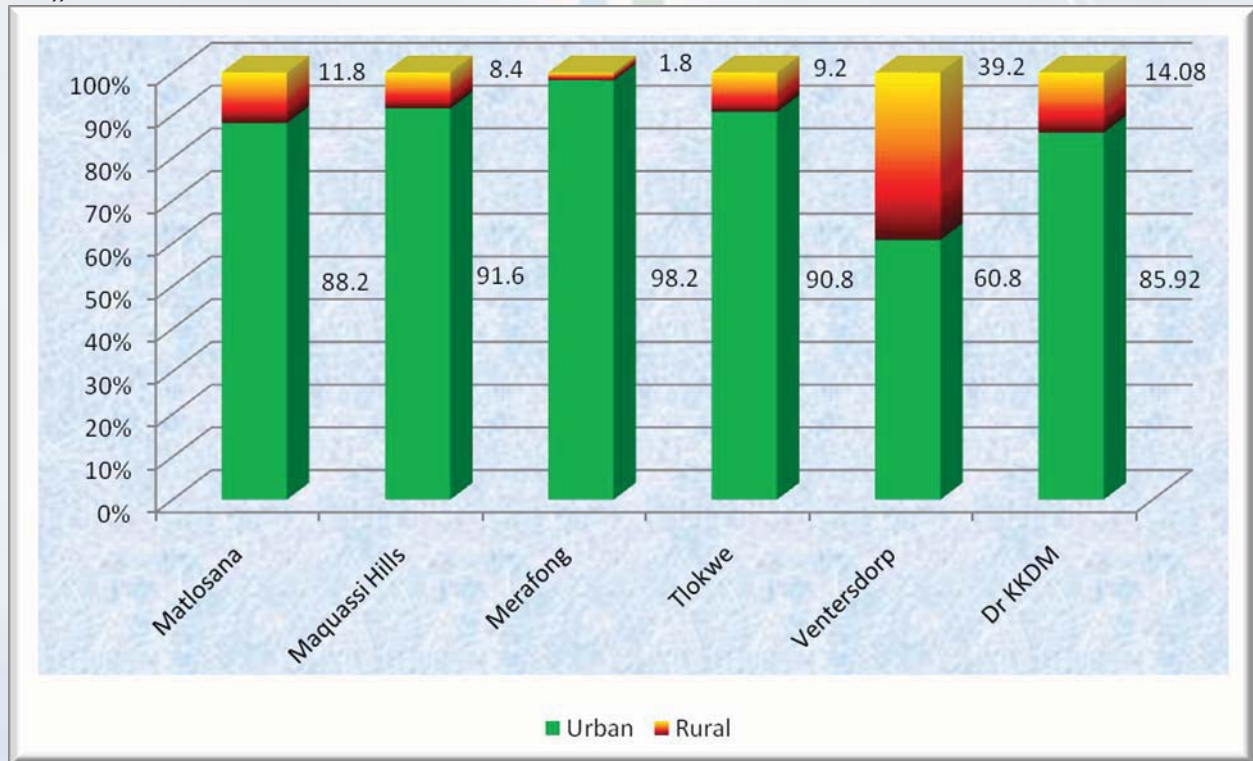


Figure B.2.1 Estimated Population of Dr. Kenneth Kaunda DM (StatsSA, *Community Survey, 2007*)

2.3. Rural and Urban Distribution of Population

The population of Merafong (98.2%) is the most urbanized, followed by Maquassi Hills (91.6%), Potchefstroom (90.8%) and Matlosana (88.2%). Ventersdorp is the most rural of the municipalities with 39.2% of the population staying in the rural areas (consider figure B.2.2). Approximately 86% in the district stayed in urban areas in 2001.

Figure B.2.2 Dr KKDM Population: Rural and Urban Residence (Statistics South Africa (Census 2001))



2.4. Age and Gender

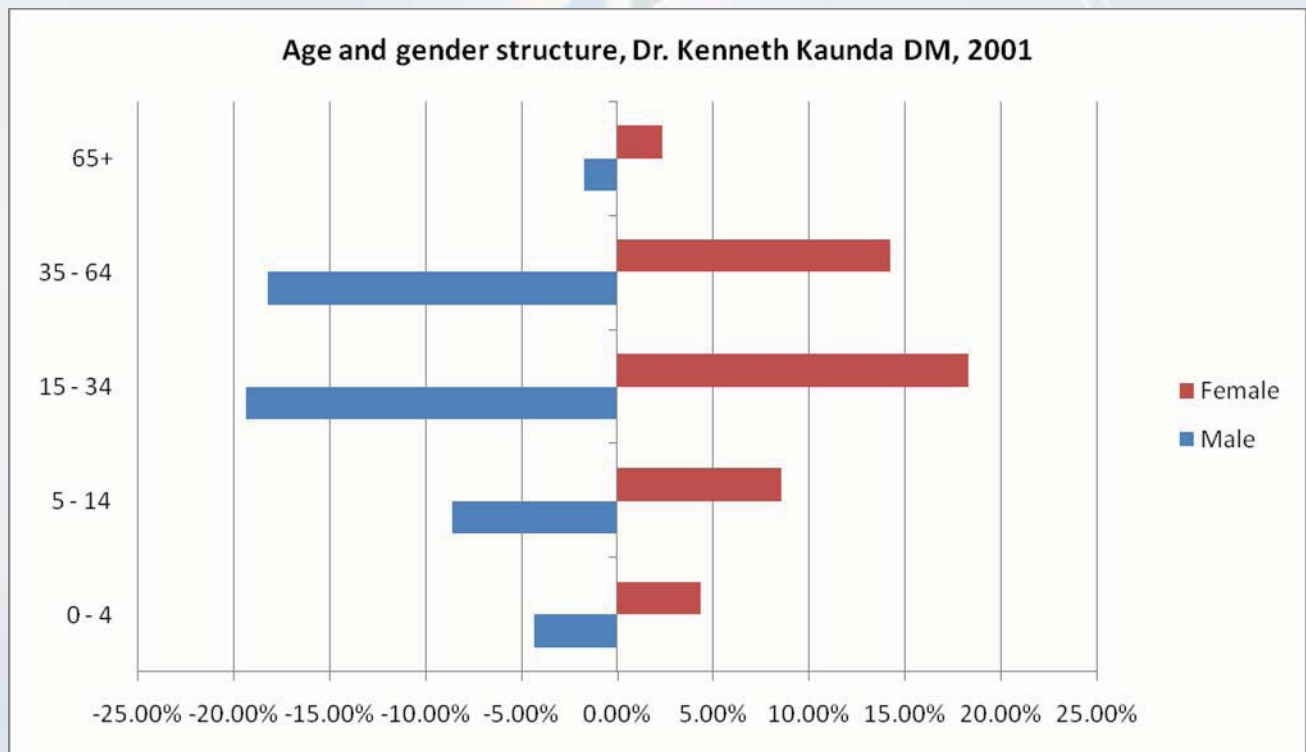
In terms of **gender**, the Dr. Kenneth Kaunda District has a fairly equal distribution as measured in the 2001 Census, at 52% male and 48% female.

In terms of the **age structure**, 70% of the Dr. Kenneth Kaunda District population in 2001 fell within the economically active population (EAP) range. Thirty percent (30%) of the population (such as children and the elderly) is dependent on the economically active population for their subsistence.

According to the latest estimates (Quantec Research, 2008), the gender distribution of the Dr. Kenneth Kaunda District in 2007 has not changed much since the 2001 Census and still remains at 52% male and 48% female. The percentage of the population between the ages of 15 and 64, i.e. the economically active population, is still at 70%.

In the two main mining areas, Matlosana and Merafong, there are slightly more males than females, but the district as a whole has the ratio of 52% male to 48% female.

Figure B.2.3 Population of the according to Age and Gender (Quantec Research, 2008)

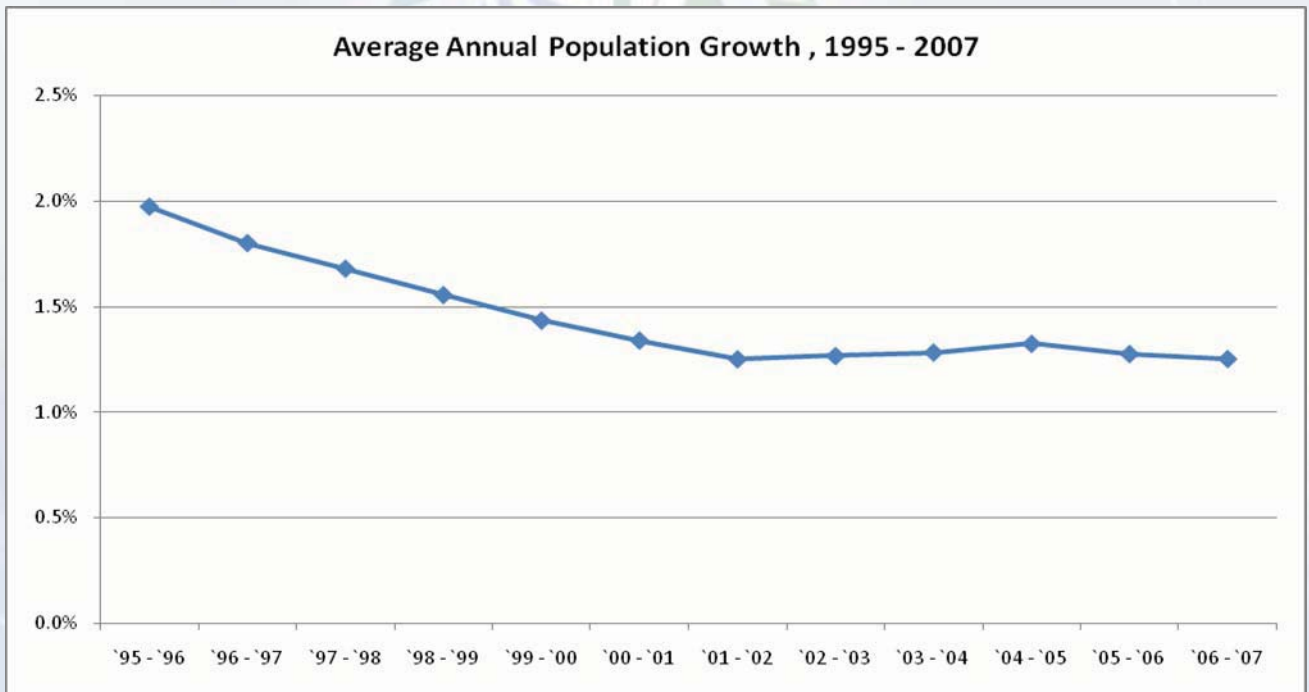


2.5. Population Growth Rate

In terms of **population growth**, the rate of growth in the Dr. Kenneth Kaunda District has been in decline since 1995. Although the population is still growing, it is doing so at a slower rate. Annual population growth rate averaged 1.7% over the period 1995 – 2000, but declined to 1.3% since 2000 (Consider Fig. B.2.4 (a))

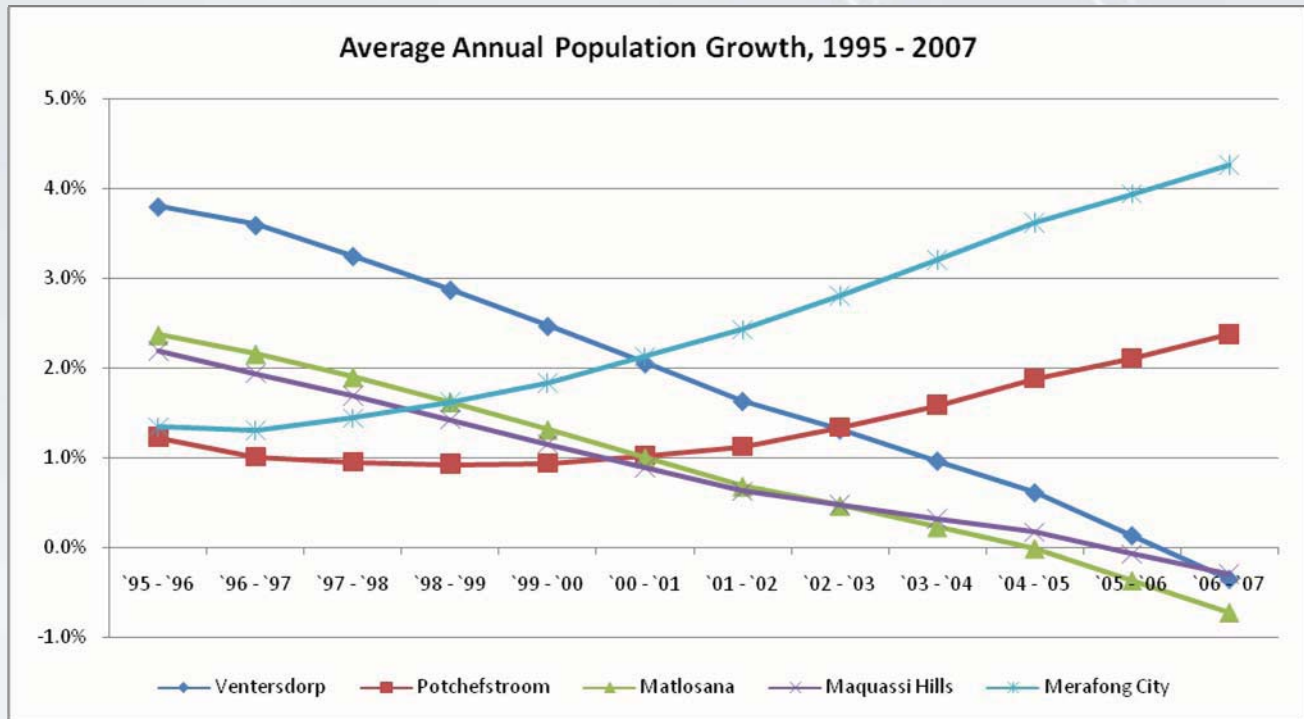
Within the DM, only two local municipalities have experienced an increase in their population growth over the period 1995-2007, namely Merafong City (1.3% in '95-'96 to 4.3% in '06-'07) and Tlokwe (from 1.2% in '95-'96 to 2.4% in '06-'07) (Consider Fig. B.2.4 (b)). All three the other local municipalities experienced a steady decline in their annual population growth rates over the period 1995 to 2007.

Figure B.2.4 (a) Population Growth of the Dr. Kenneth Kaunda District Municipality



(1) Quantec Research and Urban-Econ calculations, 2008, (2) Statistics South Africa (1996; 2001; 2007)

Figure B.2.4 (b) Population Growth of the each Local Municipality in the DM

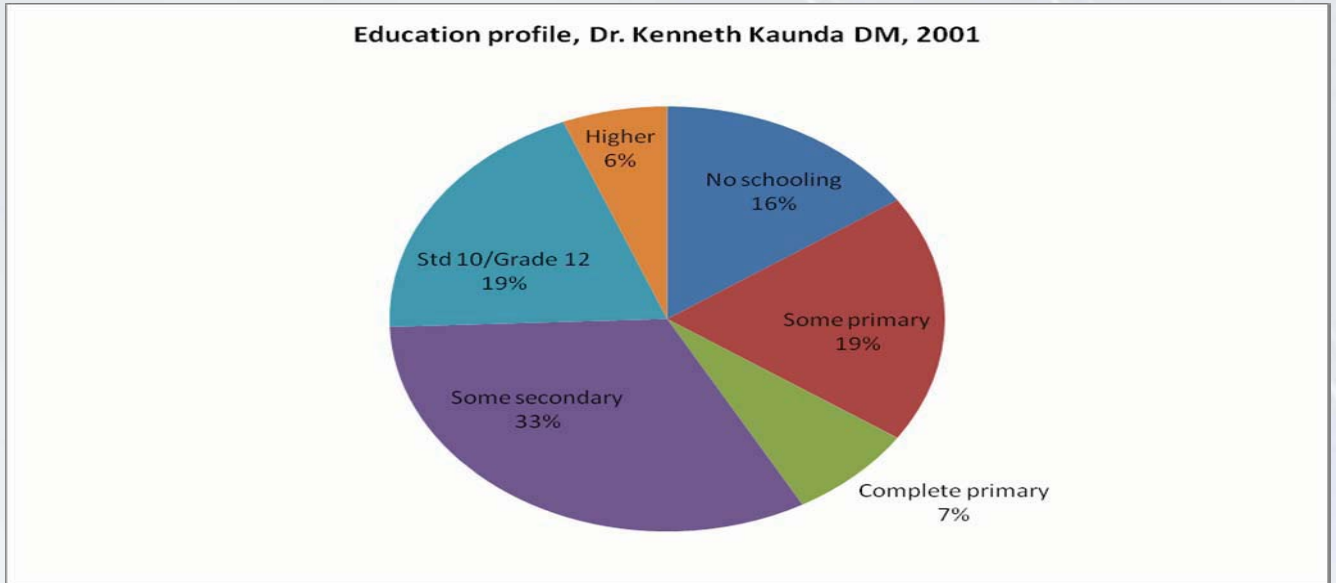


Quantec Research and Urban-Econ calculations, 2008

2.6. Population Education Levels

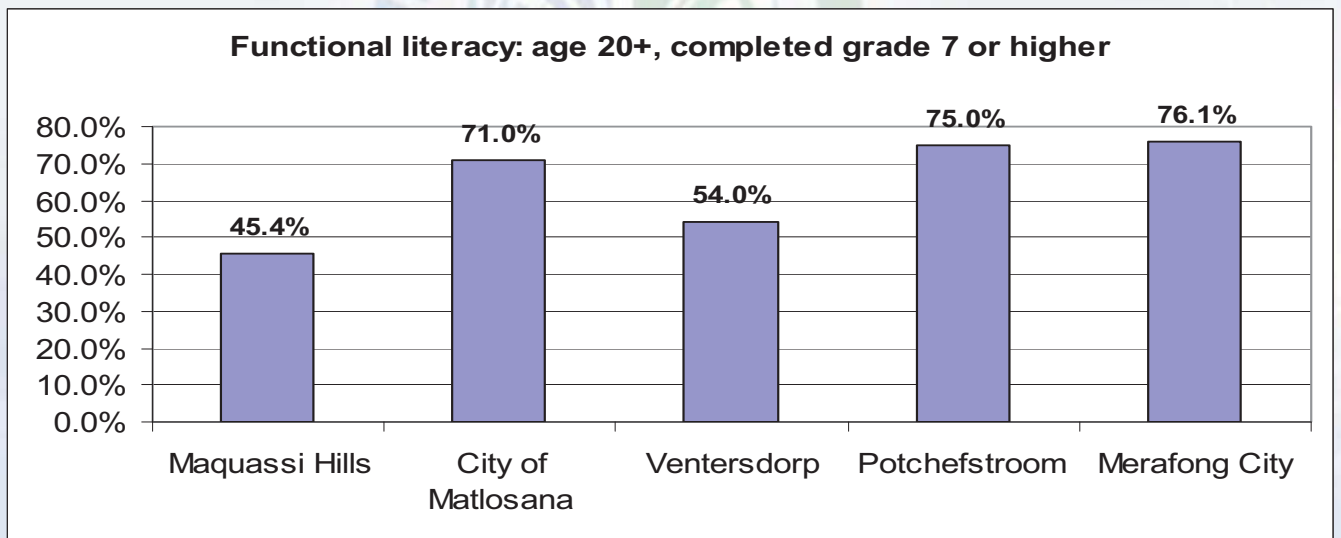
According to Census 2001 figures (StatsSA, 2001), only 19% of the adult population (20 years+) had completed Grade 12, while only 6% had a tertiary/higher education qualification. The majority of the adult population had some secondary level education, but had not completed their matric. 7% had completed primary level education up to Grade 7, while 19% had only some primary level education. 16% of the adult population, as measured in 2001, had no schooling whatsoever.

In the 2007 *Community Survey* (StatsSA, 2007), about 13% of the surveyed adult population had Grade 12 as their highest level of education, while 5% had some form of tertiary/higher education qualification. 12% of the surveyed adult population had no schooling (Fig. B.2.5 (a)).



Source: Statistics South Africa (Census 2001)

Figure B.2.5 (a) Education/literacy levels of the DM



Source: Statistics South Africa (Census 2001)

Figure B.2.5 (b) Education/literacy levels of Southern District Municipality

Literacy rates for adults range from 45% in rural areas such as Maquassi Hills to 75% and 76% in areas such as Potchefstroom and Merafong (Fig. B.2.5 (b))

2.7. Population Density

The **population density** within the Dr. Kenneth Kaunda District has steadily increased since 1995. While the population density was 45 people per square kilometer in 1995, it increased to 49 people per square kilometer in 2000 and 53 people per square kilometer in 2007.

Population Density within DM, 2007	
Area	People per km ²
Dr. Kenneth Kaunda District	53
Ventersdorp	12
Tlokwe	53
Matlosana	100
Maquassi Hills	15
Merafong	157

Source: StatsSA Community Survey, 2007

2.8. Citizenship

According to 2001 Census data, 95% of people residing in the Dr. Kenneth Kaunda District were South African citizens. Of those that are not South African citizens a large percentage are from neighbouring Southern African countries that migrated to the area in search of economic opportunities.

Citizenship of DM Residents, 2001	
SA Citizens	95%
SADC	4%
Rest of Africa	0.01%
Europe	0.1%
Asia	0.02%
North America	0.002%
Central/South America	0.01%
Australia/New Zealand	0.003%

Source: StatsSA (Census 2001)

2.9. Migration Trends

In 2001, 14.2% of people residing in the DM had moved there within the previous five years. This figure gives an indication of the migration rate into the District.

The Local Municipality that experienced the highest in-migration rate according to this measure was Merafong City, with 17.9% of residents who moved to the area within the previous five

years. The percentages for the other Local Municipalities were 13.8% for the City of Matlosana, 12.9% for Tlokwe, 11.6% for Ventersdorp and 9.4% for Maquassi Hills.

Of those that had settled in the Dr. Kenneth Kaunda District within the five years prior to 2001, 3% had moved there in 1996, 13% in 1997, 16% in 1998, 17% in 1999, 21% in 2000 and 29% in 2001, a trend that also generally applies to the Local Municipality level.

Percentage of migrants that moved to area within each year, 1996 - 2001						
Area	1996	1997	1998	1999	2000	2001
Dr. Kenneth Kaunda DM	3%	13%	16%	17%	21%	29%
Ventersdorp LM	2%	19%	14%	21%	19%	25%
Tlokwe LM	3%	13%	15%	19%	23%	27%
Matlosana LM	3%	12%	15%	17%	22%	30%
Maquassi Hills LM	4%	15%	18%	21%	23%	21%
Merafong City LM	4%	13%	18%	16%	20%	30%

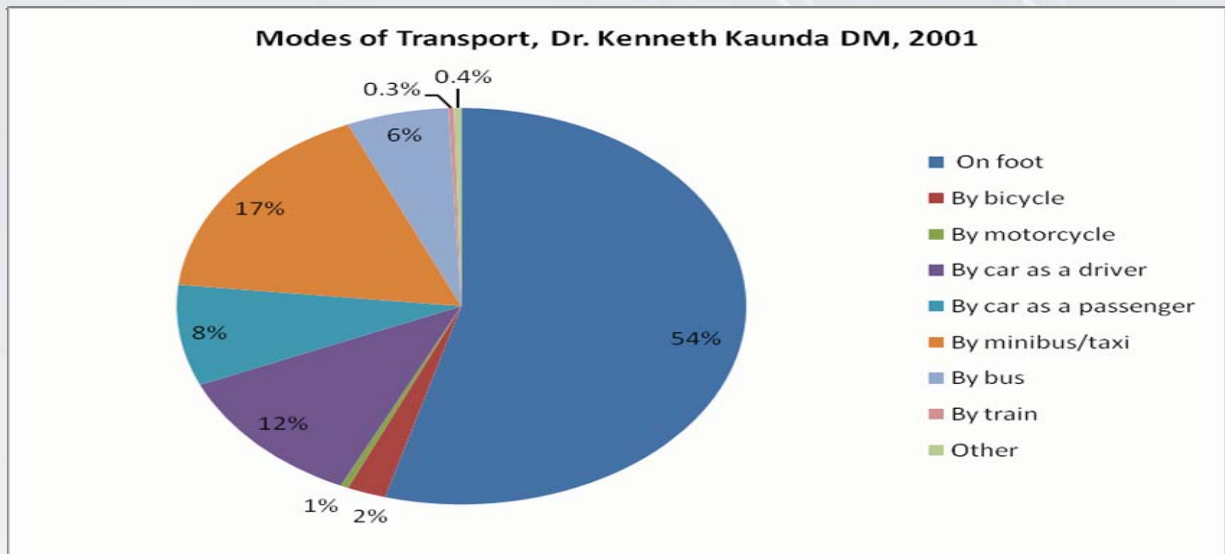
Source: Statistics South Africa (Census 2001)

The above data seems to indicate a fairly high rate of migration in and out of the Dr. Kenneth Kaunda District, with people settling in the area for relatively short periods of time before moving on to a new locality. This trend reflects on the livelihood strategies of people, who move from place to place in search of economic opportunities.

2.10. Modes of Transport

A large amount of people travel by foot, while a fairly small percentage makes use of public transport (23%). It points to an urgent need for a more effective and affordable public transport system in DM.

- ❖ Majority (54%) of DM residents travel to work/school by foot
- ❖ 17% travel by minibus/taxi
- ❖ 12% of travel by car as a driver
- ❖ 6% travel by bus
- ❖ 0.3% travel by train

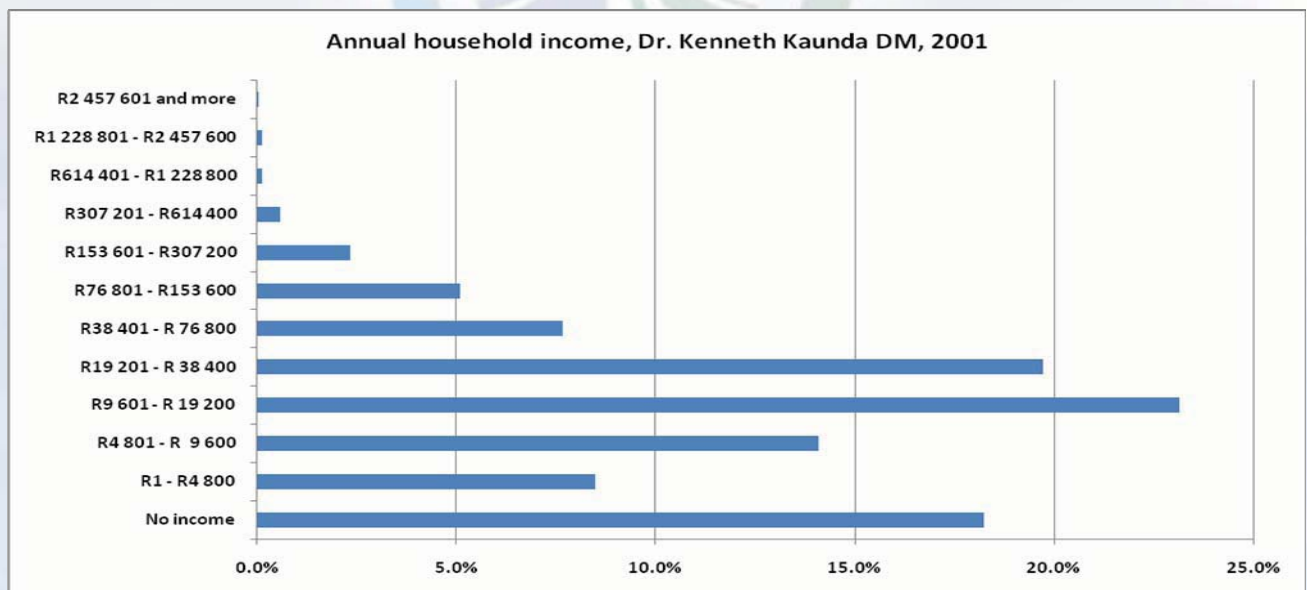


Source: Statistics South Africa (Census 2001)

Figure B.2.9 Modes of Transport in the DM

2.11. Household Income

The following graph depicts the distribution of annual household income among the different income groups in the Dr. Kenneth Kaunda District Municipality, as measured in the 2001 Census.



Source: Statistics South Africa (Census 2001)

Figure B.2.10 Annual Household Income in the DM

According to the above graph, the majority of households in the DM earn between R4,801 and R38,400 per annum. The data also shows that almost 66% of households earned a monthly income of R3,200 or less. The average weighted income (AWI*) as measured in 2001 was as follows:

South Africa	North West	DM
R5,443	R3,557	R4,077

Assuming that the % distribution of households by income category remain constant between 2001 and 2007, the estimated AWI* of DM in 2007 was R4,989, compared to R4,635 in NW (Source: Quantec Research & Urban-Econ calculations).

*AWI is the average income of households, taking into account the distribution of households across income categories.

2.12. Spatial Analysis

The spatial analysis of the Dr Kenneth Kaunda DM (SDM) is given in the Spatial Development Framework (SDF) which was developed in 2004 is attached as **Annexure H.12** Many developments have occurred since the 2004 document was completed, including Merafong City Local Municipality being incorporated into the District Municipality. Because of these developments, the 2004 SDF is being currently reviewed to reflect the changed circumstances. Additional information, including the Strategic proposals based on the 2004 SDF is given under Section D.2 of this IDP.

Social and Economic Analysis of Patterns, Trends and Risks

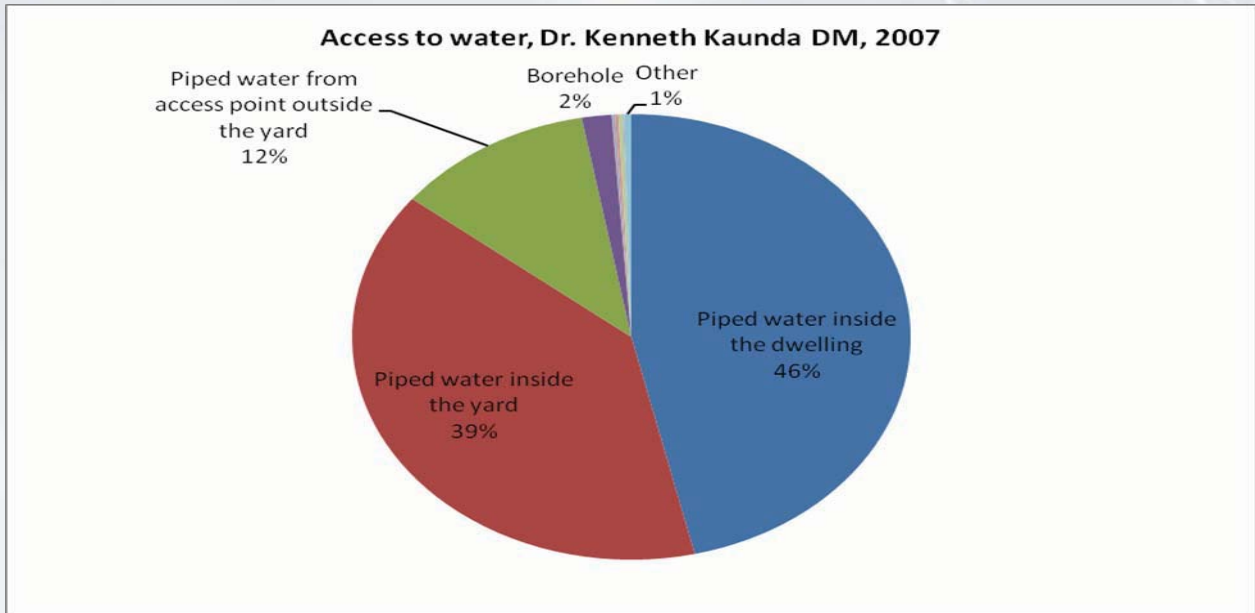
The analysis of patterns, trends and risks in the Southern District Municipality are given in the Southern District Growth and Development Strategy (GDS) which was developed in 2005 and reviewed in February 2007. This document is given in **Annexure H.1**. The analysis is however updated in the current processes.

During the 2008/09 Financial Year, the DTI will be collaborating with the Dr. Kenneth Kaunda DM to develop the latter's Local Economic Development (LED) Strategy. The following are the analyses completed for the development of the strategy as provided by **Urban-Econ Development Economists** in the Preliminary Report:

Access to Basic Services

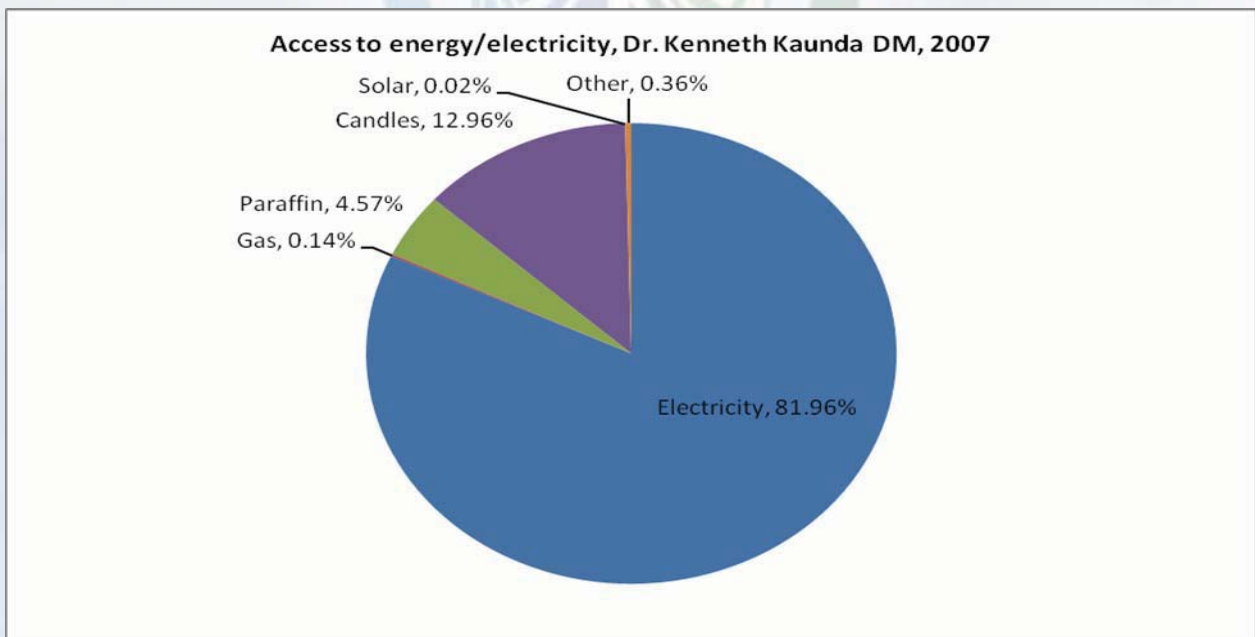
The following graphs indicate the access to basic services for households within the DM.

The majority of households in the DM (97%) have access to piped water either inside the dwelling, inside the yard or from an access point outside the yard (Fig.B.4.1 (a)).



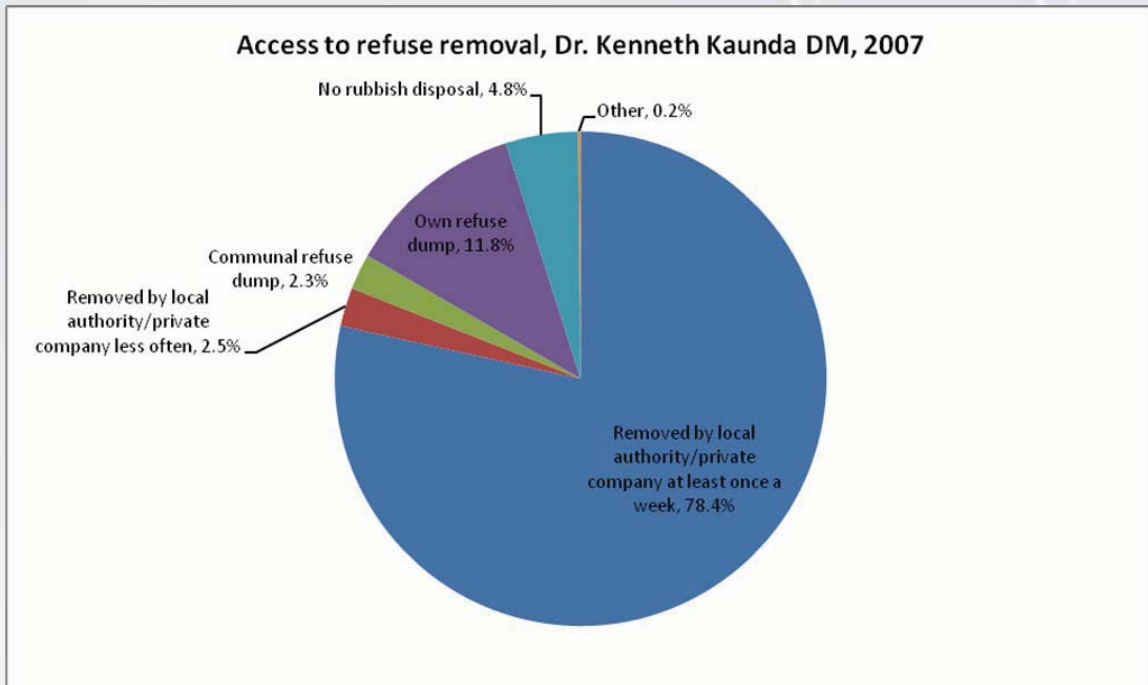
Source: stats SA community Survey 2007

Figure B.4.1 (a) Access to Water in the DM



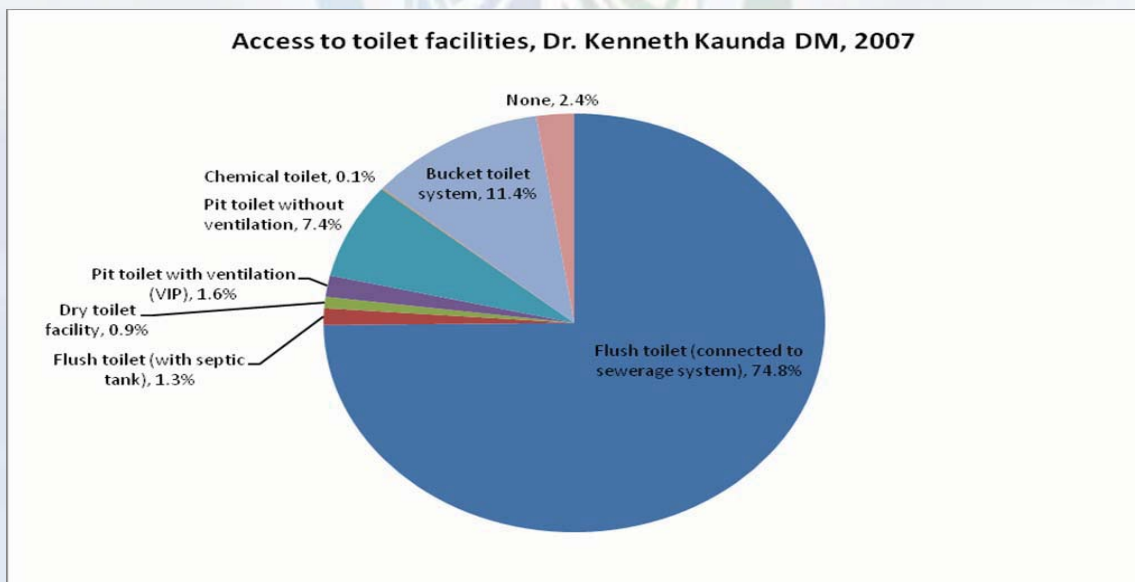
Source: stats SA community survey 2007

Figure B.4.1 (b) Access to Energy in the DM



Source: StatsSA Community Survey, 2007

Figure B.4.1 (c) Access to Refuse Removal in the DM



Source: StatsSA Community Survey, 2007

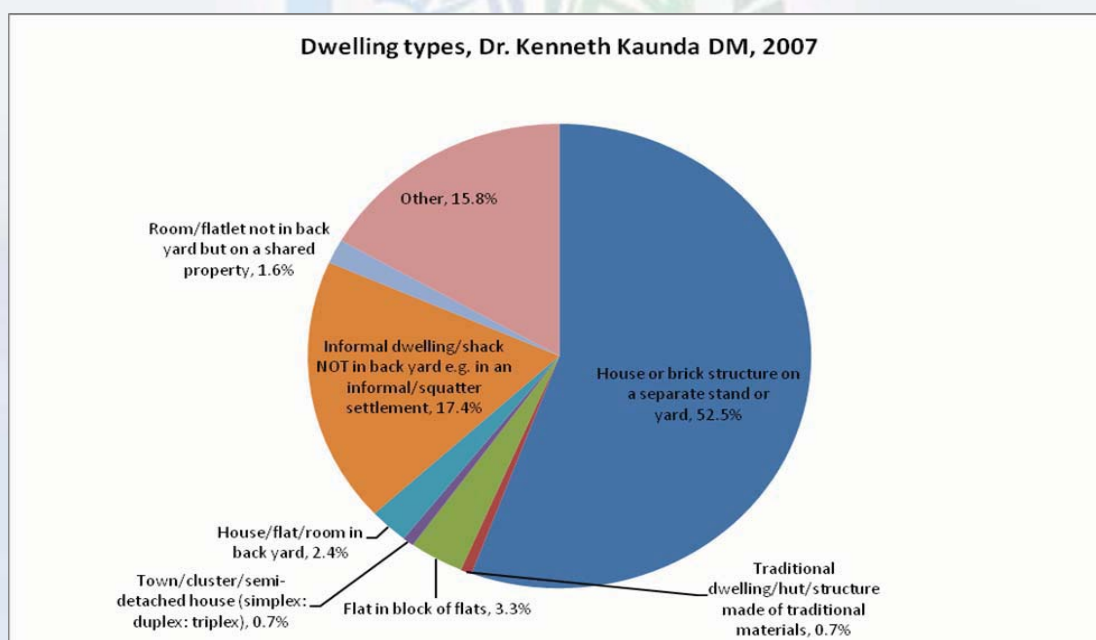
Figure B.4.1 (d) Access to Toilet Facilities in the DM

The majority of households in the DM (82%) have access to electricity in their homes for lighting, cooking, etc. Only about 8% of households do not have access to electricity (Fig B.4.1 (b)).

The majority of households in the DM (81%) have access to refuse removal by a local authority/private company, either once a week or less often. 14% of households have access to a communal or their own refuse dump. Only about 5% of households have no access to rubbish disposal (Fig B.4.1 (c)).

The majority of households in the DM (76%) have access to flush toilets, either connected to a sewerage system or with a septic tank. 10% of households have access to either a dry toilet facility, or pit latrine or chemical toilet. Almost 14% of households have inadequate access to toilet facilities, in that they either have no access or make use of the bucket latrine system (Fig B.4.1 (d)).

A.1.1 Housing: Dwelling Types



Source: StatsSA Community Survey, 2007

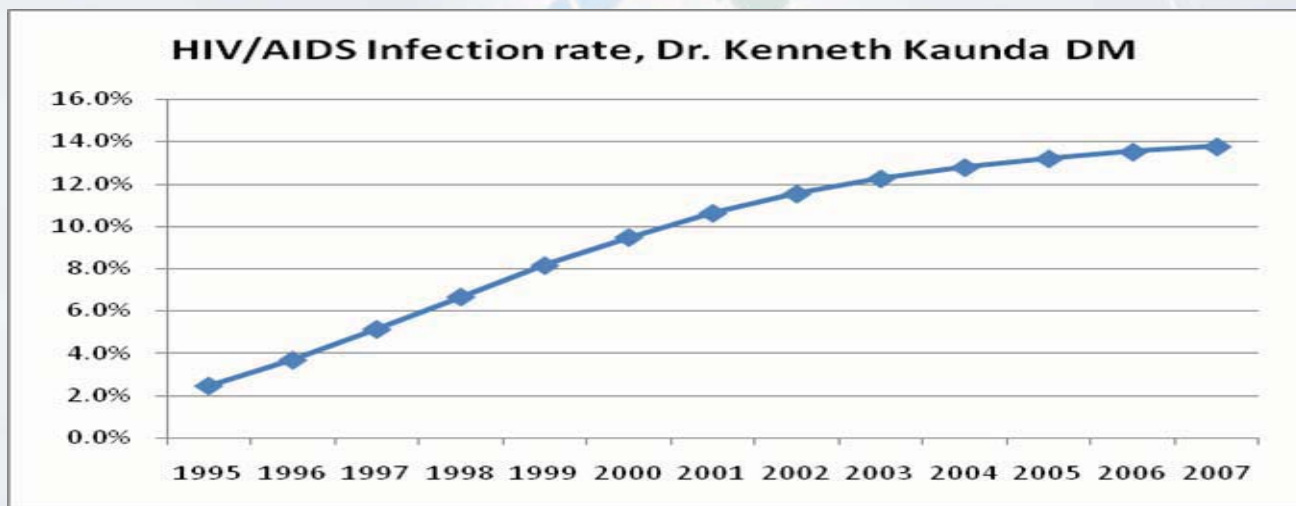
Figure 2.4.2 Dwelling Types in DM

According to the StatsSA Community Survey of 2007, almost 53% of households live in a house or brick structure on a separate stand. 6.4% of households live in a flat/townhouse/semi-

detached house, or in a flat/room in a backyard. 17.4% of households in the DM live in informal dwellings in informal settlements.

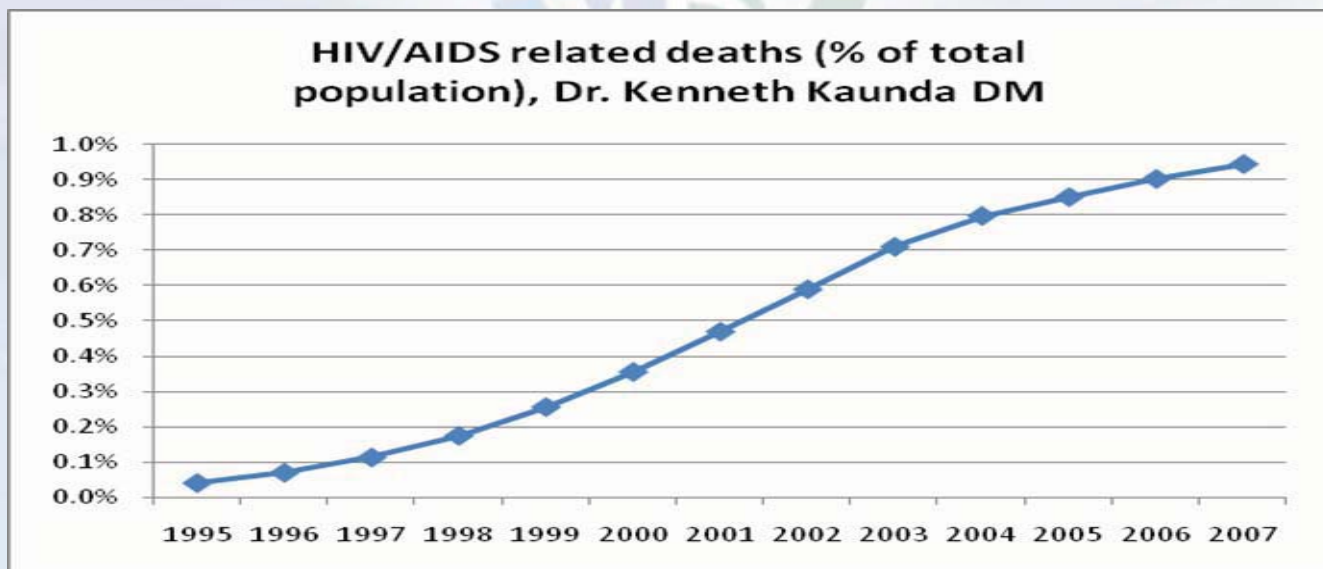
2.13. HIV/AIDS and other Health Indicators

The Dr. Kenneth Kaunda District is experiencing a high and climbing HIV infection rate. The HIV infection rate was measured as 13.8% in 2007, up from 9.5% in 2000 and 2.4% in 1995 (Fig B.4.3 (a)). The number of AIDS related deaths, as a percentage of the DM population is growing at an increasing rate. In 2007, 0.9% of the population died of AIDS related causes (Fig B.4.3 (b)).



Source: Actuarial Society of South Africa (2003 AIDS & Demographic Forecast Model)

Figure B.4.3 (a) HIV/AIDS Infection Rate



Source: Actuarial Society of South Africa (2003 AIDS & Demographic Forecast Model)

Figure B.4.3 (b) HIV/AIDS Related Deaths

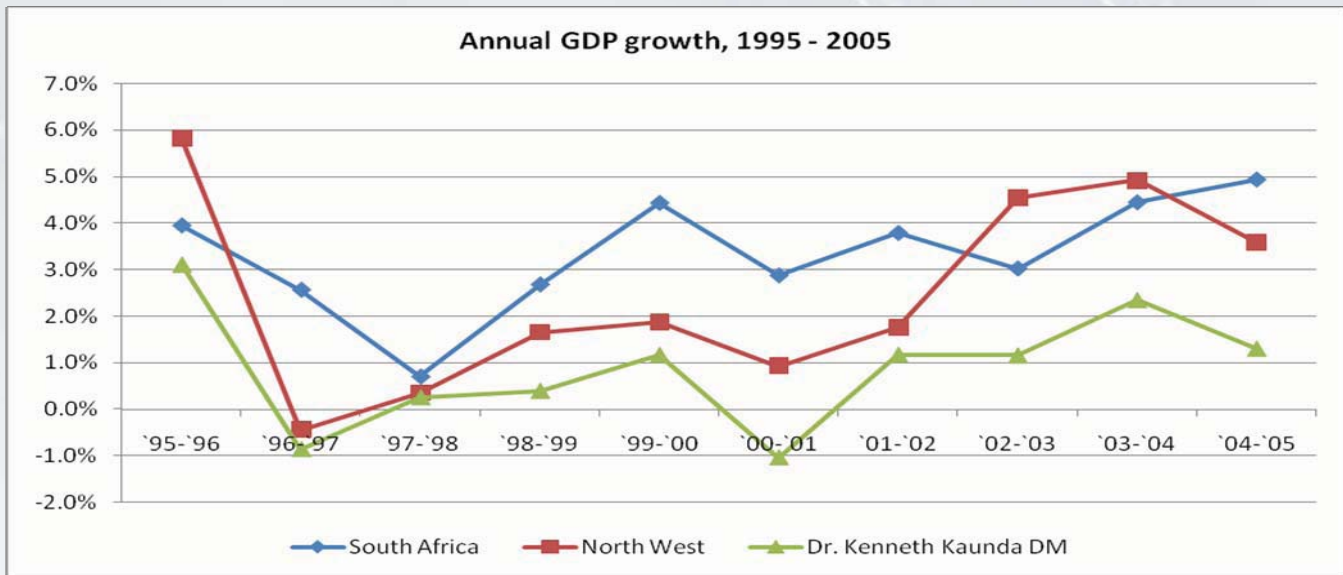
The *South African Survey (2007)* by the South African Institute of Race Relations (SAIRR) indicates the following trends in terms of important health indicators:

- (a) The infant mortality rate (the number of infant deaths per 1,000 live births per annum) for the North West province has decreased by 15% between 1998 and 2006. Since the NW province and the DM share a similar population growth trend, this decrease is expected to apply to the DM as well.
- (b) The under-five mortality rate (the number of children under the age of 5 who die in a year, per 1,000 live births) also decreased between 1998 and 2006, by 5%. This decrease is lower than the decrease in the national average (9%).
- (c) The rate of children under 5 years of age with severe malnutrition also decreased in the NW province, from 17.8% in the 2001 to 13.3% in 2004.
- (d) The number of tuberculosis cases in the NW province increased by 51% between 2000 and 2002, which is an extremely worrying trend.
- (e) 64.3% of tuberculosis cases reported in the NW province were also HIV co-infected.
- (f) In terms of provincial expenditure on health, the NW province spent 22.6% of total expenditure on health, which is slightly lower than the national average (29.2%).
- (g) The number of public sector doctors in the NW province increased from 361 in 2000 to 506 in 2006. The 2006 people-to-doctor ratio was 6,668:1.
- (h) The number of public sector nurses in the NW province experienced only a slight increase from 2,855 in 2000 to 3,029 in 2006. The 2006 people-to-nurses ratio was 1,114:1.
- (i) The number of beds in public hospitals in the NW province equaled 7,026 in 2004, while the number of beds in private hospitals equaled 1,538.

2.14. Economic Performance and Trends

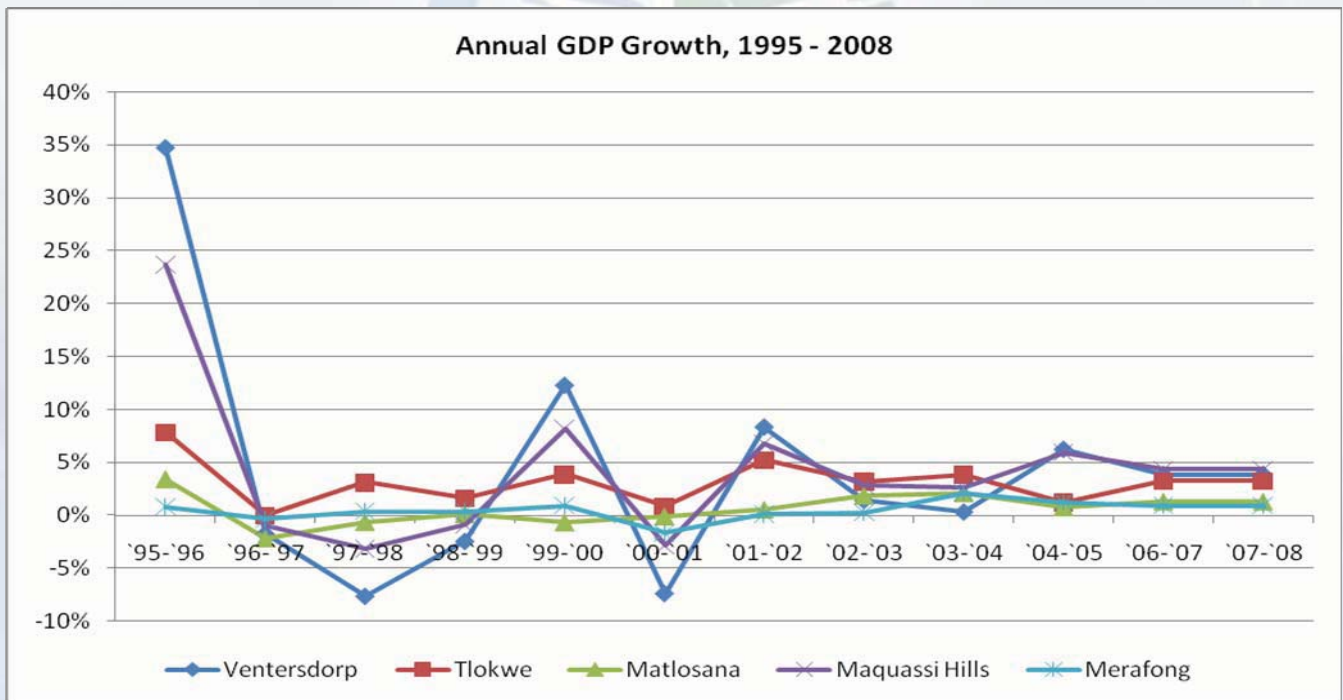
Annual GDP growth in the DM broadly follows the national trend. DM GDP growth is generally lower than both the national and provincial average. An upward trend in GDP growth rates has been experienced in the DM since 2001 (Fig. B.4.4 (a)). The next graph (Fig. B.4.4 (b)) indicates annual GDP growth rates for the local municipalities within the DM over the period 1995 – 2008. Although data was only available up to 2005, growth rates for the local municipalities were extrapolated to obtain estimates of GDP growth between 2005 and 2008.

- ▶ The graph indicates a fairly stagnant economic growth trend within the DM, i.e. the rate of growth has remained fairly constant.
- ▶ Negative growth rates were experienced in certain local municipalities in some years, mainly in Ventersdorp and Maquassi Hills.



Source: Quantec Research and Urban-Econ calculations, 2008

Figure B.4.4 (a) Annual GDP Growth Rate, DM



Source: Quantec Research and Urban-Econ calculations, 2008

Figure B.4.4 (b) Annual GDP Growth Rate, Local Municipalities

2.15. North West PGDS – General guidelines for growth & investment

- (a) Focus on diversification of economic base
- (b) Focus on areas/industries with comparative advantage and/or development potential

- (c) Identification of skills gaps, leading to skills development initiatives.
- (d) Creating an enabling environment for small businesses
- (e) Public sector interventions should be focused on physical infrastructure and technical support **SMME's**
- (f) Economic growth viewed as prerequisite for achievement of all other policy objectives.
- (g) Growth target for NW: 6.6% per annum
- (h) Investment target for NW: R6.3 billion per annum
- (i) Targets are not fixed, but are normative guidelines
- (j) Growth target for Dr. Kenneth Kaunda District Municipality: 6.4% per annum.
- (k) Investment going to DM: 22.17% of NW investment budget
- (l) Municipalities are encouraged to prepare implementation & business plans in order to access these funds. These plans & project lists must meet certain basic requirements to qualify for approval

Implications for Dr. Kenneth Kaunda District LED Strategy

- (i) GDS must focus on bringing marginalised communities into economic mainstream
- (ii) Deliberate diversification of the economic base is of prime importance
- (iii) Industries targeted by PGDS incl. Food processing, agro-processing, mining & mineral beneficiation, manufacturing, tourism & cultural industries, transport & communications
- (iv) Transversal objectives: SMME development, skills development and tourism
- (v) Strengthening and concentration of developments along N12
- (vi) Identification of available land and infrastructure to accommodate development along the corridor.
- (vii) Identification of infrastructural backlog that should be addressed

Sectoral Comparative Advantage

The **comparative advantage** of an area indicates a relatively more competitive production function for a product or service in that specific economy, than in the aggregate economy. The economy therefore produces the product or renders the service more efficiently. The location quotient is an indication of the comparative advantage of an economy. A location quotient of larger than one indicates a relative comparative advantage in that sector.

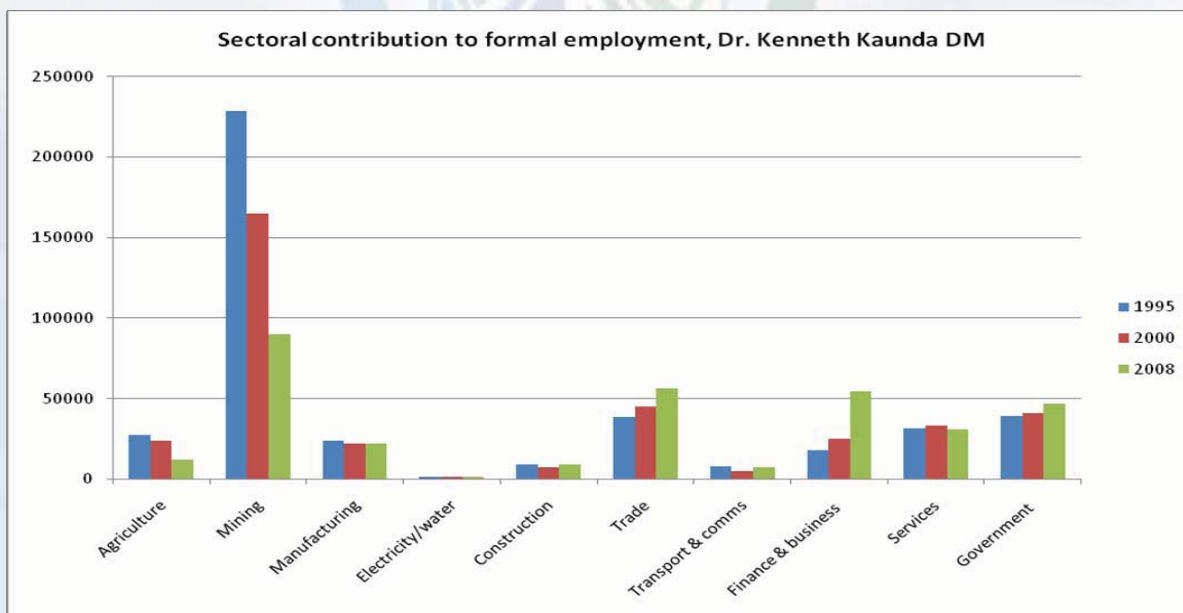
Table: Location quotients for Dr. Kenneth Kaunda District, 2007

Sector	Sectoral % contribution to GGP: Dr. Kenneth Kaunda District	Sectoral % contribution to GGP: North West Province	Location Quotient: Dr. Kenneth Kaunda District
Agriculture	2.3	2.5	0.9
Mining	19.6	26.0	0.8
Manufacturing	8.8	7.6	1.2
Electricity & water	1.4	1.1	1.3
Construction	3.5	2.9	1.2
Trade	17.3	13.6	1.3
Transport & Comms	9.1	10.6	0.9
Finance	16.2	14.5	1.1
Services	8.0	8.6	0.9
Government	13.8	12.7	1.1

Source: Quantec Research and Urban-Econ calculations, 2008

The Dr. Kenneth Kaunda District economy therefore has a comparative advantage in several sectors, relative to the aggregate provincial economy, namely in: Manufacturing, Electricity & water provision, Construction, Trade, Finance & business services and Government services.

A.1.2 Employment and Labour Profile



Source: Quantec Research and Urban-Econ calculation

Figure B.4.6 Sectoral Contribution to Formal Employment, DM

- (a) Mining is still by far the most important sector in terms of formal employment
- (b) However, there has been a decline in formal employment in this industry over the past decade. This highlights the need for diversification of the economic base.
- (c) Other important employment sectors: Trade, financial & business services and government services.
- (d) Data shows a steady increase in the number of people employed in the trade and finance sectors over the past decade.
- (e) No significant increase in the % of the labour force employed in the manufacturing sector.
- (f) Percentage (%) employed in manufacturing is small relative to its contribution to GGP, which implies a need for more labour-intensive manufacturing industries.

According to the StatsSA Community Survey (2007), the labour status of the surveyed population (age 15-64) was as follows:

Employment status, 2007		
Status	NW Province %	DM %
Employed	36.8	44.9
Unemployed	20.0	19.4
Not economically active	38.8	32.3
Not applicable	4.3	3.4
Total	100	100

- (i) The DM has a higher rate of employment relative to the provincial average, as well as a slightly lower rate of unemployment.
- (ii) The employment rate slightly increased from 2001, when a rate of 42% was measured in the 2001 Census. The unemployment rate was measured as 23.2% in 2001 and therefore has decreased to 19.4% in 2007.

2.16. Institutional Analysis

The organizational structure of the Dr Kenneth Kaunda DM is under review and the changed structure will first be adopted in Council and will be reflected in future documents.

2.17. Political Leadership

The following is the political leadership of the Dr Kenneth Kaunda DM:

LEADER	PORTFOLIO
Executive Mayor (BF)	Cllr. BE Moloji
Speaker (CF)	Cllr. W Nelson
Single Whip (BM)	Cllr. S Present
MMC Environmental Health (BF)	Cllr. M Mojahi
MMC District Economic Development (BF)	Cllr. M Lee
MMC Sports, Arts and Culture (BF)	Vacant
MMC Disaster, Roads and Transport (BM)	Vacant
MMC Corporate Services (BF)	Cllr. M Ngomane
MMC Financial Services	Cllr. Z. Moweli
MMC Infrastructure (BF)	Cllr. R Martins
MMC Special Projects (BM)	Cllr. MS Galo

2.18. Administrative Leadership

The following officials are appointed on a fixed term performance based contract for the top management as indicated:

POSITION	NAME
Municipal Manager	Adv. MA Diavane
Manager: Corporate Services	Vacant
Chief Financial Officer	Vacant
Manager: Infrastructure	Vacant
Manager: District Economic Development	Dr. M Mongake
Manager: Disaster and Risk Management	L Ngubane
Manager: Environmental Health Services	M Ramatlhape

3. Executive Summary

Dr. Kenneth Kaunda District Municipality (DC 40) has been established in terms of the Local Government: Municipal Structures Act, (No. 117 of 1998). The municipality has become the successor in law of the old Southern District Council. Dr. Kenneth Kaunda District Municipality's area of jurisdiction with effect 1 March 2006, comprise of Merafong City Local Municipality, City of Matlosana, City Council of Tlokwe, Ventersdorp and Maquassie Hills Local Municipalities.

The authorization by the Honourable Minister of Provincial and Local Government has placed the Municipal Health (Environmental) Services as the core functions. Powers that relate to potable water supply, bulk electricity supply and domestic waste-water and sewage disposal systems from the Dr. Kenneth Kaunda District Municipality to the local (Category B) municipalities within Dr. Kenneth Kaunda District Municipality area of jurisdiction are Water Services Authority (WSA's).

The Section 12(6) (a) infrastructural assets that are within these local municipalities' area of jurisdiction will be transferred through the Local Government: Municipal Systems Act, No. 32 of 2000, Section 78 process. The transfers should be done before 30 June 2007 to the local municipalities for incorporation in their 2007/2008 Annual Financial Statements.

4. Vision of Dr. Kenneth Kaunda District Municipality

To provide an integrated district management framework in support of quality service delivery

4.1. Mission

Exploring prosperity through sustainable service delivery for all

4.2. Strategic goals of Dr. Kenneth Kaunda District Municipality

- To promote physical infrastructure development and services
- To promote socio-economic development
- To provide municipal health services
- To ensure disaster risk management
- To promote integrated transport services
- To promote community safety
- To ensure internal municipal excellence

4.3. Core Business Values

- Innovativeness
- Teamwork
- Integrity
- Decisiveness
- Batho Pele



Chapter 2

2. Performance Highlights

Below is the summary of the performance glance

The Municipal performance report is compiled in term of the municipal of section 46 of the Municipal System Act (MSA) of 2000 as amended in 2003. The performance report forms a part of the annual report which as promulgated in term of Chapter 12 of the Municipal Finance Management Act of 2003. In terms of section 46 of the MSA a municipality must prepare a performance report to its citizens that reflect the municipality's performance during the year and compare it against targets that were set. It should also indicate measures that are to be taken to improve performance and service delivery priorities for the following financial year. Importantly, the performance report should provide progress in term of implementation of General Key Performance Indicators that were promulgated by the Minister of Provincial and Local Government. This forms part of the progress provided in the organizational scorecard. The report has also been compiled as far as possible in accordance with the guidelines as issued by National Treasury. The overview of each functional area is presented the report together with the description of the activity.

The report looks retrospectively on the plans that have been from the Integrated Development Plan (IDP) process which have been identified by the community. It is also informed by the National, Provincial and Local priorities. Performance of the District Municipality is assessed in terms of the five key performance areas (KPA) as prescribe by the Local Strategic Agenda. However, progress in the implementation of the General Key Performance Indicators as prescribe by the Minister of Local Government is also addressed in this chapter. Dr. Kenneth Kaunda District Municipality is not responsible as far as being a service Authority on Water, Electricity, Solid Waste Management, Roads, Housing, Urban Efficiency and Community Facilities.

2.1. Municipal Health Services

Purpose

To present to Council the Annual report: 2008/2009 which highlights progress, growth and development of Municipal Health Services in Dr Kenneth Kaunda District Municipality

Background

Municipal Health Services is responsible for the following functions: in terms of the New National Health Act (ACT 61 of 2003).

- a. Water Quality Monitoring.
- b. Food Control.
- c. Waste Management.
- d. Health Surveillance of premises.
- e. Surveillance and Prevention of Communicable Diseases.
- f. Vector Control.
- g. Environmental Pollution Control.
- h. Disposal of the Dead.
- i. Chemical Safety.

Human beings and their activities have the ability to impact (whether positively or negatively) on the natural environment. Similarly, all aspects of the environment (biophysical, social and economical), can affect human beings both positively, and negatively. The challenge faced by Environmental scientists is find a point of equilibrium where there is a balance between the two; this point of equilibrium is referred to as sustainable resource utilization.

Environmental health therefore, is the science that studies potential hazards in the environment, their effect on human health and the variations in sensitivity to exposure, within populations. Environmental health scientists explore the development of effective means to protect human beings, against hazards in the environment.

“Environmental Health comprises of those aspects of human health, including quality of life, that are determined by chemical, physical, biological, social and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling and

preventing those factors in the environment that can potentially affect adversely the health of present and future generation's (World Health Organisation).”

Overview

The Municipal Health Services Department has for the period of review executed its Constitutional Mandate to promote a safe, clean and healthy environment.

As from the 1st July 2008 to date, good progress has been made with regard to the provision of Municipal Health Services to the residents of Dr Kenneth Kaunda District Municipality.

Description of the Activities

During the period of review the following activities were executed in terms of the functions of Municipal Health Services:

a. Water Quality Monitoring

- Monitoring of water quality/safety used for domestic purposes.
- Monitoring of water quality/safety used for recreational purposes.
- Monitoring of water quality/safety used from natural sources.
- Monitoring of water quality/safety used from sewage treatment plans.
- Complaints investigations (law enforcement and issuing of compliance notices).

b. food control

Includes the:

- Licensing of all food preparation premises.
- Certification of all food premises in terms of R918.
- Monitoring/control of food quality/safety.
- Condemnation of foodstuffs not fit for human consumption.
- Food safety during special events.
- Training of food handlers.
- Complaints investigation (law enforcement and issuing of compliance notices).

c. Waste Management

Includes the:

- Monitoring of refuse removal, solid waste disposal and waste disposal sites.

d. Health Surveillance of Premises

Includes the:

- Monitoring and inspection on all premises.
- Complaints investigation (law enforcement and issuing of compliance notices).

e. Surveillance and Prevention of Communicable Diseases

Includes the:

- Detection of outbreaks.
- Control of outbreak of diseases.

Includes the:

- Monitoring of infestation frequency.
- Pest control on Council premises.

g. Environmental Pollution Control

Includes the:

- Monitoring of air/noise/water/land pollution.

h. Disposal of the Dead

Includes the:

- Hygienic handling of corpses.
- Pauper/Indigent burials.
- Exhumations.

j. Chemical Safety

Includes the:

- Monitoring of chemical hazards.

Human Resource and other Organizational Matters

The approved organizational structure for the Municipal Health Services is attached as Annexure C. Presently the personnel component in the Municipal Health Services is as follows:

Post Designation	Filled	Vacant
Director	1	0
MANAGER: Municipal Health Services	5	0
Environmental Health Practitioners	21	4
Admin Clerk	3	2
Messenger / Cleaner/General worker	2	3
Pest Control Officer	2	3
Assistant Pest Control Officer	3	3

Institutional Analysis

It must be mentioned that the World Health Organizations'(WHO) norm for Environmental Health Practitioners(EHP's) per capita population is 1:10 000 and the National norm 1:15 000. The Current ratio in the Dr Kenneth Kaunda District Municipality area of jurisdiction is 1 EHP per 39590 capita, based on the 2001 population figure of 871 000.

According to the above, in terms of WHO standards another 65 EHP's are required to service the Dr KKDM area of jurisdiction, whereas in terms of National norms an additional 36 EHP's are required to effectively serve the population of the Dr KKDM.

Achievements

1. Operational activities

The operational achievements (statistics) of the Department during the period of review are reflected in Annexure B.

2. Awareness Campaigns

Campaign	Area	Date	Target Audience
Ward Field Workers and volunteers from the district were capacitated on cholera issues in February 2009.	Matlosana	27 February 2009	Ward Field Workers and Volunteers
3 educational sessions were conducted for owners/ managers of ECD centers in Matlosana(September 2008).	Kanana Jouberton Khuma	24-26 September 2008	Early Childhood Development Centre Managers/ owners
Water week celebration was earmarked by organizing an educational tour to Midvaal Water Company where 717 learners were involved.	Matlosana	03-19 March 2009	Learners from Grade 6 upwards
34 food safety educational sessions were conducted where 177 people reached.	Matlosana	Continuous during inspections	Food handlers
Training on Milk Parlour inspections was conducted for all environmental Health Practitioners on 22 May 2009 by Dairy Standards Agency.	Merafong Tlokwe Matlosana Maquassi Hills Ventersdorp	22 May 2009	Environmental Health Practitioners
Health and Hygiene awareness at Thusang School, Kgakala , Leeudoringstad	Maquassi Hills	21 November 2008	Learners

3. Community Projects

The district is currently involved in a Recycling project in Ventersdorp. The District municipality has succeeded in securing sponsorship from Buyisa E bag, A waste empowerment company.

4. Actual Activities with regard to Workshops and Conferences

Workshop/Conference	Date	Attendees
Three (3) Air Quality Forum meetings were held where mining companies reported on progress of rehabilitation of slime dams and pollution monitoring results in Matlosana	02 October 2008 19 February 2009 28 May 2009	Director Manager Matlosana Midvaal water Company Simmer and Jack Anglogold Ashanti
Four (4) Water Quality Forum meetings were held with all stakeholders involved in water issues in Matlosana	06 August 2008 4 November 2008 04 February 2009 6 May 2009	Manager Matlosana Regional EHP 3 Senior EHPs Midvaal Water Company Matlosana City Council
A workshop on event planning in preparation for 2010 Soccer World Cup was conducted by North West University .	02 July 2009	Manager Matlosana Manager Maquassi Hills
Atmospheric Emission Licencing workshop was attended in Pretoria in preparation for Air Quality Act implementation.	23 June 2009	Manager Matlosana
A meeting was held with sewage section Assistant Director (Matlosana City Council) to deal with sewage overflow complaints.	25 February 2009	Matlosana Council Manager Matlosana EHPs

Challenges

During the year of review the following problems were experienced:

1. Water Quality Monitoring	Challenges	Recommendations
	Pollutants from mining activities are being monitored closely to prevent any increase in pollution within the area.	To involve potential polluters such as mines and bigger industries in water forum meetings.
	Not all possible/potential water sources within the area are known and, not enough staff to execute such a baseline study.	To embark on a comprehensive monitoring exercise throughout the total municipal area to ensure 100% gathering of baseline information on potable water sources. Appointment of staff to monitor potential water points and do risk mapping.
2. Food Control	Mushrooming of informal stalls / stands / tuck-shops, increasing the risk of food borne diseases, especially at residential premises where frequent inspections are not carried out.	Embark on a comprehensive monitoring exercise to determine the number informal food vendors, their areas of business and the items they are selling.. District Economic Development to assist in formalizing street vendors and construction of proper stalls to ensure hygienic preparation of food.

	Unavailability of local laboratory for food analysis	
	Foreign nationals operating food shops without certificate of acceptability	Organization of raids in all food shops with assistance from SAPS.
	Communication with Council departments not adequate.	All Caterers registered on Councils procurement database should be in possession of Licenses in terms of Business Act (Act 71 of 1991) or Certificates of Acceptability in terms of R918 promulgated under the Health Act (Act 63 of 1977)
	Not enough staff to execute routine inspections to establish sources	Appointment of additional staff
3. Waste Management	Illegal dumping of waste due to a lack of education.	<ul style="list-style-type: none"> • Intensive community education initiatives on environmental matters. • Provision of adequate street bins by local authority.
	Not enough staff to monitor illegal dumping areas and to give education.	<ul style="list-style-type: none"> • Appointment of additional staff • Outsourcing of waste collection in township has been proven to be more effective.
	Poor management of some waste disposal sites	<ul style="list-style-type: none"> • Closure of non complying waste disposal sites
4. Health Surveillance of Premises	Not enough staff to monitor huge amount of premises and to give education as frequently as necessary.	Appointment of interns and learnerships
	Not all premises in municipal area are known.	A GIS system will have to be implemented to have proper access to information and to build history on specific problem areas.
	Buildings not built according to building plans	Intersectoral collaboration between Town Planning, Building Section and Environmental Health in dealing occupation of building without Occupation certificates (Environmental Health Forum).
	Majority of Crèches in townships do not comply to environmental health standards.	Establishment of a financial assistance program for crèches.
5. Surveillance and Prevention of Communicable Diseases	Outbreak response teams not active in the area.	Re-establishment of outbreak response teams
6. Vector Control	Very limited services rendered i.e services are currently rendered only in Tlokwe and Matlosana	Extension of services to smaller local municipalities. In the meantime, pest control teams in Matlosana and Tlokwe

		to assist Ventersdorp and Maquassi.
	Pest control is being done on an ad-hoc basis i.e only when requested, and only in public areas	A pest control preventative/maintenance action plan to be established, for areas with a potential pest risk
	Not all potential infestations and vector breeding areas are known.	Pest control database to be established
7. Environmental Pollution Control.	Pollution of non-potable water resources	Appointment of staff to do a baseline study on potential pollution agents and to monitor existing pollution of water resources.
	Continued non-compliance of sewage effluent samples from sewage plants due to inadequate chlorination.	Issuing notices to relevant local municipality to correct by ensuring proper chlorination methods are utilized.
	Mushrooming of illegal squatters next to rivers / streams thus causing pollution.	Issuing notices to the land owners to remove illegal squatters.
	Not enough staff to monitor above-mentioned pollution sources and give the necessary education to culprits.	Urgent appointment of Pollution Control officers as proposed in the organizational structure.
	Complaints from public about smoke coming from medical waste incinerator plant in Dawkinsville	Urgent appointment of Pollution Control officers as proposed in the organizational structure.
8. Disposal of the Dead	Not all funeral undertaker premises in area are known	Baseline study to be undertaken
	No destitute burial policy in place (currently a draft document, not yet adopted by council).	Urgent council adoption of proposed destitute burial policy.
9. Chemical Safety	Not all chemical manufacturers, importers, distributors and handlers in the Dr Kenneth Kaunda District Area of jurisdiction area are known.	Appointment of staff to update baseline information
	Not enough staff to monitor potential premises handling chemical substances.	Appointment of additional staff to monitor premises / businesses handling chemical substances

An opportunity to strategize with the Minister of Health should be sought to indicate the strategic and crucial place of Environmental Health in the whole package of public health service delivery in South Africa. As it is, the current state of affairs is dangerously imbalanced, and is skewed towards hospital-centric, curative and acute-care model of health care.

Even though South Africa is supposed to have adopted the Primary Health Care model of health care, that is developmental and which integrates environmental, socio-economic and political determinants of health, what is seen is a framework of over-emphasizing cure rather than care and prevention or maintenance of health. This is a very dangerous situation because it feeds on itself by allowing more people to get sick and thus creating a demand for more curative services supported by more pharmaceutical services that need more and bigger hospitals and more doctors, nurses and pharmacists.

Our public, that has been reduced to depend on curative services for the maintenance of their health rather than on their own enhanced ability to take care of themselves, within a conducive environment, has been used as justification for the disproportional allocation of the health budget in our country. The truth is that hospital-centric curative services have failed and continue to fail the health system of this country in terms of improved health outcomes.

Environmental Health Practitioners need to project the importance of the role they play in terms of identifying environmental health risks, quantifying those risks and costing them out and implementing appropriate interventions. Effective strategies should be developed for communicating to the decision makers what the consequences are should the risks convert to diseases and other negative health consequences.

Health and financial gains should also be highlighted of investing more in primitive and preventive health, particularly in the medium to long term. **Hence environmental health (Municipal Health Services) should be prioritized.**

2.2. Disaster Risk Management

To present all the activities achieved by the Dr Kenneth Kaunda District Municipality's disaster risk management centre during the period July 2008 to June 2009.

The Dr Kenneth Kaunda District Municipality consist of 4 local Municipalities i.e. City Council of Matlosana , Maquassie Hills local Municipality , City Council of Tlokwe Local Potchefstroom and Ventersdorp Local Municipality . Its population is estimated at 929 700 distributed unevenly

among the municipalities with the most densely populated being Matlosana with an estimated population of 409 600 (Quantec 2006)

During the 2008/2009 financial year, the city of Merafong local municipality formed part of the district municipality until April 2009. This report will therefore also incorporate all activities performed in Merafong up to April 2009.

The Dr Kenneth Kaunda district disaster risk management centre was formally established in 2007. The function is an independent directorate reporting to the Municipal Manager.

Although the disaster risk management centre is, to date not fully functional, it is in a position to effectively provide the service that is required.

The local municipalities within the District have in the past years shown considerable support of the function and this is highly commended. Most of the local municipalities have established disaster risk management units that operate under a Public Safety directorate. The establishment of these dates back as far as 2002.

During the strategic planning process the DR Kenneth Kaunda district disaster risk management centre had planned to achieve the following for the year 2008/2009:

1. Develop Phase 1 of the district disaster risk management plan
2. Monitor the implementation of the disaster risk management plan
3. Develop a district disaster management framework
4. Develop a fund requisition plan
5. Develop generic risk reduction plans
6. Establish disaster management advisory forums
7. Develop a plan to establish a centre

This report elaborates more on the activities that were planned to be achieved.

1. Develop phase 1 of district disaster risk management plan

In order to comply with all the requirements of the national disaster management act 57 of 2002 and the National disaster management framework and in order to build communities that are

resilient to disasters as well as ensure that there are proper processes in place for the effective management of disasters, a district and local disaster risk management plans had to be developed.

To effectively achieve the development of all plans (i.e. district and local) it was required that the disaster management centre procure the services of a consulting services to assist.

The North West University, African Centre for disaster studies was appointed to assist the district and local municipalities developing and implementing the requirements of the disaster management act and framework. This included the development of disaster management plans.

The project was planned to be approached in phases.

Level 1 plan- (district and locals) to be completed by end of 2008

Level 2 plan- (district and locals) to be completed by end of 2009

Level 3 plan – (district and locals) to be completed by end of 2010

A level 1 plan disaster management plan comprises mainly of the following:

- ▶ Establishing institutional foundations
- ▶ Putting in place contingency plans for responding to known risks
- ▶ Identifying key governmental and other stakeholders (Discussed in item
- ▶ Developing the capacity to generate a level 2 plan

The process of developing the level 1 plan began during the 2007/2008 financial year. The following, in completing the level 1 plan was achieved in 2008/2009.

Establishing institutional Foundations

(Integrated institutional capacity for disaster risk management)

To adhere to the requirements of the disaster risk management legislation and to ensure that partnerships and relationships are fostered between stakeholders, the disaster risk management centre has throughout 2008/2009 ensured the effectiveness of the following structures:

1. Disaster Risk Management District Coordinating Committee (DRMDCC)
2. Disaster Risk Management Advisory forums
3. Interdepartmental Disaster Risk management Committee

The structures are discussed in detail under item 6 (establishment of disaster management advisory forums)

Human Resources

The head of the centre and four staff members were appointed in 2007. In 2008/2009 a new organogram was drawn up and approved by council which included ten additional staff members three of which are to be appointed in 2009/2010 some in 2010/2011 and the rest in 2011/2012.

Development of MOU

In efforts to try and achieve the objective of ensuring the inter-municipal assistance is guaranteed, MOU templates were drawn up and handed over to local municipalities to enable them to effectively address the issues surrounding lack of capacity and resources.

Development of Macro Risk assessment

In order to ensure effective disaster risk reduction programs within the district, disaster risk assessments need to be undertaken.

In consultation with its local municipalities the district municipality undertook a macro risk assessment process in November 2008, which was also in preparation for its level 2 plan. This process was facilitated by the African centre for disaster studies (ACDS) in November 2008. A research proposal for the development of community based risk assessments was compiled by the NWU (ACDS) and accepted by the disaster risk management centre. A schedule for the development of the community based disaster risk assessments was made to commence in August 2009 with the pilot project in July 2009 (Jouberton- Klerksdorp)

Development of Contingency plans for known risks

Following the macro risk assessment process, generic contingency plans for known risks were developed and completed. (Reference to be made to level 1 plans – district and local)

The following contingency plans were also developed: Xenophobia, Cholera and General elections

Capacity building 2008/2009

Educator workshop (facilitated by NWU- ACDS)

Educators from different school were trained on PIER.

Cholera Workshop (facilitated by Dr KKDM)

Community member's work shopped on Cholera

PIER Educator training (Conducted by Ekurhuleni Metro)

Public Information Education Relations Educators trained to effectively roll out district PIER.

Finalization of level 1 plan

The district and local Municipal level 1 disaster risk management plans were finalized at the end of March 2009 and copies of all five plans distributed to the provincial centre and local municipalities.

Identifying key stakeholders

This process was undertaken when establishing the structures / forums for disaster risk management.

A database of all key stakeholders and resources was completed and is regularly being updated. A document detailing the roles and responsibilities of stakeholders was drawn up. This was adopted by all key stakeholders at the advisory forum.

Level 2- disaster risk management plan

After finalizing the level 1 plan, work schedules for developing the level 2 plan were drawn up and finalized. A project proposal for community based disaster risk assessments submitted and schedule for assessments have been drawn up.

2. Monitor the implementation of disaster risk management plans

Disaster risk management is a shared responsibility which must be fostered through partnerships between the various stakeholders and co-operative relationships between the different spheres of government, the private sector and civil society.

In order to achieve this, and to ensure effective monitoring and implementation of the disaster risk management plan, functional structures must be established at both the district and local municipal level.

The status quo of the structures is as follows:

Dr Kenneth Kaunda District Municipality

Forum	Status
IDRMC	Established ,Functional
DCC	Established, Functional
Advisory Forum	Sufficient participation in district forum
Political Forum	Functional

City Council of Tlokwe Local Municipality

Forum	Status
IDRMC	Functional
DCC	Sufficient participation in district forum
Advisory Forum	Sufficient participation in district forum
Political Forum	Functional

City Council of Matlosana Local Municipality

Forum	Status
IDRMC	Not Functional
DCC	Sufficient participation in district forum
Advisory Forum	Sufficient participation in district forum
Political Forum	Functional

Ventersdorp Local Municipality

Forum	Status
IDRMC	Not Functional
DCC	Sufficient participation in district forum
Advisory Forum	Sufficient participation in district forum
Political Forum	Not effectively addressing DRM

Maquassie Hills Local Municipality

Forum	Status
IDRMC	Not Functional
DCC	Sufficient participation in district forum
Advisory Forum	Poor participation in district forum
Political Forum	Not effectively addressing DRM

Merafong Local Municipality

Forum	Status
IDRMC	Not Functional
DCC	Sufficient participation in district forum
Advisory Forum	Poor participation in district forum
Political Forum	Not effectively addressing DRM

The functionality of structures at local municipal level has remains a challenge. This is mainly due to the lack of dedicated disaster risk management officials at local level.

Development of a district disaster risk management framework

Section 42 of the disaster management act 57 of 2002 stipulates that “Each Metropolitan and each District municipality must establish and implement a framework for disaster management in the municipality aimed at ensuring an integrated and uniform approach to disaster management in its area”

This framework must be developed in consultation with the local municipalities in the area.

In this regard, a draft disaster risk management framework for the district was developed by the North West University ACDS in consultation with the District Disaster management centre and all five local municipalities.

This draft framework was circulated amongst the disaster management role players within the district for comment following which it was adopted at the Disaster Risk Management advisory forum as draft framework. This draft framework was also adopted by council

The framework will however remain as a draft document until the provincial centre has completed and adopted the provincial framework.

Develop a fund requisition plan

In order for the disaster risk management unit to effectively function it is imperative that it is funded. The disaster risk management centre, over and above the equitable share, requests on annual basis, grant funding.

For the year 2008/2009 a fund requisition business plan was submitted to the provincial centre with the following request:

<i>Project details</i>	<i>Estimated total cost</i>
Disaster Management Relief Tents Blankets Sheeting Mattresses Transport Emergency food supplies JOC meetings	R 300 000.00
Disaster Management Plan	

Completion of phase 1 Phase 2 of plan Disaster management Advisory Forum Disaster Risk management Framework	R 500 000.00
Disaster Management Centre Completion of phase 2 (Kitchen and restroom facilities)	R 500 000.00
Disaster management Awareness Disaster Reduction Day Disaster Management Workshops- <ul style="list-style-type: none"> - Teachers in Disaster risk reduction - Local Municipalities - Pier Training Promotional Material - Posters <ul style="list-style-type: none"> - Banners - Promotional items e.g. pens rulers ect - Booklets and Pamphlets Electronic advertisements Print Advertisements Disaster Management displays and exhibitions Logistics and venues	R 700 000.00
Total	R 2000 000.00

Grant funding totaling an amount of R 2 million was received in January 2009.

Develop risk reduction plans

Public education, awareness and research

The district center has developed a public awareness strategy in the form of Public Information Education and Relations (PIER). This strategy has been adopted through out the district and rolled out in July 2008.

Through this strategy, the district centre and local municipalities, in collaboration with other sector departments within the district center have visited more than 25 000 school learners and community members. Also, Numerous campaigns such as the arrive alive cholera and safety demonstration also formed part of the PIER.

The effectiveness of this strategy has been proven by the decline in the number of incidents within the district.

Amongst other campaigns mentioned above, the GIRRL project as had a major contribution towards risk reduction.

GIRRL (Girl in Risk Reduction Leadership) Project

Funded by the World Bank, The Office of the executive mayor of the district and supported by the North West University, this project was successful to the extent that it was nominated as a international best practice by the United Nations International Strategy for Disaster Risk Reduction on its contributions to gender.

The project, which was lead by a researcher from Jaimaica (Kylah Biggs –Forbes) was carried out in Sonderwater in Potchefstroom in Boitshoko High school. It project involved about twenty teenage girls from the school and lasted for approximately nine months.

In view of its success the project was planned to be replicated in Ventersdorp (Thuto Boswa) and Maquassi Hills (Reabona) in 2009/2010

Establish disaster risk management advisory forums

Disaster Risk Management District Coordination Committee (DRMDCC)

This body was established in 2007. Its main purpose is to promote inter-municipal relations and to achieve a co-coordinated, integrated and uniform approach to disaster management by all municipalities within the district municipal area. All local municipalities are members in this forum. The DRMDCC (also referred to as the DCC) holds its meetings monthly. Currently, this structure is fully functional.

All twelve meeting were held in 2008/2009

Interdepartmental Disaster Risk Management Committee.

The aim of the Interdepartmental Disaster Management Committee (IDRMC) is to provide a forum where different departments within the municipality can coordinate and integrate their actions and activities relating to disaster risk management. This committee allows technocrats to compile disaster management plans and strategies, implement appropriate disaster risk reduction methodologies, engage in emergency preparedness and ensure rapid and effective disaster response and recovery capabilities.

The IDRMC also provides an accountability mechanism between departments in terms of disaster management activities. The IDRMC ensures the integration of disaster risk reduction

into developmental initiatives in the municipality. It forms the foundation of the Disaster Management Advisory Forum and meets quarterly. The structure was is fully functional. All four meetings were held in 2008/2009

Disaster Risk Management Advisory Forum

This is an advisory body in which a municipality and relevant disaster management role players consult one another, co-ordinate their actions and provides necessary input on matters relating to disaster management.

The main aim of the establishment of this forum was to achieve the following:

- a) Develop a point of co-ordination for all role players.
- b) Develop the capacity and understanding about disaster risk management amongst key role players
- c) Facilitate cooperation between district and local key role players
- d) Encourage the development of resource sharing arrangements around financing including the delivery of emergency services and responding to emergencies or disasters
- e) Ensuring the responsibility of reporting to key stakeholders including the municipal council, province and national on matters relating to disaster risk management.

This structure meets quarterly and is fully functional .All meetings were held in 2008/2009.

Develop a plan to establish a centre

The strategic planning document of the unit was reviewed in 2008/2009 to address the establishment of the centre. The plan for the establishment of the centre forms part of the strategic document.

Disaster response and recovery

Although the district centre is currently in its infant stages, it currently has the capacity to respond to major incidences. This is made possible through partnerships with the local municipal satellite centers as well as other role-players in the district. The District has also developed a uniform disaster/incident report template that is used to report all incidences. Disaster response and recovery is an ongoing activity and improvements are still required to ensure quick and effective response to disasters.

Major incidents that occurred in Dr Kenneth Kaunda :

1. Heavy Rains and Flooding – Matlosana and Maquassi Hills: February 2009. (Reference can be made to incident report at the centre)

Information management and communication

The Act requires disaster management centers to establish information and Communication capabilities. This includes the ability to operate a 24hour emergency communication for purposes of early warning dissemination and other related matters. The district center currently relies on local municipal satellite centers in performing this function. However, the process of developing a call desk which is able to coordinate all communication activities within the district is still underway. Also an agreement is currently being negotiated with the Department of Health (EMRS) for a shared call centre service.

Support structures

2010 – Safety and Security - District Coordinating Structure. This was specifically formulated to address issues specifically related to the confederations cup and 2010. Bi – Monthly meetings are currently being held and training or cluster members. The structure was formulated with a vision to have standard events management for the district.

Fire Services

The responsibility of the coordination of fire services within the district lies currently with the disaster management centre. In view of the above, a structure (District Fire Services forum) was established to ensure the effective coordination of the fire services within the district. A fund requisition plan for firefighting equipment was made for the grant funding for the fire services. (For 2008/2009)

The fund requisition was for the following projects:

Merafong:

<i>Project details</i>	<i>Estimated total cost</i>
Procurement of Fire Fighting & Rescue Vehicles:	
Multi Purpose Rescue Pumper (fire fighting vehicle with fire fighting capabilities)	R 2 525 500.00
Multi Purpose Fire Fighting Pumper (urban and rural fire fighting)	R 2 300 000.00
Sub Total	R 4 825 000.00
VAT	R 675 500.00
Total	R5,500,500.00

Ventersdorp:

<i>Project details</i>	<i>Estimated total cost</i>
Extinguishing of fires - Multipurpose fire fighting water tanker	R 2 000 000.00
Total	R 2 000 000.00

A total amount of R 7.5 million was received in January 2009 by the municipality. However, in view of the time frame required to manufacture fire engines (6-8 months), the project commenced in 2008/2009 but will only be completed in 2009/2010.



2.3. Five National KPA as Determined by National Level

Setting KPAs is the first step in the performance management process. Section 26 (c) of the Municipal Systems Act requires that the development KPAs of the municipality be clustered around the KPAs which were determined at the national level and which can be regarded as national developmental priorities. This KPA focuses on financial viability of municipalities and the ability and effectiveness of municipalities to meet their assigned responsibilities within their current financial capabilities

Measurable objectives	KPI	Output	Budget	Expenditure	Actual performance	Variance	Reason for deviation	Remedial Action
To draft annual budget and submitted to municipal council	No. of draft annual budget and submitted to municipal council	Submit annual budget to council	Revenue R187044230 Expenditure R138 174 361 Capital R51501579	Revenue R187044230 Expenditure R138 174 361 Capital R51501579	Submitted on time as required by legislation	n/a	n/a	n/a
Final budget and submitted to municipal council	No. final budget and submitted to municipal council	Submit annual budget to council	Revenue R187044230 Expenditure R138 174 361 Capital R51501579	Revenue R187044230 Expenditure R138 174 361 Capital R51501579	Submitted on time as required by legislation	n/a	n/a	n/a
Advert to be made on table draft budget	No. of advert to be made on table draft budget	Tabling of draft budget	n/a	n/a	Draft Budget and mid-year performance assessment was submitted to Council on time	n/a	n/a	n/a
To compile financial mid-term report and submitted to the Executive Mayor and Municipal Manager on or before 25 January	No. of financial mid-term report compiled and submitted to the Executive Mayor and Municipal Manager on or before 25 January	Report on the mid-term report	n/a	n/a	Draft Budget and mid-year performance assessment was submitted to Council on time	n/a	n/a	n/a
To compile adjustment budget	No. of adjustment	Adjustment budget	n/a	n/a	Adjustment Budget submitted	n/a	n/a	n/a

and submit to council	budget compiled and submitted to Council by 28 February					to Council and approved by Council			
To submit quarterly reports in term of (MFMA) 52(B))	No. of quarterly reports submitted to the Executive Mayor and Municipal Manager (MFMA 52(d))	Quarterly reports	n/a	n/a	n/a	Reports was submitted to the relevant committees as to Comply as required by National Treasury	n/a	n/a	n/a
To submit monthly report submitted to the Executive Mayor, Municipal Manager and Stakeholders	No. of monthly reports submitted to the Executive Mayor, Municipal Manager and Stakeholders	monthly reports	n/a	n/a	n/a	Reports was submitted to the Mayor as to Comply as required by National Treasury	n/a	n/a	n/a
To produce supply chain management report	No. of Supply Chain Management reports submitted to the Executive Mayor and Municipal Manager	Supply chain management report	n/a	n/a	n/a	Reports was submitted to the relevant committees as to Comply as required by National Treasury	n/a	n/a	n/a
To submit Annual financial statement	Preparation and submission of Annual Financial Statements	Annual financial statement	n/a	n/a	n/a	Preparation of financial statements done during May, June, July and August and finalized at the end of August as required by Legislation	n/a	n/a	n/a
To develop asset register	Preparation of an Asset Register	Asset register	n/a	n/a	n/a	Register completed at 30 June 2009. Ongoing process. Verification of assets and	n/a	n/a	n/a

To review asset management policy	Preparation and review of the Asset Management Policy	Policy review	n/a	n/a	n/a	maintaining asset register ongoing process	n/a	n/a	n/a
To review investment policy	Preparation and review of the Investment Policy	Policy review	n/a	n/a	n/a	Policy was reviewed during the year	n/a	n/a	n/a
To review subsistence, travelling and accommodation policy	Preparation and review of the Subsistence, Traveling and Accommodation Policy	Policy review	n/a	n/a	n/a	Policy was reviewed during year but not approved	n/a	n/a	n/a
To attend audit queries	Percentage of Audit Queries address	Audit Queries	n/a	n/a	n/a	Audit queries was attended to immediate after receiving and correction of errors	n/a	n/a	n/a
To complete investment register	Investment Register Reconciliations completed by the 10 th of each month	Expenditure management	n/a	n/a	n/a	Registers kept up to date and is an ongoing process	n/a	n/a	n/a
To ensure payments on salaries and allowances	No. of salaries and allowances payments made by 25 th of each month	Expenditure management	n/a	n/a	n/a	Done on a monthly basis.	n/a	n/a	n/a
To ensure bank reconciliation each month	No. of bank reconciliations made by the 10 th of each month	Expenditure management	n/a	n/a	n/a	Done on a monthly basis	n/a	n/a	n/a
To ensure payments of creditors	Payment of creditors within 30 days (percentage)	Expenditure management	n/a	n/a	n/a	Done on a monthly basis. Ongoing process. Maintenance on	n/a	n/a	n/a

To completed Creditors reconciliation	Creditors reconciliation completed by the 10 th of each month (control account)	n/a	n/a	suppliers done monthly Not fully compliant. Training to be provided and will be implemented in the 2009/10 financial year	n/a	n/a	Training to be provided and implemented in the 2009/10 financial year
Reduction of debt	Percentage reduction of debt older than 120 days by 20%	0	70327	Credit card debtors outstanding was written off during the year	n/a	n/a	n/a
To collected Rand value levy of budget revenue	Rand value levy/ collected of budget revenue	n/a	n/a	No collection of levies. Transferred to Local Municipalities	n/a	n/a	n/a

Municipal Financial Viability

Dr. Kenneth Kaunda Integrated Development Plan (IDP) has been utilized for informing the annual budget. In addition to the alignment of Integrated Development Plan (IDP) with the annual budget is the establishment of the Budget Steering Committee to intensify the alignment through the following aspects:

- ▶ Monitoring and financial management by senior managers system,
- ▶ Approval of payments by senior managers,
- ▶ Approval of payments from the approved budget,
- ▶ The adjustments budget downwards when revenue collection is material under,
- ▶ The adherence to the service delivery and budget implementation plan,
- ▶ Senior managers are responsible for efficiently, economy, effectiveness and transparency of acquiring goods and services,
- ▶ The senior managers are fully aware that the Executive Mayor monitors quarterly implementation of the service delivery and budget implementation plan (SDBIP),
- ▶ The senior managers recognized that under collection of revenue impacts on their implementation programmes.
- ▶ The Municipal Council appoints quality service providers for collection of arrear service.
- ▶ Preparation of budget by HOD's for their own units; and
- ▶ The verements by the by HOD's within their budget votes

Grand Expenditure and Management

Grant Expenditure and Management

Non-Conditional Grants

Equitable Share RSC Replacement Grant	Budget	Received	Expenditure
	14,578,000	14,578,000	14,578,000
	108,667,319	108,667,319	108,667,319
Total	123,245,319	123,245,319	123,245,319

Portion of grants received not yet to be spent currently is invested with approved Financial Institutions (BANKS)

Output achieved through MSIG

Conditional Grants

Municipal Systems Improvement Grant	Budgeted	Received	Expenditure
	735,000	735,000	735,000
Total	735,000	735,000	735,000

Appointment of consultants to assist in the conversion of the assets register from Gamap to Grap. There were no special projects introduced to improve financial viability during 2008/2009 financial year as Dr Kenneth Kaunda District Municipality is financially viable



This KPA focuses on how municipality provides infrastructure development services during the 2008/09 financial year.

KPA 2: Infrastructure Development and Service Delivery

Measurable objectives	KPI	Output	Budget	Expenditure	Actual performance	Variance	Reason for deviation	Remedial Action
To Comply with Legislation, Improve Management and Enhance Private Ownership	Report on township Establishment	Contour Survey Layout plan Engineering services report EIA General plan Township register	R 708,000.00	R 110,294.57	Contour Survey Layout plan Engineering services report EIA		The issue around landownership and state land has delayed the process	Landownership has been resolved.
Road safety for motorist and pedestrians	Implementation on traffic lights on N12	Traffic light	R 350,000.00	R0.00			Matiosana CC in co-operation with SANRAL is busy with traffic safety measure on the N12 along Jouberton. Matiosana CC requested that funds be transferred to them	Funds to be transferred to Matiosana CC as top up funding
Reduce flooding of Khuma main access road	Improve flow conditions through culverts	Excavating and cleaning the flow canal	R1,000,000.00	R 84,489.86	Tenders had been invited. In procurement process.		Work can only be done during the dry season	
Reduce flooding of residential area	1200 meter lined diversion canal	Concrete lined canal and culverts through provincial road	R 6,050,000.00	R 2,897,517.11	Canal completed Culverts in position Overall 95% completed	There will be a saving of ±R400,000.00 on the budget amount		No remedial action required. Expected completion middle May 2009, well within contractual completion date
Improve mobility and safety of road users	600 m meter main road with kerbs	Rehabilitation of 600 m road surface Construction of 450 m storm water pipe. 1200m Kerbs Paving of 2,550 m ² side walks	R 6,000,000.00	R 269,450.19	Tenders had been invited. In procurement process			
Protecting road infrastructure and	Structural concrete repairs	Repair work to	R 7,930,000.00	R 3,322,493.30	Concrete rehabilitation		Council had to approve	

accessibility into Potchefstroom	Rehabilitate ± 2 km of road over the Drikus Malan Bridge (N12)	Milling out of 18,000 m ² of wearing course and replace with asphalt. Repair and paint 2 km kerbs Road markings and signs				completed	additional funding on the February 2009 adjustment budget before the road rehabilitation contract could be awarded.
Develop a solid waste landfill site that will comply with legislation	Landfill site with amenities	1200 m Long surfaced access road, Control building Security fence and gate	R 5,551,563.00	R 5,332,612.00		Completed	
Improve the safety of the residents by installing street lights	112 Street Lights	112 Street lights in Tswellelang	R 500,000.00	R 420,899.45		Completed	
Improve the safety of the residents by installing street lights	Street Lights in Lebaleng	Project was suspended by the Municipal Manager					
Improve the safety of the residents by installing street lights	Street Lights in Tswellelang	Project was suspended by the Municipal Manager					

Measurable objectives	KPI	Output	Budget	Expenditure	Actual performance	Variance	Reason for deviation	Remedial Action
Improve the safety of the residents by installing street lights	Street Lights in Trotsville	Project was suspended by the Municipal Manager						
Improve the financial and service delivery capacity of MHLM	Financial report on service delivery	Report on the electricity metering and billing of MHLM	R 200,000.00	R0.00	Completed departmentally		The budget amount was earmarked to employ a service provider to assist. All information was obtained departmentally from ESKOM and MHLM (reports & billing system)	
Improve the safety of the residents by installing area lighting in the rural villages	High mast lights in the rural villages north of Ventersdorp	Ga-Mogopa 5 Goedgevonden 3 Welgevonden 2 Tsetse 2 Boikhutso 3 Boikhutsong 2	R 1,700,000.00	R 1,277,280.85	Completed			
Pilot project LED Solar Street Lights in rural settlements	Solar panel street lights in two rural villages in Klerksdorp area.	Jakaranda 5 Baitshoki 8	R 367,324.00	R 362,613.82	Completed			
Improve storage capacity to comply with guidelines	10 MI Reinforced Concrete Reservoir	10 MI concrete reservoir with pipe work	R 7,400,000.00	R 5,395,198.27	Reservoir filled with water. Outstanding slope protection (grass planting) and trimming. 98% Completed			
Provide access to water for residents	Bulk water supply line Kokosi Ext. 6	1700 meters X 160 mmØ uPVC	R 800,000.00	R 8,218.92	Tenders had been invited.		Delay due to lack of project	

Status of projects on Infrastructure development and Service Delivery for 2008-2009

COMMITMENTS IN RESPECT OF CAPITAL EXPENDITURE										
Vote no.	Project	Approved Budget	SERVICE PROVIDER			CONTRACTOR		APPOINTED CONTRACTOR		
			CONSULTANT		Contract no. & Appointment Date	Name	Name	CONTRACTOR	CONTRACTOR	
			Contract no. & Appointment Date	Name						Contract no. & Appointment Date
COMMUNITY SERVICES										
1087/05/14/0002	Rysmierbult Clinic	R 1,060,000.00	SDM 02/07	AB4 ARCHITECTS	SDM 02/07	MP Construction	R 112,233.00	R 445,238.17		
1087/05/15/0003	Ventersdorp Rural Formalization	R 708,000.00	SDM 02/07	Nep Consulting Eng.			R 1,439,889.83			
1087/30/5/64/0001	Tlokwe Zonderwater Geostudy	R 2,500,000.00		Tlokwe did the study and payment was effected after proof of expenditure was presented to DKKDM						R 1,376,351.48
ROADS AND STORMWATER										
1087/15/5/30/0001	Lebaleng Storm Water Main Road	R 6,050,000.00	SDM	Ninham Shand	SDM 16/08	Ezekiel Moeti Construction		R 4,214,603.96		
1087/15/5/30/0002	Wolmaranstad	R 6,000,000.00	SDM 11/08	Aurecon	SDM 10/09	Godirela Civils		R 5,102,810.75		
1087/15/5/33/0001	Drikus Malan Phase 2	R 7,930,000.00	SDM	Ninham Shand	SDM 18/08	Roadmac Surfacing				
1087/15/5/30/0002	Khuma Main Road	R 1,000,000.00	DKKDM - Technical Services		SDM 13/09	Care Paballo Trading		R 975,076.20		
1080/05/8/16/0045	Rural Road Maintenance	R 2,000,000.00	DKKDM - Technical Services		SDM 15/09	Matlosana Consortium		R 929,829.60		
					SDM 16/09	KD Civils		R 978,602.56		
WATER										
1087/30/5/63/0001	Water Pipeline Fochville	R 800,000.00	SDM 21/08	KRM Consulting	SDM 09/09	CMS Water Engineering		R 1,905,811.64		
1087/30/5/61/0001	Hartbeesfontein Reservoir	R 7,400,000.00	SDM	Nep Consulting Eng.	SDM 13/07	Lepogo Construction		R 9,933,722.70		
1087/05/5/16/0010	Rural Sanitation & Water Backlog @ Schools / Clinics	R 1,816,000.00	DKKDM - Technical Services		Water (drilling of boreholes) SDM 07/09	Johan Barnard Consulting & WR Drilling t/a Waterrues Pty Ltd		R 68,475.00 + R 566,369.10		

HOUSING									
1087/05/5/16/0011	Housing Project & Infrastructure Baitshoki Village	R 2,200,000.00	DKKDM - Technical Services	SDM 06/09	Dimpho Supplies				
SANITATION									
1087/20/5/43/0001	Sewer Pipeline Kokosi	R 950,000.00	SDM	SDM 09/09	CMS Water Engineering				R 1,905,811.64
1087/05/5/16/0010	Rural Sanitation & Water Backlog @ Schools / Clinics	R 1,816,000.00	DKKDM - Technical Services	Sanitation	DKKDM - Technical Services				
SOLID WASTE									
1087/20/5/41/0001	New Solid Waste Landfill Site	R 551,563.00	SDM 07/08	SDM 11/07	Khoisan Civils				R 1,709,648.67
ELECTRICITY									
1087/25/5/52/0005	Investigation Electricity Losses Maquassi Hills	R 200,000.00	DKKDM - Technical Services		Work done dept using info obtained from the local mun and electrical engineers			R 279,000.00	
	Supply , erection and commissioning of ten solar led stret lights	R 367,324.00	DKKDM - Technical Services	SDM 14/08	Phemelo Electrical Contractors				R 433,323.00
Tender only advertised in 2009/10 for water and sanitation, Township establishment was advertised and then after appointment of Land Surveyor and Town Planner, it was cancelled at the instruction of the MM									
1087/05/5/15/0006	Water and Sanitation Infrastructure, Toevlug	R 6,200,000.00	SDM 24/09	Tenders not yet advertised	King and Associates (appointment done in 09/10)				

This KPA focuses on the issues of good corporate governance, public participation structures and overall accountability.

KPA 3: Good Governance /Public participation

Community Based Programmes

In co-operation with the Dr. Kenneth Kaunda District Municipality multi-year community based cleaning programmes (mayoral projects) has been embarked on in all the local municipalities

Public participation

Municipality	Coordinating Committee	Steering/ Tech Committee	Rep Forum	Ward/Public Consultation
Matlosana		10 Mtngs	3 Mtngs	3 Rounds Completed
Maquassi Hills				
Merafong		8 Meetings	13 May 09	Oct-Nov 09
Tlokwe			17 Mar 09	1 Round , Feb 09
Ventersdorp		2 Meetings	11 Dec 08	2 Rounds, Nov 08 and May 09
Dr KK DM	2 Meetings	2 Meetings	28 May 09	IGR Forums EM Road Show, May 09 Sector Engagements, Dec 08

Challenges of Ward Committees

- Except in Merafong, ward committees meet regular
- Venues and transport of members is a problem
- Training of members
- CDW's do not participate in ward committee meetings

Challenges Community Development Workers

- CDW's accountability
- Tensions between CDW's and ward Councillors

- Relationship between ward committees and CDW,s
- Services by CDW's to rural villages and farm dwellers

Coordination & Support Role of the District

- IGR Forum
- Municipal Manager's Forum
- Sanitation Forum
- Transport Forum
- Communication Forum
- IDP Forum
- District Finance Forum
- Women in Dialogue
- Infrastructure Development

The following projects have been embarked on by the Dr. Kenneth Kaunda District Municipality:

- ▶ Engineering learnerships 20 students (district wide) with Anglo Gold Ashanti
- ▶ HIV/AIDS – 100 learners (district wide)
- ▶ Sewing & upholstery (disabled persons from Maquassie Hills)
- ▶ 120 bursaries awarded to students (district wide)
- ▶ Cleaning equipment to youth
- ▶ Skills development drive 40 deserving learners registered with Vuselela over 3 year period

Challenges

- Local Municipalities do not budget for Special Programmes.
- Special Program officials do not have facilities like computers, printers, e-mails etc (except for Matlosana & Tlokwe).
- No support from political principals for locals.
- Working conditions with other local municipalities not conducive

Intervention and Support

- 🚧 Providing for and funding both IDP Skills and CBP training to all municipalities that will receive such training

- ✚ Commitment to hands-on support among all locals and the district
- ✚ Continuous engagements with the locals
- ✚ Funding of pilot CBP wards by the district to ensure effective implementation
- ✚ Direct logistical support to local IDP officials
- ✚ Providing for and funding both IDP Skills and CBP training to all municipalities that will receive such training
- ✚ Commitment to hands-on support by all locals and the district
- ✚ Continuous engagements with the locals
- ✚ Funding of pilot CBP wards by the district to ensure implementation

Izimbizo's & Budget Processes

- Regular Izimbizo.s are held by both the District Municipality as well as the Local Municipalities
- At LM's budget consultative processes is conducted at ward committee level.
- LM's advertise and conduct mass meetings on the annual budget
- DM consult LM's on their budget
- Budgets are placed in local media

Handling of Service Delivery Enquiries

- Minor Service Delivery Complains are directed to the relevant department/section to deal with
- Petitions are received by the Executive Mayors/Mayors & Municipal Managers
- Follow up procedures for petitions are in place.

This KPA focuses on how municipalities have performed in transforming its institutional structure, especially against performance targets / milestones set for the establishment / stabilization phase of local government transformation. It also focuses on leadership and institutional development that is critical for transformation in order to enable the municipality to deliver services effectively

KPA 4: Municipal Transformation and Organizational Development

Measurable Objectives	Key Performance Indicators	Output	Budget	Expenditure	Targets	Actual Performance	Variance/deficit (Proof submitted)	Reason for Deviation	Remedial Action
Improve organizational culture by conducting a organizational culture survey and develop plans to improve the culture by the end of the financial year	Cultural survey done and improvement plans developed %	Conduct survey and develop plans.	-	-	50 %	80%	Research done. Permission to appoint Service Provider to be obtained. Met with possible service providers. Awaiting appointment of MCS		
Promote good governance by filling all funded positions within acceptable timeframes	Funded Positions filled (%)	Filing of positions as required by departmental heads	-	-	100 %	80%	Some contract ended at the end of March, certain post were filled during 2009/10	No indications/requests forthcoming from Dept Heads	
Promote internal excellence by compiling HR plan within 10 days after the new financial year starts.	Consolidated municipal HR plan availability within 10 days from D-date (%)	Compilation of HR plan	-	-	100 %	100 %	-		
Promote good governance by development of HR policies as required	HR Policies required versus available (%)	Develop identified HR policies	-	-	80 %	80 %	Approved policies attached. Ongoing		
Ensuring internal competence by filling positions within 12 weeks after vacant (employed applicants)	Average HR acquisition lead time for employed persons(weeks)	Acquisition of employees within 12 weeks	-	-	12 weeks	12 weeks	Report		
Ensuring internal competence by filling positions within 8 weeks after vacancy occurred (unemployed applicants)	Average HR acquisition lead time for unemployed persons (Weeks)	Acquisition of employees within 8 weeks	-	-	8	8	No Variance. Report attached	N/A	

Measurable Objectives	Key Performance Indicators	Output	Budget	Expenditure	Targets	Actual Performance	Variance/deficit (Proof submitted)	Reason for Deviation	Remedial Action
Improving good governance by developing and implementing training programs within given timelines	Training Programs requested versus provided (%)	Training programs developed and implemented in terms of Skills development plan	995 000	695 000	80 %	100%	Skills development plan timely submitted and approved by Dept of Labour	N/A	
Ensuring internal excellence by assessing training programs at the regular Training Committee Meeting	Skills Training impact assessment report per training program availability	Impact assessment reports	-	-	100 %	100 %	Responses received – which indicate success.	N/A	
Improving of good governance by reducing labour disputes	Reduction in Labour disputes (%)	Effective finalization of labour disputes %	-	-	30 %	25 %	One outstanding Labour disputes at present	N/A	Improving of good governance by reducing labour disputes
Ensuring internal excellence by submission of a Skill Development Plan in terms of legal requirements.	Compliance with Skills Development Act (%)	Training reports submitted (number)	-	-	100 %	100 %	Skills Plan submitted timely and approval of Dept of Labour was received.		
Improving good governance by ensuring favourable labour cases outcomes	Total Labour cases versus favourable outcomes (%)	Reports in event of labour cases	-	-	80 %	75 %	One pending labour cases. No negative outcomes.		
Improving good governance by ensuring monitoring and implementation of employment equity plan	Equity Plan monitoring reports (n)	Equity employment reports (number)	-	-	4	2	-		
Improving good governance by implementing employment assistance when required.	Employee assistance requested versus provided (%)	Plan and policy adopted and assistance given when needed. Service providers registered	-	-	90 %	90 %	No requests. All requested help was addressed immediately Policy & Procedure in place.		

Measureable objectives	Key Performance Indicators	Output	Budget	Expenditure	Targets	Actual Performance	Variance/deficit (Proof submitted)	Reason for Deviation	Remedial Action
Enhancing internal excellence by ensuring that facilities are always functioning	Facilities functionality rating (%)	Maintaining and managing of facilities	112 175	51 596	60 %	40 %			
Ensuring good governance by enhancing document retrievable rating	Document irretrievability rating (%)	Managing and maintaining information records (Physically and IT related)	-	-	80 %	100 %	Physical Evidence		
Ensuring good governance by managing meetings (minute taking)	Average time to make meeting minutes available to attendees (days)	Managing of quality minute taking and availing thereof to attendees	568 457	420 223	7	5			
Ensuring internal excellence by effective managing of Information Connectivity Technology	Server availability online (%)	Maintenance and management of information technology systems	274 489	99 815	70 %	70%	No breakdowns during quarter in question. See IT monthly report		
Ensuring internal excellence by effective managing of Information Connectivity Technology	Information satisfied rating % (Reports number)	Conducting user satisfaction rating	-	-	80 % 3	80 % 3	IT reports		
Ensuring internal excellence by effective managing of Information Connectivity Technology	Average lead time to implement accepted urgent changes requested (days)	Report on leading time to install new programs and manage changes	-	-	3	1	Progress reports		
Ensuring internal excellence by effective managing of Information Connectivity Technology	Information security policy (n)	Policies available	-	-	1	20	IT Policies adopted and workshopped with Departments. Bundle available.		
Ensuring internal excellence by effective managing of Information Connectivity Technology	Information security controls required versus available (%)	Disaster recovery plan available. Backups stored off site	-	-	80 %	80 %	All firewalls and securities installed. Daily, weekly and monthly backups stored off site.		
Ensuring good governance by	Knowledge		-	-	80 %	80 %	All information		

effective Information/Knowledge management	planned to be documented versus documented (%)							documented. Policy and Procedure Manual adopted: 25 Sept 2008.	
Ensuring internal excellence by enhancing employees satisfaction rating	Employee satisfaction rating. Number of unresolved grievances (%)	-	-	30 %	30 %	Grievances all solved.			

Measurable objectives	KPI	Output	Budget	Expenditure	Actual performance	Variance	Reason for deviation	Remedial Action
Ensuring appointment of section 57	Four section 57 managers to be appointed	Interviews has been conducted	-	-	Delay of appointments		No relevant candidates for the applicable positions	Re-advertisement position
To appoint ordinary staff	%percent of staff member to fill vacant position	Interviews in process	-	-	80% of staff is been appointed			
To appoint contracted staff	Service provider to be contracted for security vs. required %	Appointment of G4 security company	-	-	Month to month contract has issued			
To outsourced staff services	Appointment of service vs. required%	Appointment of Morubisi technologies	-	-	Provide surveillance cameras on behalf of District.			
To ensure WSP AND ATR	% Implementation of WSP and ATR	Submission of plan	-	-	Submitted to LG Seta in June 2009			
To ensure a full functioning of organizational structure	Finalize and update organogram	the council to adopt the structure	-	-	Positions to be filled. Adverts placed as per policy for all funded positions			
Competency Level Of Section 57 Managers	conducted by Audit	Audit has been conducted by DLGH	-	-	report in this regard is still outstanding	individual Section 57 Managers have not received feedback		

Measurable objectives	KPI	Output	Budget	Expenditure	Actual performance	Variance	Reason for deviation	Remedial Action
Recruitment Policy	Development of recruitment policy	In place adopted by Council on 30/04/2007	-	-	Staff appointments are conditional on successful candidates being suitably qualified and meeting the inherent requirement of the job as publicized. All appointments will comply with the Act and other relevant legislation. This will be in accordance with the accepted and adopted principles of principles of the Dr. Kenneth Kaunda District Municipality's Employment Equity Policy. In its simplest terms Human Resources Planning, Recruitment Selection and Placement involves placing the right person in the right jobs. Specifically it involves planning personnel requirement, building up a pool of acceptable candidates.			
Employment Equity Plan	% implementation of equity plan	In place	-	-	Equity Plans and profiles are submitted quarterly to the Training and Employment – Equity Committee. Thereafter these are submitted to the Corporate Services Portfolio Committee, Mayco and ultimately to the Municipal Council. After ratification by Council the Equity, Report and adjusted targets are then submitted to the Department of Labour as per the requirements of the Employment Equity Act			

Training Needs

Challenge	Interventions
Engineering Skills	20 Learners will be trained by Anglo Gold Ashanti
LED Practitioners	LED Practitioners learnership programme by the DM
Skills Retention	
Poverty alleviation through Agriculture development	Assist with agriculture related training
Financial skills	To date 26 officials has completed the CPMD training
Exit planning and retention of senior managers	

This KPA focuses on activities and programmers developed to promote DED and thus contributing to economic growth and job creation and initiatives directed at poverty alleviation

KPA 5: District Economic Development

Measurable objectives	KPI	Output	Budget	Expenditure	Actual performance	Variance	Reason for deviation	Remedial Action
Establishment of agri-business development for Tlokwe, Maquassie Hills and Ventersdorp	Setting up of a cooperative and land acquisition	Setting three (3) projects in the specified areas	R482.000.00	R478,842	Three (3) projects were set up. Tlokwe dry beans, Piggery in Maquassie Hills and Vineyard project in Ventersdorp. In all these three (3) projects service providers have been appointed to develop feasibility studies and business plans.	After completion of the first phase which is the feasibility study and the business plan, the second phase will commence which includes all the necessary technical support to the projects	No deviation	No remedial action needed
Establishment of agri-business development	Selection of suitable proposals	Projects identification	Part of the agricultural summit	Part of the agricultural summit	Several agricultural proposals were identified including the three implemented in Tlokwe, Maquassie Hills and Ventersdorp	No variance	No deviation	No remedial action needed
Branding and packaging Tourism products	Branding and packaging Tourism products	Tourism products packaged	R100 000	R95 788.00	Tourism brochure which packaged all tourism attractions, hospitality and food outlets was developed	No variance	No deviation	No remedial action needed
Tourism Awareness campaigns	Create awareness about the tourism industry as a whole and to unveil both the opportunities and potential for tourism development in the Dr. Kenneth Kaunda District	Visit to all local Municipalities in the District	R50.000	R29 693	Familiarization Tour was done and Local Councilors, community and tourism stakeholders participated. The campaign has been done to 2 Local municipalities Tlokwe and Merafong, and other municipalities to follow.	No variance	No deviation	No remedial action needed
Skills Training and Mentorship	Implementation of Skills Development and Training	Workshops conducted 20 stakeholders	R40.000	R32 058	In partnership with TEP (Tourism Enterprise Program) Toolkit programmes were	No variance	No deviation	No remedial action needed

Skills Development and Training Sept 08	* Implementation of Skills Development and Training * SA PLATO Mentorship programme – Project Closure	Workshops conducted 20 SMMEs attended Project Closure and Certificate Ceremony held at Vryburg.	Operational	R19 520	In partnership with TEP (Tourism Enterprise Program) Transport was provided to ensure attendance of participants. In partnership with Belgians, SEDA and Dr KKDM.	No variance	No deviation	No remedial action needed
Nov 08	* Training on the Small Business Financial Management and Costing	40 SMMEs participated at the District SMME Expo attended the training	R120 000,00 (Award received by Dr KKDM)	Operational	In partnership with the PUK SB & Potch Perfect	No variance	No deviation	No remedial action needed
2010 Development Plan	Approved plan for 2010	2010 plan developed	R500 000	R583,400	A Service Provider was appointed to develop a Tourism strategy for 2010, retention and expansion of businesses and incentive policy for investors	No variance	No deviation	No remedial action needed
Commercial and Industrial Development	% fund transfer	Developed partnerships	No budget allocation	No expenditure	District Municipality, Local Municipalities and business participate in bi-monthly LED forum where discussions about industrial and commercial developments are taking place	No variance	No deviation	No remedial action needed
SMME Development Aug 08	Hosting of the District SMMEs workshops / Summits.	300 SMMEs attended workshops / summit convened at the local municipalities	R100 000	R30 000	Summits were held in all five (4) local Municipalities. Financial and non-financial matters were discussed.	No variance	No deviation	No remedial action needed
Aug 08	Hosting of Women Cooperative Development Awareness Workshop. Promotion and	150 Cooperatives attended the awareness campaign. 40 SMMEs		R10 000	In partnership with the Prov. DETD and Dr KKDM. To create awareness on the women cooperative development and	No variance	No deviation	No remedial action needed

Sept/Oct 08	marketing opportunities.	participated at the District SMIME Expo held in Tlokwe	R100 000,00	R100 000,00	R100 000,00	support. Benchmarking, networking and business linkages.	No remedial action needed
Nov 08		50 Products were exhibited at the Provincial Mega Expo 08 held in Mafiketing	R80 000,00	R80 000,00	R80 000,00	Benchmarking, networking and business linkages.	No remedial action needed
Nov 08	Hosting of the Provincial Preferential Procurement	200 delegates attended the Preferential Procurement for Small Enterprise Products and Services (Ten Asides)	0	0	0	To ensure that Govt institutions procure ten aside products and services of the SMMES	No remedial action needed
Vigorous marketing of the area	Development of promotional material	Area marketed				In partnership with communications department two (2) District newspapers were produced.	No deviation
Enhancement of viable and fundable projects	Number of tender allocation	5 tenders allocated				Three (3) projects were set up. Tlokwe dry beans, Piggery in Maquassie Hills and Vineyard project in Ventersdorp. In all these three (3) projects service providers have been appointed to develop feasibility studies and business plans. A Service Provider was appointed to develop a Tourism strategy for 2010, retention and expansion of businesses and incentive policy for investors and identification of heritage sites.	No deviation

District Economic Development

Departmental Purpose

To provide support to local municipalities and coordinate the implementation of DED and Tourism strategies, programmes and projects within the district. Promote and market the district as a leading and preferred tourism and investment destination.

Functions

- ▶ Coordinate and implement DED and Tourism strategies and programmes projects in the District;
- ▶ Promote, coordinate and support SMME development;
- ▶ Coordinate and support local municipalities in implementing DED and Tourism programmes and projects;
- ▶ Promote and market tourism development in the district;
- ▶ Promote stakeholder participation in the economy;
- ▶ Promote and attract investment in the district;
- ▶ Promote and support job creation initiatives
- ▶ Undertaking official trips (traveling) and networking.

District Economic Development Plan DGDS

Five strategic thrusts of the Plan:

- Facilitate capacity building for SMME's
- Promote the establishment of SMME's in our district
- Support and promote the establishment of co-operatives within the district
- Measure impact of capital/construction projects on job creation and BBBEE
- Promote SMME's through facilitation of broad coordination within the district, local municipalities and other stakeholders

Economic Status Quo and Revitalization

A number of regeneration projects have been identified to drive the economic turnaround of the District and are based on the following principles

- Job creation
- Poverty alleviation
- Promotion of investment and trade, retain business and enable competitiveness

- To mobilize skills, experience and informal networks
- To promote citizenship and good governance
- The project link with growth strategies so as to provide necessary economic infrastructure and support

Business Network Development SMME Development and Job Creation

- ▶ Formation of Mining forums, LED forums and Business Unity NW aligned to Business Unity South Africa
- ▶ Formation of Development Agencies and incentive strategies
- ▶ Hosting of SMME Summit during Entrepreneurial Month.
- ▶ Attend Asian Expo.
- ▶ NW Provincial Mega Expo
- ▶ Entering into MOA with University of North West

Tourism, Land Redistribution, Agricultural Improvement and Promotion

Opportunities

- ▶ N12 Treasure route/N14Platinum Corridor.
- ▶ Vredefort dome,
- ▶ Tourism Product Audit
- ▶ National Game Reserves
- ▶ Hosting an Agric Summits
- ▶ To Develop Agricultural Strategy
- ▶ To mobilize internal and external resources and expertise

Challenges

- ▶ Inability to keep competent officials who are able to develop and implement sustainable LED programmes / projects. Lack of qualified LED Co-ordinators.
- ▶ Lack of LED Strategies. Some municipalities do not have LED Strategies.
- ▶ Insufficient financial resources to support SMMEs in the district.
- ▶ Inability to attract investors to invest in trade and industry due to poor infrastructure and high municipal rates.
- ▶ Insufficient co-ordination of development initiatives by the three spheres of government.
- ▶ Difficulty to compile a data base for businesses, i.e. manufactures Lack of budget for economic development initiatives.

- ▶ The single most difficult-to-overcome problem experienced by Small Business is gaining access to finance
- ▶ SMMEs often complain about the stringent and rigorous requirement of financial institutions and government agencies
- ▶ Entrepreneurs and potential entrepreneurs often have few resources or nothing to offer as collateral for loans
- ▶ SMMEs lack proper managerial and business know-how
- ▶ Most of the land is privately owned and undeveloped
- ▶ Slow pace in finalisation of land claims (which affects productivity)
- ▶ Influx of people from rural to urban areas
- ▶ No proper cooperation from other local municipalities in terms of communication
- ▶ No enough funds to review DGDS

Interventions

- ✓ Industrialise rural areas
- ✓ Strengthen and build on partnership between Province, District and the local private sector
- ✓ Engage financial institutions to create a model that will accommodate the “so called” unbankable SMMEs
- ✓ Develop a strategy for Small Town economic revitalization based on local available resources
- ✓ Intensify enterprise support.
- ✓ Introduce sustainable development community investment programs (SDCIP).
- ✓ Improve market and public confidence in in both local and the district municipality through alignment of national, provincial and local programmes (PGDS, DGDS, and Spatial Development Initiative of the North West Province (SDI).
- ✓ Resuscitate and mobilise LED Forums.
- ✓ Facilitate the establishment of the District Economic Development Advisory Council. The process has started.
- ✓ Attract investors by putting more efforts on improvement of infrastructure, and influence Local Municipalities to develop by-laws on rates that attract investors (Incentive Policies).

2.4. Projects Proposed by Locals: Funded by Dr KKDM: 2008/09

Ventersdorp LM Projects funded by Dr KKDM: 2008/09

SDM PROJECTS		PROJECT	PROJECT VALUE	2007/08	2008/09	2009/10	2010/11	2011/12	Confirmed by Dr KKDM (R)
PROJECT	PROJECT LOCATION								
Fire and Rescue Equipment	Ventersdorp	R2 000 000.00							2 000 000
Development of Rural Cemeteries		R1 500 000.00	R1 500 000						
Steel palisade Fencing of LED House		R 100 000.00	R 100 000						
Installation of High Mass	Villages	R2 800 000.00	R2 800 000	1 700 000					1 700 000
Lights at Villages & Street lights at 4 way crossing (1,2km) and Entrance Tshing Ext 3	& Tshing								
Fencing of Graveyards		R 800 000.00	R 800 000						
Water loss Management Scheme		R 250 000.00	R 250 000						
Formalization of Rural Villages		R 660 000.00	R 660 000	R300 000					300 000
Upgrading of Sewer Network		R 700 000.00			700 000				
Motswedi Business & Tourism		R 300 000.00			300 000	R 300 000			
Reyaleka (Bakery)		R 150 000.00			300 000	R 150 000			
Ventersdorp Toy Manufacturing		R 120 000.00			200 000	R 120 000			
Itereleng Batswana (Steel work)		R 10 000.00			250 000	R 10 000			
Kemoleboga Bosele (Shoes and Bags Manufacturing)		R 15 000.00			150 000	R 15 000			
Ikageng Batswana (Poultry)		R 150 000.00			300 000	R 150 000			
Matlapeng Art Works (Beadworks)		R 10 000.00			10 000	R 10 000			
Rebokamoso Piggery project		R 70 000.00			200 000	R 70 000			
Poultry Project (Palmietfontein Farm)		R 150 000.00			150 000	R 150 000			
Disaster Management Plan		R 120 000.00			120 000	R 120 000			
Environmental Management Plan		R 540 000.00			540 000	R 540 000			

Merafong City Projects funded by Dr KKDM: 2008/09

PROJECT NAME	PROJECT DESCRIPTION	PROJECT LOCATION	TOTAL PROJECT VALUE	Confirmed by Dr Kenneth Kaunda (R)
WATER & SEWER	Sewer pipeline replacements	Kokosi	R 950,000	950 000
	Sewer pipeline replacement	Carletonville	R3 000 000	
	Reticulation pipeline replacement	Blybank	R 2,500,000	
	Reservoir	Blybank	R 400,000	400 000
	Water pipeline	Fochville	R 800,000	800 000
	Ext 9 Bulk pipeline	Carletonville	R 200,000	200 000
	Replacement of old water meters		3 000 000	
SUB-TOTAL			R 7,900,000	
WASTE MANAGEMENT	Composition facilities	Phase 1,2 & 3	R 2,400,000	
	Waste buy back centre/drop off facility	Kokosi	R 500,000	
	Waste buy back centre/drop off facility	Khutsong	R 500,000	
	Waste buy back centre/drop off facility	Carletonville	R 500,000	
	Waste buy back centre/drop off facility	Greenspark	R 500,000	

PROJECT NAME	PROJECT DESCRIPTION	PROJECT LOCATION	TOTAL PROJECT VALUE	Confirmed by Dr Kenneth Kaunda (R)
WASTE MANAGEMENT	Waste disposal site – Phase 2	Rooipoot	10 690 157	
SUB-TOTAL			R 14,146,726	
CEMETERY	Upgrading of cemeteries		3 000 000	
SUB-TOTAL			3 000 000	
SAFETY AND SECURITY	CCTV Cameras (crime hot spot)		2 700 000	3 000 000
	Fire station	Wedela	2 500 000	
	Fire and Rescue Equipment	Carletonville	5 500 000	5 500 000
SUB TOTAL			10 700 000	
ROADS	Re-sealing – distribution roads		5 000 000	
SUB-TOTAL			5 000 000	
PUBLIC WORKS	Construction of lifts for disabled		750 000	750 000
SUB TOTAL			750 000	
LED	Flora project			500 000
Mayoral Programme				5 000 000
TOTAL			41 496 726	17 100 000

Matlosana City Projects funded by Dr KKDM: 2008/09

PROJECT NAME AND CATEGORY	PROJECT VALUE	Confirmed by Dr Kenneth Kaunda (R)
1. COMMUNITY SERVICES		
1.1 Beautification of cemeteries - Aesthetical sections and entrances	R 1,000,000.00	
1.2 New cemetery or extension of the existing southern cemetery in Jouberton	R 1,200,000.00	
1.3 Development of new parks in KOSH area	R 1,000,000.00	
TOTAL	R 3,200,000.00	
2. ECONOMIC AFFAIRS AND CORPORATE COMMUNICATION		
2.1 Building of flea market shelters for entrepreneurs in KOSH area	R 2,000,000.00	
3. CORPORATE SERVICES		
3.1 Refurbishment of Community Halls in KOSH area		
3.1.1 Jouberton	R 1,000,000.00	
3.1.2 Kanana	R 1,000,000.00	
3.1.3 Khuma	R 1,000,000.00	
3.1.4 Tigane	R 1,000,000.00	
TOTAL FOR CORPORATE SERVICES	R 4,000,000.00	

Project	STRATEGY LINKING TO AGENDA 16	ESTIMATED AMOUNT	Confirmed by Dr Kenneth Kaunda (R)
1 Water-Supply to Dawkinsville Reservoir & Goudkoppie areas. Pump station to Murranti Reservoir	<ul style="list-style-type: none"> ❖ Some leaks are visible, but not easy to be traced and some are in the field, whereby nobody can see the leakages nor report it to Water Section. ❖ Some of the leakages are next to stream/spruit, which is very difficult to trace. ❖ The estimated water loss is ±46 000 kℓ/month, which might not be reported, with huge financial implication. 	R 4 500 000-00 R14 500 000-00	
3 Sewer overflow on specific positions due to portions of sewer with insufficient capacity of structural damage to pipes which cannot handle peak flows in various townships.	Portions of sewers must be enlarged and or replaced in various townships.	R 500 000-00 per year	
4 The existing ablation facilities for employees at the 4x Waste Treatment Plants must be upgraded.	Infrastructure utility needs: KPI – Existing infrastructure upgrade and backlog	R 400 000-00	

	Water Treatment Plants does not meet the standards of the OHS act due to ageing and wear and tear.				
5	N12 Development Traffic Congestion	<ul style="list-style-type: none"> ★ Roads and storm-water Upgrade Intersections: <ul style="list-style-type: none"> ○ Meteor Mercury N12 Intersection ○ Latham/N12/Johannesburg Road ★ Provide Traffic Light <ul style="list-style-type: none"> ○ Smith/Central ○ Central/Bufeldoorn ★ Resealing of Streets 	N12 Maintenance and upgrade existing infrastructure	R1 163 750 R1 500 000 R4 000 000 R 220 000 R 220 000 R5 000 000 R7 000 000	
6	Outfall sewer in Orkney blocks frequently due to structural collapse of pipes.	Outfall sewer in Orkney must be relined and or replaced.	Infrastructure utility needs: KPI – Existing Infrastructure Upgrade and Backlog	R7 000 000	
7	Frequent sewerage pump line bursts in Kanana and Sewage spillages in Schoonspruit.	Replace 1,7 km x 300 mm diameter sewer pump line from Circle pump station in Kanana to Waste Water Treatment Works.	Infrastructure utility needs: KPI – Existing Infrastructure Upgrade and Backlog	R1 510 000	

	Project		STRATEGY LINKING TO AGENDA 16	ESTIMATED AMOUNT	Confirmed by Dr Kenneth Kaunda (R)
8	Frequent sewerage pump line bursts in Khuma and sewage spillages in Koekemoer Spruit.	Replace 3,9 km x 300 mm diameter sewer pump line from Khuma extension 6 pump station to Waste Water Treatment Plant.	Infrastructure utility needs: KPI – Existing infrastructure upgrade and backlog.	R3 153 000	
9	Community requires additional Community Hall facility – Kanana	Build Community Hall - Kanana		R2 500 000	
10	Community requires additional Community Hall facility – Jouberton	Build Community Hall - Jouberton		R2 500 000	
11	Mayoral Project	Cleaning of Environment	5 000 000	5 000 000	1 560 000
12	Regional Landfill Site	Weigh Bridge, Offices, Ablution facilities, Tarring of access road		5 000 000	
13	10MI Reservoir Hartebeesfontein/Tigane			15 500 000	7 400 000
14	4MI Waste Water Treatment Plant Hartebeesfontein/Tigane			19 500 000	
15	Re-line waterline from Stilfontein to Muranti Reservoir			6 500 000	
16	Klersdorp to Orkney bulk water supply			9 500 000	

CHAPTER 3

3. Human Resources and other Organizational Management

The Municipal senior management team and organized labour embarked on the strategic planning session to address the issues of a strategic nature, including the alignment of the organogram to various strategic and Legislative requirements. This includes:

- ▶ The creation of the position of skills Development Facilitator to meet the requirement of the skills development act
- ▶ The creation of the position of organizational health and safety practitioner to meet the requirements of the occupational health and safety act
- ▶ The creation of the pollution control officer to meet the requirement of National Environment Health Act
- ▶ The abolishment of the position of the support staff in the office of the Single Whip as a result of rein-corporation of Merafong Local Municipality in Gauteng Province
- ▶ The creation of the position of transport officer within the budget and treasury officer to respond to the challenges of effective and efficient fleet management
- ▶ The creation of the PMU unit to ensure that the entity addresses its constitutional mandate
- ▶ The creation of additional positions within the technical services directorate to ensure that the District Municipality has capacity to support the Local Municipality within the District
- ▶ The creation of additional position within planning unit to ensure that the unit meets its operational and strategic objectives of providing information to both the District and Local Municipalities within the District
- ▶ The creation of the position within the communication unit to ensure that the unit operates to its full potential

The municipality is currently experience the challenges in meeting its employment equity targets due to the fact that there is never enough applications from the Indians and coloured communities through the municipality indicates their preference when advertising positions

3.1. TRAINING REPORT – 2008/2009

Month: March 2008

Name	Course	Institution	NQF Level	Costs	Vote Number
M. Phelwane	MS Word Level 1	Damelin		R370.00	900001090003
	MS Word Level 2	Damelin		R370.00	900001090003
	MS Word Level 3	Damelin		R370.00	900001090003
	MS Excel Level 1	Damelin		R370.00	900001090003
	MS Excel Level 2	Damelin		R370.00	900001090003
	MS Excel Level 3	Damelin		R370.00	900001090003
	MS Power Point 1	Damelin		R370.00	900001090003
	MS Power Point 2	Damelin		R370.00	900001090003
B.Kolobi	MS Excel Level 1	Damelin		R370.00	900001090003
	MS Excel Level 2	Damelin		R370.00	900001090003
	MS Excel Level 3	Damelin		R370.00	900001090003
	MS Power Point 1	Damelin		R370.00	900001090003
	MS Power Point 2	Damelin		R370.00	900001090003
M.Mkhunma	MS Word Level 1	Damelin		R370.00	900001090003
	MS Word Level 2	Damelin		R370.00	900001090003
	MS Word Level 3	Damelin		R370.00	900001090003
	MS Excel Point 1	Damelin		R370.00	900001090003
	MS Excel Point 2	Damelin		R370.00	900001090003
A.Swart	MS Word level 1	Damelin		R370.00	900001090003
	MS Word level 2	Damelin		R370.00	900001090003
	MS Word level 3	Damelin		R370.00	900001090003
	MS Excel level 1	Damelin		R370.00	900001090003
	MS Excel level 2	Damelin		R370.00	900001090003
	MS Excel level 3	Damelin		R370.00	900001090003
	MS Power point 1	Damelin		R370.00	900001090003
N.Tshenkeng	IRP 5 Training	Pay Day Software		R1540.00	900001090003
M.Mafohla	IRP 5 Training	Pay Day Software		R1540.00	900001090003
P.Qankashe	IRP 5 Training	Pay Day Software		R1540.00	900001090003
M.Ntaopane	IRP 5 Training	Pay Day Software		R1540.00	900001090003
Name	Course	Institution	NQF Level	Costs	Vote Number
K.Mothibi	IMFO	LGC consultants		R5274.00	10/05/213/1501
P.Moagi	IMFO	LGC Consultants		R5274.00	10/05/213/1501
L.Matshangaza	IMFO	LGC Consultants		R5274.00	10/05/213/1501
R.Kgosietsile	IMFO	LGC Consultants		R5274.00	10/05/213/1501
K.Mothibi	CPMD	Wits University		R20 000.00	10/05/213/1501
L.Matshangaza	CPMD	Wits University		R20 000.00	10/05/213/1501
P.Moagi	CPMD	Wits University		R20 000.00	10/05/213/1501
G.Sefanyetso	Minute Writing and Minute Taking	IMASA		R150.00	900001090003
S.Naidoo	Minute Writing and	IMASA		R150.00	900001090003

	Minute Taking				
A.Ngchamphalala	Minute Writing and Minute Taking	IMASA		R150.00	900001090003
P.Ramagogodi	Minute Writing and Minute Taking	IMASA		R150.00	900001090003
P.Mahalalaleloa	Minute Writing and Minute Taking	IMASA		R150.00	900001090003
T.van Schalkwyk	Minute Writing and Minute Taking	IMASA		R150.00	900001090003

Month: April 2008

Name	Course	Institution	NQF Level	Costs	Vote Number
P.Qankashe	Payroll	Payroll Software		Free	N/A
M.Ntaopane	Payroll	Payroll Software		Free	N/A
L.Motepe	Payroll	Payroll Software		Free	N/A

Month: May 2008

Name	Course	Institution	NQF Level	Costs	Vote Number
M.Mafohla	Legal Compliance	Lexis Nexis	NQF 4	R6000.00	900001090003

Month: June 2008

Name	Course	Institution	NQF Level	Costs	Vote Number
S.S. Motsiri	Lgnet	DBSA		Free	N/A
B.Molefe	Lgnet	DBSA		Free	N/A
F.van Schalkwyk	Lgnet	DBSA		Free	N/A
T.Nchamphalala	Lgnet	DBSA		Free	N/A
M.Letsie	Lgnet	DBSA		Free	N/A
B.Madikizela	Lgnet	DBSA		Free	N/A
R.Kgosietsile	Lgnet	DBSA		Free	N/A

Month: August 2008

Name	Course	Institution	NQF Level	Costs	Vote Number
Name	Course	Institution	NQF Level	Costs	Vote Number
J.Masha	Archives and Records Management	Unisa	NQF 4	Course R6400.00 Accom.R4325.75	1010/15/1/15/57 03
AC Swarts	Archives and Records Management	Unisa	NQF 4	Course R6400.00 Accom.R4325.75	1010/15/1/15/57 03

Month: September 2008

Name	Course	Institution	NQF Level	Costs	Vote Number
MM.Mosupha	Records Management and e-Records management	Lemark	NQF 5	Course:r7600.00 Accom.r2745.00	1010/15/1/15/5703
R.Kgosietsiele	Workshop PPP3 3	Dept.of Finance	N/A	Free	N/A
T.Mokatsane	Workshop PPP3 3	Dept.of Finance	N/A	Free	N/A
T.Tshukudu	Workshop PPP3 3	Dept.of Finance	N/A	Free	N/A
Adv.A.Dlavane	Simposium Risk Management	Dept.of Finance	N/A	Free	N/A
N.Ratlhogo	Simposium Risk Management	Dept.of Finance	N/A	Free	N/A
P.Gaaname	Simposium Risk Management	Dept.of Finance	N/A	Free	N/A
Adv.M.A.Dlavane	Project Management	NWU	NQF 5	Course:R5500.00	1010/15/1/15/5703
N.Ratlhogo	Project Management	NWU	NQF 5	Course:R5500.00	1010/15/1/15/5703
E.M.Postma	Project Management	NWU	NQF 5	Course:R5500.00	1010/15/1/15/5703
Dr.M.Mongake	Project Management	NWU	NQF 5	Course:R5500.00	1010/15/1/15/5703
V.Nicodemus	Project Management	NWU	NQF 5	Course:R5500.00	1010/15/1/15/5703
P.Gaaname	Project Management	NWU	NQF 5	Course:R5500.00	1010/15/1/15/5703
L.Ngubane	Project Management	NWU	NQF 5	Course:R5500.00	1010/15/1/15/5703

Month: October 2008

Name	Course	Institution	NQF Level	Costs	Vote Number
M.Mothudi	Project Management	NWU	NQF 5	R5000.00	1010/15/1/15/5703
MD.Maputle	Project Management	NWU	NQF 5	R5000.00	1010/15/1/15/5703
PZ.Gwiji	Project Management	NWU	NQF 5	R5000.00	1010/15/1/15/5703
ND.Mosiane	Project Management	NWU	NQF 5	R5000.00	1010/15/1/15/5703
MM.Mosoang	Project Management	NWU	NQF 5	R5000.00	1010/15/1/15/5703
KM.Khutsane	Project Management	NWU	NQF 5	R5000.00	1010/15/1/15/5703
SB.Mokoto	Project Management	NWU	NQF 5	R5000.00	1010/15/1/15/5703
FM.Dunjane	Project Management	NWU	NQF 5	R5000.00	1010/15/1/15/5703
TP.Mosiane	Project Management	NWU	NQF 5	R5000.00	1010/15/1/15/5703
M.Mkhontwana	Project Management	NWU	NQF 5	R5000.00	1010/15/1/15/5703
M.Mafohla	Human Resources Management	University of Pretoria	NQF 5	Course:R5500.00 Accom:	1010/15/1/15/5703
Divine Jusha	MS Word Level 1	Damelin		R370.00	1010/15/1/15/5703
Kippie Willemse	MS Word Level 1	Damelin		R370.00	1010/15/1/15/5703
Henk HeyMel	MS Word Level 1	Damelin		R370.00	1010/15/1/15/5703
Andre Smith	MS Word Level 1	Damelin		R370.00	1010/15/1/15/5703
Christel Pretorius	MS Word Level 1	Damelin		R370.00	1010/15/1/15/5703
Pieter Lombaard	MS Word Level 1	Damelin		R370.00	1010/15/1/15/5703
Ishmael Kanyane	MS Word Level 1	Damelin		R370.00	1010/15/1/15/5703
Phillip Mosiane	MS Word Level 1	Damelin		R370.00	1010/15/1/15/5703
Mxolisi Mkhontwana	MS Word Level 1	Damelin		R370.00	1010/15/1/15/5703
Divine Jusha	MS Exel Level 1	Damelin		R370.00	1010/15/1/15/5703
Kippie Willemse	MS Exel Level 1	Damelin		R370.00	1010/15/1/15/5703
Henk Heymel	MS Exel Level 1	Damelin		R370.00	1010/15/1/15/5703
Andre Smith	MS Exel Level 1	Damelin		R370.00	1010/15/1/15/5703
Christel Pretorius	MS Exel Level 1	Damelin		R370.00	1010/15/1/15/5703
Pieter Lombaard	MS Exel Level 1	Damelin		R370.00	1010/15/1/15/5703
IshmaelKanyane	MS Exel Level 1	Damelin		R370.00	1010/15/1/15/5703
Phillip Mosiane	MS Exel Level 1	Damelin		R370.00	1010/15/1/15/5703
Mxolisi Mkhontwana	MS Exel Level 1	Damelin		R370.00	1010/15/1/15/5703
Davine Jusha	MS Power Pointlevel 1	Damelin		R370.00	1010/15/1/15/5703
Kippie Willemse	MS Power Pointlevel 1	Damelin		R370.00	1010/15/1/15/5703
Henk Heymel	MS Power Pointlevel 1	Damelin		R370.00	1010/15/1/15/5703
Andre smith	MS Power Pointlevel 1	Damelin		R370.00	1010/15/1/15/5703
Christel Pretorius	MS Power Pointlevel 1	Damelin		R370.00	1010/15/1/15/5703
Pieter Lombaard	MS Power Pointlevel 1	Damelin		R370.00	1010/15/1/15/5703
Ishmael Kanyane	MS Power Pointlevel 1	Damelin		R370.00	1010/15/1/15/5703
Phillip Mosiane	MS Power Pointlevel 1	Damelin		R370.00	1010/15/1/15/5703
Mxolisi Mkhontwana	MS Power Pointlevel 1	Damelin		R370.00	1010/15/1/15/5703
Tebogo Mabeleng	Samtrac – Safety Management	Nosa		Course:R9576.00 Accom:r3750.00	1010/15/1/15/5703
Magdeline Mafohla	HR.Management	University of Pretoria	NQF 5	Course:R9576.00 Accom:R5222.85	1010/15/1/15/5703

Month: November 2008

Name	Course	Institution	NQF Level	Costs	Vote Number
Divine Jusha	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Kippie Willemse	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Henk Heymel	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Andre Smith	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Christel Pretorius	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Pieter Lombaard	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Ishmael Kanyane	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Phillip Mosiane	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Mxolisi Mkhontwana	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Maliba Ramathape	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Matshidiso Ramagogodi	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Nokukhanya Xaba	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Nomsa Mosete	MS Wword Level 2	Damelin		R370.00	1010/15/1/15/5703
Divine Jusha	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Kippie Willemse	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Henk Heymel	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Andre Smith	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Christel Pretorius	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Pieter Lombaard	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Ishmael Kanyane	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Phillip Mosiane	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Mxolisi Mkhontwana	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Maliba Ramathape	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Matshidiso Ramagogodi	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Nokukhanya Xaba	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Nomsa Mosete	MS Exel Level 2	Damelin		R370.00	1010/15/1/15/5703
Divine Jusha	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Kippie Willemse	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Henk Heymel	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Andre Smith	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Christel Pretorius	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Pieter Lombaard	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Ishmael Kanyane	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Phillip Mosiane	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Mxolisi Mkhontwana	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Maliba Ramathape	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Matshidiso Ramagogodi	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Nokukhanya Xaba	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
Nomsa Mosete	Power Point Level 2	Damelin		R370.00	1010/15/1/15/5703
NP Xaba	Water Quality Monitoring:Principles ,Approaches and Techniques	Norh West University			1005/10/1/15/5702
A Smith	Water Quality Monitoring:Principles ,Approaches and	Norh West University			1005/10/1/15/5702

	Techniques				
JA Rossouw	water Water Quality Monitoring:Principles ,Approaches and Techniques	Norh West University			1005/10/1/15/5702
C Pretorius	Water Quality Monitoring:Principles ,Approaches and Techniques	Norh West University			1005/10/1/15/5702
CllrMmakoba	Adv.Diploma Business Management	Southern Business School		R10 000.00	1005/10/1/15/5702
Oupa Mothudi	Best Practices in Sport Dept./Leadership/Management & Admin.	Jessina Naome & Associates		Course:R7968.60 ACcom:R1382.20	1005/05/1/15/0602
Wendy Sokupha	Writing and Delivering Speeches	Institute for the Adv.of Journalism		Course:R8100.00 Accom:R2353.60	1010/15/1/15/5703
Nick Maphelle	Writing and Delivering Speeches	Institute for the adv.of Journalism	NQF 4	Course:R8100.00 Accom: R2353.60	1010/15/1/15/5703
James Masha	Intermediate Archives and Records Management	Unisa	NQF 5	Course:R7900.00 Accom:	1010/15/1/15/5703
F.Labuschagne	Caddie Basic Training	Caddie Tarining	NQF 4	Course:R3420.00 Accom: R3625.14	1010/15/1/15/5703
T.Tshukudu	Caddie Basic Training	Caddie Tarining	NQF4	Course:R3420.00 Accom: R3625.14	1010/15/1/15/5703
Patric Mohaleloa	Effective Management Skills	BusinessS Zone	NQF3	Course:R6828.60 Accom: R879.50	1005/05/1/15/0602
David Mosiane	Effective Management Skills	BusinessS Zone	NQF 4	Course:R6828.60 Accom: R 879.50	1005/05/1/15/0602
PZ Gwiji	Effective Management Skills	BusinessS Zone	NQF 4	Course:R6828.60 Accom: R 879.50	1005/05/1/15/0602
Linda Madikizela	Effective Management Skills	BusinessS Zone	NQF 4	Course:R6828.60 Accom: R 879.50	1005/05/1/15/0602
Dr Maputle	Effective Management Skills	BusinessS Zone	NQF 4	Course:R6828.60 Accom: R 879.50	1005/05/1/15/0602

Month: January 2009

Name	Course	Institution	NQF Level	Costs	Vote Number
R.Gaaname	Protocol & Etiquette	North west University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
G.Sefanyetso	Protocol & Etiquette	North west University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
D.Kreeling	Protocol & Etiquette	North west University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
M.G.Seleke	Protocol & Etiquette	North west University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
N. Maphelle	Protocol & Etiquette	North west University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
Dr.Maputle	Protocol & Etiquette	North west University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
P.Z.N.Gwiji	Protocol & Etiquette	North west University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
M.I.Mothudi	Protocol & Etiquette	North west University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office

A. Swarts	First Aide	DKJ Paramedic College	NQF 1	course:R541.50	9000/01/03/7/0904
D.Sefanyetso	First Aide	DKJ Paramedic College	NQF 1	course:R541.50	9000/01/03/7/0904
S.Naidoo	First Aide	DKJ Paramedic College	NQF 1	course:R541.50	9000/01/03/7/0904
T.Mabeleng	First Aide	DKJ Paramedic College	NQF 1	course:R541.50	9000/01/03/7/0904
R.Gaaname	First Aide	DKJ Paramedic College	NQF 1	course:R541.50	9000/01/03/7/0904
M.Ntaopane	First Aide	DKJ Paramedic College	NQF 1	course:R541.50	9000/01/03/7/0904
K.Majake	First Aide	DKJ Paramedic College	NQF 1	course:R541.50	9000/01/3/07/1002

Month: February 2009

Name	Course	Institution	NQF Level	Costs	Vote Number
S.S.Motsiri	SDBIP	Afrec	-	Course: R7008.77 Accom:R5095.00	9000/01/03/7/0904
Jones Legoete	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
N.Ratlhogo	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
V. Nicodumus	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
S.Modise	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
T.Rampedi	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
D.Kreeling	Minute Taking & Report Writing	Lemark	NQF 4	Course: R4820.00 Accom: R5885.04	9000/01/3/07/1002
P.Gaaname	SDBIP	Afrec	-	Course:R7008.77 Accom:R5095.00	9000/01/03/7/0904
P.Menqe	Minute Taking & Report Writing	Lemark	NQF 4	Course: R4820.00 Accom: R5885.04	9000/01/3/07/1002
L.Ngubane	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
E.Postma	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
F.Labuschgne	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
R.Kgosietsile	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
T.Mokatsane	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
W.Sokupha	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904

Month: March 2009

Name	Course	Institution	NQF Level	Costs	Vote Number
Dr M.mongake	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
Adv.M.A.DLAVANE	SDBIP	Afrec	-	Course: R7008.77 Accom: R5095.00	9000/01/03/7/0904
Tshepang Baloyi	Project Management	North West University	NQF 5	Course:R5500.00 Accom:R890.00	1080/05/8/16/0043

Month: April 2009

Name	Course	Institution	NQF Level	Costs	Vote Number
R.Gaaname	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
G.Sefanyetso	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
D.Kreeling	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
M.G.Seleke	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
N.S.Maphele	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
D.R.Maputle	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
P.Z.N.Gwiji	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
M.I.Mothudi	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
A.Swarts	FIRST AIDE	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
D.Sefanyetso	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
S.Naidoo	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
T.Mabeleng	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
R.Gaaname	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
M.Ntaopane	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
K.Majake	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/3/07/1002

Month: May 2009

Name	Course	Institution	NQF Level	Costs	Vote Number
R.Gaaname	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
G.Sefanyetso	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
D.Kreeling	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
M.G.Seleke	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
N.S.Maphele	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
D.R.Maputle	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
P.Z.N.Gwiji	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
M.I.Mothudi	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
A.Swartz	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
D.Sefanyetso	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
S.Naidoo	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
T.Mabeleng	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
R.Gaaname	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
M.Ntaopane	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
K.Majake	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/3/07/1002

Month: June 2009

Name	Course	Institution	NQF Level	Costs	Vote Number
R.Gaaname	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
G.Sefanyetso	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
D.Kreeling	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
M.G.Seleke	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
N.S.Maphele	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
D.R.Maputle	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
P.Z.N.Gwiji	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
M.I.Mothudi	Protocol & Etiquette	North West University	NQF 3	Organised from Premiers'Office	Paid by Premiers'Office
A.Swartz	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
D.Sefanyetso	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
S.Naidoo	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904

T.Mabeleng	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
R.Gaaname	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
M.Ntaopane	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/03/7/0904
K.Majake	First Aide	DKJ Paramedic College	NQF 1	Course:R541.50	9000/01/3/07/1002
JM.van Niekerk	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
JC.van Niekerk	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
F.Matlhakola	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
MD.Jusha	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
A.Smith	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
NP.Mosete	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
KJA.Willemse	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
J.van der Merwe	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
G.Mosiwane	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
MM.Mooketsi	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
TW.Ramasike	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
C.PRetorius	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
TH.Mosebi	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
JP.Lombard	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
HJ.Heymel	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
JS.Vermaak	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
RG.Hobe	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
R.Masilo	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
NP.Xaba	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703
M.Nteta	Law Enforcement	Molao Academy	NQF 5	Course:R5400.00	1010/15/1/15/5703

**Progress Report on Certificate Programme in Management Development for Finance (CPMD)
NQF Level 6**

Total Enrolled	29
Total Completed	10
Total in Progress	19

3.2. List of policies that were approved by Council: 2008/2009

1. Cell phone allowance Policy	Approved
2. Community bursary policy	Approved
3. Staff and Councillors Bursary Policy	Approved
4. Councillors Policy on Attendance of Training	Approved
5. Conference/Meetings Attendance Councillors	Approved
6. Credit Control and Debt Management Policy	Approved
7. HIV/AIDS Policy	Approved
8. Induction Policy	Approved
9. Internal Audit Policy/ Internal and Audit committee charter	Approved
10. Municipal Investment Policy	Approved
11. Performance Management System Policy	Approved
12. Policy on Signing of Attendance Register	Approved
13. Policy on Appointment of Consultants	Approved
14. Standing Rules and Procedures of Council	Approved
15. Supply Chain Management Policy	Approved
16. Over-time Policy	Approved
17. Travel and Subsistence Policy	Approved
18. User Account Management	Approved
19. Correspondence Policy	Approved
20. Records Management Policy	Approved
21. Employee Assistance Programme Policy	Approved
22. Records Management Procedure Manual	Approved

List of Policies to be reviewed: 2008/2009

1. Appointment and Promotions Policy	Reviewed
2. Supply Chain Management Regulatory Framework	Reviewed
3. Effective and Efficient Supply Chain Management for Suppliers	Reviewed
4. Equal Opportunity and Employment Equity	Reviewed
5. Internet Policy	Reviewed
6. Procurement Policy	Reviewed
7. Procurement Guide	Reviewed
8. Policy on the use of Pool Vehicle	Reviewed
9. Sexual Harassment Policy	Reviewed
10. Staff Development Policy	Reviewed
11. Staff Training and Development	Reviewed
12. Utilization of Entertainment Allowance and Credit Cards	Reviewed
13. Gender Policy	Reviewed

3.3. Trends on the total personnel expenditure over the last three (3) to five (5) years

2006/2007		2007/2008		2008/2009	
Budget	Actual	Budget	Actual	Budget	Actual
R 23,164,136	R 20,178,415	R 40,494,132	R 42,392,153	R 58,125,106	R43,265,072

3.4. The Current Status of the Equity Profile of DR. Kenneth Kaunda District Municipality

DR. Kenneth Kaunda District Municipality (STAFF)					Population group: DC 40 Southern					
	Male	%	Female	%	Male	%	Female	%	Variance	
									Male	Female
Blacks	45	39	43	38	368896	42	332220	38	-3	0
Coloured's	2	2	3	3	11280	1	12020	1	+1	+2
Asian/ Indians	0	0	1	1	1651	0	1073	0	0	+1
Whites	11	10	5	4	60469	7	62384	7	+3	+3
Disabilities	3	3	0	0	16999	2	16999	2	+1	-2
Total	61	54%	52	46%	459295	52	424696	48	+2	-2

3.5. Status of Employment Equity Report of Dr. Kenneth Kaunda District Municipality

Department	African		Colored		Asia		White		Disability			Total
	M	F	M	F	M	F	M	F	M	F		
Executive Mayors Office	3	3							3	3		6
Speakers Office	3	1		1					3	2		5
Municipal Managers Office	9	5							9	5		14
Finance	3	2		1			1	3	4	6		10
District Economic Development	1	2						1	1	3		4
Corporate Services	11	13	1					1	12	13	3	25
Infrastructure	3	1		1					3	2		5
Environmental Health	12	9	1				8	2	20	11		31
Disaster Risk Management	1	3				1	1		2	4		6
Total	42	42	2	3		1	11	8	55	54	3	109
Non - permanent Employees - INTERNS	4	1							4	1		5
Grand Total	46	43	2	3		1	11	6	59	55	3	114

Office of the Executive Mayor

Department	African		Colored		Asia		White		Disability			Total
	M	F	M	F	M	F	M	F	M	F		
Executive Mayor's Office												
AIDE DE CAMP												
Manager: Mayors Office	1								1			1
Secretary – MMC		1								1		1
Secretary – Executive Mayor												
Facilitator-Special Projects	1								1			1
P.A. to the Executive Mayor		1								1		1
Gender Coordinator		1								1		1
Youth Coordinator	1								1			1
Total	3	3							3	3		6
Non - permanent Employees												
Grand Total	3	3							3	3		6

Office of the Speaker

Department	African		Colored		Asia		White		Disability			Total
	M	F	M	F	M	F	M	F	M	F		
Speaker	1								1			1
Manager: Speaker's Office	1								1			1
Secretary				1						1		1
P.A.		1								1		1
Public Participation Officer	1								1			1
Total	3	1		1					3	2		5
Non - permanent Employees												
Grand Total	3	1		1					3	2		5

Municipal Managers Office

Department	African		Colored		Asia		White		Disability			Total
	M	F	M	F	M	F	M	F	M	F		
Municipal Manager	1								1			1
Secretary		1								1		1
Manager: PMS	1								1			1
Manager: PIMSS	1								1			1
Manager Internal Auditor		1								1		1
Admin: Officer: PIMSS		1								1		1
IDP-Coordinator	1								1			1
SNR: Internal Auditor	1	1							1	1		2
Communication Officer	1								1			1
Communication Clerk	1								1			1
Speech Writer	1								1			1
Internal Auditor	1	1							1	1		2
Total	9	5							9	5		14
Non - permanent Employees												
Grand Total	9	5							9	5		14

Budget and Treasury Office

Department	African		Colored		Asia		White		Disability			Total
	M	F	M	F	M	F	M	F	M	F		
CFO	1											
Deputy: Manager Financial Services							1		1			1
Chief Accountant								1		1		1
Accountant- MFMA	1								1			1
Chief Supply Chain Officer				1						1		1
Admin-Officer Assets								1		1		1
Debtors Controller												
Credit Controller												
System Administrator								1		1		1
Payroll Administrator	1								1			1
Transport Officer		1								1		1
Payroll & Creditors Clerks	1	1							1	1		2
Total	3	2		1			1	3	4	6		10
Non - permanent Employees - INTERNS	2	1							2	1		3
Grand Total	5	3		1			1	3	6	7		13

District Economic Development

Department	African		Colored		Asia		White		Disability			Total
	M	F	M	F	M	F	M	F	M	F		
Director: DED	1											
DED. Officer		1								1		1
DED. Clerk								1		1		1
Tourism Coordination		1								1		1
Total	1	2						1	1	3		4
Non - permanent Employees - Interns												
Grand Total	1	2						1	1	3		4

Infrastructure Development Services

Department	African		Colored		Asia		White		Disability			Total
	M	F	M	F	M	F	M	F	M	F		
Director : Infrastructure	1						1					
Technical	1								1			1
Community Liaison Officer	2	1							2	1		3
Admin Officer				1						1		1
Total	3	1		1					3	2		5
Non - permanent Employees												
Grand Total	3	1		1					3	2		5

Corporate Services

Department	African		Colored		Asia		White		Disability			Total
	M	F	M	F	M	F	M	F	M	F		
Director: Corporate Services		1						1				
Manager -HR	1								1			1
Manager – Corporate Services		1								1		1
Manager –Legal	1								1		1	1
Policy Developer	1								1			1
Records Officer		1								1		1
Admin. Officer							1			1		1
Committee Officer		2								2		2
Personnel Officer		1								1		1
Records Clerk		1								1		1
Senior Records Specialist	1								1			1
Information Technology	1								1			1
SDF	1								1		1	1
Typist		1								1		1
Receptionist	1								1		1	1
Environment Health & Safety Officer		1								1		1
Messengers	3		1						4			4
General Worker	1	5							1	5		6
Total	11	13	1						12	13	3	25
Non - permanent Employees – INTERN IT GENERAL WORKER	1	1							1	1		1 1

Municipal Health Services

Department	African		Colored		Asia		White		Disability			Total
	M	F	M	F	M	F	M	F	M	F		
Director: Environmental Health		1								1		1
Manager Environmental Health		1					2		2	1		3
Environmental Health Officer	8	6	1				4	1	13	7		20
Environmental Health Worker		1								1		1
Pest Control Officer	1						1		2			2
Assist. Pest Control Officer	1								1			1
Regional EHP							1		1			1
Administrative Clerk	1							1	1	1		2
Total	11	9	1				8	2	20	11		31
Non - permanent Employees												
Grand Total	11	9	1				8	2	20	11		31

Disaster Risk Management

Department	African		Colored		Asia		White		Disability			Total
	M	F	M	F	M	F	M	F	M	F		
Director : Disaster		1								1		1
Manager: Disaster							1		1			1
Disaster Officer	1	1							1	1		2
Disaster Clerk						1				1		1
General Worker		1								1		1
Total	1	3				1	1		2	4		6
Non - permanent Employees												
Grand Total	1	3				1	1		2	4		6

Office of the Executive Mayor

B E MOLOI
V NICODEMUS

I NKHEREANE
D MOSIANE
ZN GWIJI
MD MAPUTLE
TP BOQO
NR GAANAME

MAYOR (BF)
MANAGER (BM)
SECRETARY (WF)
PA-EXECUTIVE MAYOR (BF)
FACILITATOR-SPECIAL PROJECTS (BM)
COORDINATOR WOMEN ISSUES (BF)
COORDINATOR YOUTH ISSUES (BM)
AIDE DE CAMP (BF)
SECRETARY- MMC'S (BF)

Office of the Speaker

M KHAUOE
MS MODISE
T NTOZINI
D KREELING

Z BEYA

SPEAKER (BM)
MANAGER (BM)
PA – SPEAKER (BF)
SECRETARY (CF)
ADMIN OFFICER (BM)
PUBLIC PARTICIPATION OFFICER (BM)

Office of Chief Whip

Office of the Municipal Manager

ADV. MA DLAVANE

MUNICIPAL MANAGER (BM)
P MENQE SECRETARY (BF)

PIMMS:

TN SEBETLELE
M SELEKE

T MOKATSANE MANAGER (BM)
ADMIN OFFICER (BF)
IDP CO-ORDINATOR

PMS:

J LEGOETE

MANAGER (BM)

Audit-Section:

MGP GAANAME
NG NGXONGO
L. MOTEPE
BM SEREMO
BM MOTHOGAE

MANAGER INTERNAL AUDIT (BF)
SENIOR INTERNAL AUDITOR (BF)
SENIOR INTERNAL AUDITOR ((BM)
INTERNAL AUDITOR (BF)
INTERNAL AUDITOR (BM)

Communications Unit:

W SOKUPHA
N MAPHELE
P MOHALALELOA

SPECIALIST (BF)
SPEECH WRITER (BM)
COMMUNICATIONS OFFICER (BM)
MEDIA RELATIONS OFFICER
EVENTS OFFICER
WEB AND GRAPHIC DESIGNER

Disaster

L NGUBANE
R LESAR

B MADIKIZELA
T PITSE

S NAIDOO
M MATWA

HEAD OF DEPARTMENT (BF)
ASSISTANT MANAGER (WM)
DISASTER CO-ORDINATOR
DISASTER RISK MANAGEMENT OFFICER (BF)
DISASTER RISK MANAGEMENT
OFFICER (BM)
PIER CO-ORDINATOR
PIER OFFICER
ADMINISTRATIVE CLERK (CF)
GENERAL WORKER (BF)

Environmental Health

TM RAMATLHAPÉ	DIRECTOR (BF)
JM VAN NIEKERK	ENVIRONMENTAL H. MANAGER (WM)
JC VAN NIEKERK	ENVIRONMENTAL H. MANAGER (WM)
F MATLHAKOLA	ENVIRONMENTAL H. MANAGER (BF)
J ROSSOUW	REGIONAL EHP (WM)
MD JUSHA	SENIOR EHP (BF)
A SMITH	SENIOR EHP (WM)
NP MOSETE	SENIOR EHP (BF)
KJA WILLEMSE	SENIOR EHP (CM)
J VAN DER MERWE	SENIOR EHP (WM)
G MOSIWANE	SENIOR EHP (BM)
MM MOOKETSI	SENIOR EHP (BM)
TW GAONWE	SENIOR EHP (BM)
O SEEKOEI	SENIOR EHP (BM)
JP MONKU	SENIOR EHP (BM)
GC RAMASIKE	SENIOR EHP (BM)
A MARAIS	POLLUTION CONTROL OFFICER
J KOLOTE	PEST CONTROL OFFICER (WM)
TH MOSEBI	ASSISTANT PEST CONTROL OFFICER (BM)
TI KANYANE	SENIOR EHP (BM)
S SPANDEEL	MESSENGER (BM)
D MOTLHABI	PEST CONTROL OFFICER (BM)
J MOSES	ASSISTANT PEST CONTROL OFFICER (BM)
LOMBAARD JP	SENIOR EHP (BM)
C PRETORIUS	SENIOR EHP (WM)
HJ HEYMEL	SENIOR EHP (WF)
M RAMAGOGODI	SENIOR EHP (WM)
N TSHENKENG	ADMIN CLERK (BM)
C CAWOOD	ADMIN OFFICER (BF)
AK MAJAKE	ADMIN CLERK (WF)
S TSHATSHU	GENERAL WORKER (BF)
	GENERAL WORKER (BF)

Infrastructure Department

T TSHUKUDU	DIRECTOR
F RADEBE	TECHNICIAN ENGINEERING (BM)
X MKHONTWANA	COMMUNITY DEVELOPMENT OFFICER (BF)
P MOSIANE	COMMUNITY DEVELOPMENT OFFICER (BM)
F VAN SCHALWYK	COMMUNITY DEVELOPMENT OFFICER (BM)
	ADMINISTRATIVE OFFICER (CF)

Finance Department

M DAFFUE
C STEYN
R KGOSIEMANG
L VELDSCHOEN
S LOMBAARD

O BOGATSU
A TROSELLO
M PHULO
K MOTHIBI
L MATSHANGAZA
M NTAOPANE
P QANKASE

CHIEF FINANCIAL OFFICER –HOD (BM)
DEPUTY FINANCIAL MANAGER (WM)
CHIEF ACCOUNTANT (WF)
ACCOUNTANT MFMA REPORTING (BM)
CHIEF SUPPLY CHAIN OFFICER (CF)
ADMIN OFFICER- ASSETS (WM)
TRANSPORT OFFICER
CREDIT CONTROLLER (BF)
ADMIN OFFICER-PROCUREMENT (WF)
INTERN (BM)
INTERN (BF)
INTERN (BM)
PAYROLL ADMINISTRATOR (BF)
PAYROLL CLERK (BF)
CREDITORS CLERK (BM)

Corporate Services

S ABRAMS
B MOLEFE
P THOKOE
J MASHA
M MOSUPA
A NGCHAMPHALALA
T GROVE
N MKHUMA
B KOLOBI
J RABODIBA
F DE BRUIN
M MONCHO
N LETLHOO
S TYALE
A SEBOLAO
VS FOKWEBA
E LEKGETHO
S MOABI
M PHELWANE
BUSAKWE
LETSIE

DIRECTOR
ASSISTANT MANAGER (CORPORATE) (BF)
HEAD OF LEGAL SERVICES (BM)
POLICY DEVELOPER (BM)
SENOIR RECORDS OFFICER (BM)
RECORDS OFFICER (BF)
RECORDS CLERK (BM)
ADMIN OFFICER (WF)
COMMITTEE OFFICER (BF)
COMMITTEE OFFICER (BF)
MESSENGER /DRIVER (BM)
MESSENGER/DRIVER (CM)
GENERAL WORKER (BF)
GENERAL WORKER (BF)
GENERAL WORKER (BF)
GENERAL WORKER (BF)
GENERAL WORKER (BM)
GENERAL WORKER (BF)
RECEPTIONIST (BM)
TYPIST (BF)
GENERAL WORKER (TEMPORARY) (BM)
IT OFFICER (BM)

Human Resource division:

S MOTSIRI
M MAFOHLA
A BALOI
T MABELENG

HUMAN RESOURCE MANAGER (BM)
HUMAN RESOURCR OFFICER (BF)
SKILLS DEV. FACILITATOR (BM)
OCCUPATIONAL HEALTH AND SAFETY OFFICER (BF)

DED & Tourism

DR M MONGAKE
T BALOYI
A SWARTS
E MOLOANTOA

HEAD OF DEPARTMENT
DED CO-ORDINATOR
ADMIN CLERK
TOURISM CO-ORDINATOR

Name of Accredited Pension Fund

1. Municipal Employees Pension Funds
2. Municipal Gratuity Funds
3. Municipal Councillors Pension Funds
4. SAMWU Provident Funds
5. National Funds for Municipal Workers

Name of Accredited Medical Aid as at 30 June 2005

1. Bonitas
2. Samwumed
3. Munimed
4. Hosmed
5. Global Health
6. LA Health

3.6. Financial Disclosure Concerning Councillors and Section 57 Managers

Executive Councillors						
	Mayor	Speaker	Whip	MMC: Z Moweli	MMC: M Lee	MMC: Mathiso
Allowance	*		*	*	*	*
Cllr All	R 339,379.00	R 253,711.34	R 239,975.00	R 177,130.00	R 154,350.00	R 141,475.00
Travelling	R 133,528.00	R 98,711.68	R 100,146.00	R 66,951.88	R 60,088.00	R 55,039.00
Telephones	R 15,852.00	R 14,647.86	R 15,852.00	R 6,712.00	R 5,960.00	R 5,459.00
Contributions						
Medical Aid	R 6,439.00	R -	R 5,547.12	R 2,610.00	R -	R -
Pension	R 39,148.60	R 32,748.54	R 31,276.56	R 19,007.16	R 20,191.02	R 18,420.71
Allowance	R 534,346.60	R 399,819.42	R 392,796.68	R 264,867.00	R240,589.02	R 220,393.71

Executive Councillors						
	MMC: MF Ngomane	MMC: D Tabane	MMC: M I Martins	MMC: M Galo	MMC: M Mojahi	Total
Allowance	*		*	*	*	
Cllr All	R 239,975.00	R 125,635.00	R 257,255.00	R 257,255.00	R 146,231.00	R 2,332,371.34
Travelling	R 100,146.00	R 55,093.00	R 100,146.00	R 100,146.00	R 64,028.00	R 933,969.56
Telephones	R 15,852.00	R 5,459.00	R 15,852.00	R 15,852.00	R 5,960.00	R 123,457.86
Contributions						
Medical Aid	R 18,098.00	R -	R 14,143.00	R 21,726.00	R 2,610.00	R 68,563.12
Pension	R 31,276.56	R 16,242.71	R 33,652.56	R 33,652.26	R 19,007.16	R 320,966.66
Total	R 405,347.56	R 202,375.71	R 421,048.56	R 428,631.56	R237,836.16	R 3,779,328.54

Financial Disclosure Section 57 Manager

	Municipal Manager:	Chief Financial Officer	Manager: Corporate Services	Manager: Technical Services	Manager: District Economic Development	Manager: Public Safety
Allowance	R 756,089.00	R374,997.00	R 644,306.00	R 394,904.00	R 594,605.00	R514 023.00
Cllr All	R 182,400.00	R 63,000.00	R 104,288.00	R 148,000.00	R 84,000.00	R100,219.00
Travelling	R -	R -	R -	R -	R -	R -
Telephones	R938,489.00	R437,997.00	R748,594.00	R 542,904.00	R678,605.00	R614,242.00
Contributions						
Medical Aid	R 72,000.00	R 43,067.00	R 93,846.00	R 158,901.00	R 50,994.00	R 59,637.00
Pension	R 72,000.00	R 43,067.00	R 93,486.00	R 158,901.00	R 50,994.00	R 59,637.00

Manager: Municipal Health	Total
R 535,200.00	R3,841,124.00
R 72,000.00	R 753,907.00
R -	R -
R607,200.00	R4,568,031.00
R 64,251.00	R 542,336.00
R 64,251.00	R 542,336.00

3.7. Arrears owed to the Municipality:

Names	Amount	Status
Mr. Mathiso	R 24 160.05	Resigned 30/04/2009
Mr. Present	R 15 975.98	Arrangement R 6500.49
Ms Tabane	R 10 614.12	Resigned 30/04/2009
Ms Lee	R 310.91	Arrangement R310.19 end September
Mr. Nicodemus	R 848.61	Arrangement
Mr. Modise	R 652.70	
Ms Mojahi	R 2930.69	
Mr. Galo	R 35 702.73	Arrangement R 5100 pm
Mr. Rampedi	R 7312.18	
Ms Z. Gwiji	R 758.47	Arrangement
Total Amount	R 99 266.44	

Chapter 4

REPORT OF THE AUDITOR-GENERAL TO THE NORTH WEST PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE DR KENNETH KAUNDA DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Dr Kenneth Kaunda District Municipality which comprise the statement of financial position as at 30 June 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 118 to 194

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 Statements of Generally Recognised Accounting Practice (Statements of GRAP) and in the manner required by the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. Paragraph 11 *et seq.* of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Dr Kenneth Kaunda District Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion

Property, plant and equipment

8. Following the altered functions and powers of the municipality determined by the Minister for Provincial and Local Government as per *Government Notice 821 of 2003*, issued in *Government Gazette No. 25076 of 13 June 2003*, certain assets and liabilities on bulk water and sewerage services were to be transferred to the authorised municipalities within the district of the Dr Kenneth Kaunda District Municipality. The district municipality however removed these assets and corresponding liabilities from their accounting records during the 2007/2008 financial year without having complied with the requirements of section 3(2) of abovementioned notice regarding the transfer of these assets, rights, liabilities and obligations. This resulted in assets being understated by an unknown amount, long-term liabilities being understated by R54 816 321, the Government Grants Reserve being understated by R17 583 262 and the Capitalisation Reserve being understated by R112 203 786. This matter was also qualified in the prior year audit reports.

Payables

9. In the previous financial year, I was unable to obtain sufficient appropriate audit evidence for trade creditors of R9 378 355 disclosed in note 5 to the financial statements. My opinion on the financial statements for the period ended 30 June 2008 was modified accordingly. My opinion on the current period financial statements is also modified because of the possible effect of this matter on the comparability of the current period figures and the corresponding figures.
10. I was unable to confirm or verify by alternative means the trade creditors of R6 275 780 as disclosed in note 21 to the financial statements, due to management not providing sufficient appropriate audit evidence. Consequently, I could not determine the completeness, valuation and allocation, rights and obligations and existence of the amount disclosed in the financial statements.

Expenditure

11. I was unable to obtain sufficient appropriate audit evidence for operating expenditure of R4 013 393 included in the statement of financial performance. The available accounting records did not permit the application of alternative procedures. Consequently, I could not determine the completeness, occurrence, accuracy, cut-off and classification of operating expenditure of R4 013 393 included in the statement of financial performance.

Employee cost

12. Management did not provide sufficient appropriate audit evidence for employee cost of R7 527 339 included in the total employee cost of R37 460 767 disclosed in note 27 to the financial statements. The available accounting records did not permit the application of alternative procedures. Consequently, I could not determine the completeness, occurrence, accuracy, cut-off and classification of employee cost of R7 527 339 included in the financial statements.

Unauthorised, irregular, fruitless and wasteful expenditure

13. Section 125(2)(d) of the MFMA requires the municipality to disclose particulars of unauthorised, irregular and fruitless and wasteful expenditure in the notes to the financial statements. The municipality did not disclose any such expenditure, but during the audit the following was identified.
14. Irregular expenditure of R9 217 537 was incurred during the year as the municipality did not adhere to the following laws and/or regulations:
 - Private use of official vehicles by a councillor and officials to the value of R344 753, contrary to item 12 of schedule 5 of the Municipal Structures Act, 1998 (Act No. 117 of 1998) and item 9 of schedule 2 of the MFMA respectively.
 - Overpayments of R2 582 790 to contractors more than the agreed contracted amount, which is contrary to section 116(2) of the MFMA.
 - The municipality did not obtain the required documentation for an amount of R1 117 176 as required by regulation 12(1)(c) of the supply chain management regulations.
 - Purchase of a motor vehicle for the Executive Mayor amounting to R820 000 which did not comply with regulation 19(a) of the supply chain management regulations.
 - Awarding of a 3 year contract for accommodation without requesting competitive bids as required by regulation 19(a) of the supply chain management regulations. Payments of R358 020 made during the financial year are therefore regarded as irregular expenditure.
 - The Baitshoki V Housing project of R1 788 633 was split into parts of less than R200 000 to bypass the competitive bidding process required by regulation 19(b) of the supply chain management regulations.
 - The accounting officer deviated from the SCM committee recommendations for contracts totalling

R1 754 779 with motivations that are regarded not reasonable and justifiable in terms of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), the preferential procurement regulations and the supply chain management regulations.

- Contrary to the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), the improper use of official credit cards by councillors' and senior management without submitting original invoices as proof for expenses of R451 386. (Prior 3 years – R943,452)

Qualified opinion

15. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Dr Kenneth Kaunda District Municipality as at 30 June 2009 and its financial performance and cash flows for the year then ended, in accordance with the Statements of Generally Recognised Accounting Practice (Statements of GRAP) and in the manner required by the MFMA.

Other matters

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

Unaudited supplementary schedules

17. The municipality provided supplementary information in the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, in accordance with GRAP 1 *Presentation of Financial Statements*. The supplementary budget information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. Accordingly I do not express an opinion thereon.

Non-compliance with applicable legislation

18. Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
 Contrary to section 131(1), the municipality did not address all the issues raised by the Auditor-General in the prior year audit report.
19. Value Added Tax Act, 1991 (Act No.89 of 1991)
- Contrary to section 7(1)(a), VAT is claimed on a non taxable supply from the SDM Economic Agency (Pty) Ltd.
 - Contrary to section 17(2)(c), VAT was claimed on motor vehicles bought by the municipality.

Governance framework

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

Internal control deficiencies

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

Par. no.	Basis for qualified opinion	CE	RA	CA	IC	M
8	Property, plant and equipment	7	4	4,5,6	1,2,3	1,3
9	Payables	7	4,5	1,2,3,4,5,6		1,3
10	Expenditure	7	4,5	1,2,3,4,5,6		1,3
11	Employee cost	7	4,5	3,4,5,6		1,3
12-14	Unauthorised, irregular, fruitless and wasteful expenditure	7	4,5	1,2,3,4,5,6		1,3

22. The basis of qualification paragraphs could have been avoided had care been taken with regards to independent review and reconciliation of account balances as well as an effective document management system.

Legend	
CE = Control environment	
The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting.	1
Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting.	2
Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel.	3
Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting.	4
The accounting officer does not exercise oversight responsibility over financial reporting and internal control.	5
Management's philosophy and operating style do not promote effective control over financial reporting.	6
The entity does not have individuals competent in financial reporting and related matters.	7
RA = Risk assessment	
Management has not specified financial reporting objectives to enable the identification of risks to reliable financial reporting.	1
The entity does not identify risks to the achievement of financial reporting objectives.	2
The entity does not analyse the likelihood and impact of the risks identified.	3
The entity does not determine a risk strategy/action plan to manage identified risks.	4
The potential for material misstatement due to fraud is not considered.	5
CA = Control activities	
There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation.	1
General information technology controls have not been designed to maintain the integrity of the information system and the security of the data.	2
Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed.	3
Actions are not taken to address risks to the achievement of financial reporting objectives.	4
Control activities are not selected and developed to mitigate risks over financial reporting.	5
Policies and procedures related to financial reporting are not established and communicated.	6
Realistic targets are not set for financial performance measures, which are in turn not linked to an effective reward system.	7
IC = Information and communication	
Pertinent information is not identified and captured in a form and time frame to support financial reporting.	1
Information required to implement internal control is not available to personnel to enable internal control responsibilities.	2
Communications do not enable and support the understanding and execution of internal control processes and responsibilities by personnel.	3
M = Monitoring	
Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial reporting.	1
Neither reviews by internal audit or the audit committee nor self -assessments are evident.	2
Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken.	3

Key governance responsibilities

23. 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 certain 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.		N
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		N
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	Y	
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.	Y	

Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	Y	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	<ul style="list-style-type: none"> The municipality had an audit committee in operation throughout the financial year. 	Y	
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 	Y	
	<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA. 	Y	
7.	Internal audit		
	<ul style="list-style-type: none"> The municipality had an internal audit function in operation throughout the financial year. 	Y	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 	Y	
	<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. 	Y	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		N
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		N
10.	The information systems were appropriate to facilitate the preparation of the financial statements.		N
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(c)(i) of the MFMA.		N
12.	Delegations of responsibility are in place, as set out in section 79 of the MFMA.	Y	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.		N
14.	PPAC resolutions have been substantially implemented.	n/a	
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.		N
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		N
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 Dr Kenneth Kaunda District Municipality against its mandate, predetermined objectives, outputs, indicators and targets as set out in section 68 of the MFMA.	Y	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.		N

24. Vacancies exist for three heads of departments including the CFO, which resulted in poor leadership and monitoring. The risk management strategy was also not implemented to address the risks identified by the municipality.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report of performance information

25. I have reviewed the performance information as set out on pages 196 to 214.

The accounting officer's responsibility for the performance information

26. 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

27. 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.
28. In terms of the foregoing my engagement included performing procedures to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
29. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

Findings on performance information

Usefulness and reliability of reported performance information

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

The following audit findings relate to the above criteria:

Reported performance information not relevant

31. None of the targets with regard to the objectives in the IDP were:
- specific in clearly identifying the nature and the required level of performance
 - measurable in identifying the required performance
 - time bound in specifying the time period or deadline for delivery.

Reported performance information not reliable

32. Sufficient appropriate audit evidence with regard to the reported performance information of the selected programmes could not be obtained, as the information system used for generating performance information was not appropriate to facilitate the preparation of accurate and complete actual performance information.

APPRECIATION

33. The assistance rendered by the staff of the Dr Kenneth Kaunda District Municipality during the audit is sincerely appreciated.

Auditor-General

Rustenburg

05/02/2010



4.1. GENERAL INFORMATION

Executive Mayor
Speaker

Single Whip

Councillor B E Moloi (Ms)
Councillor W J Nelson (Ms)
(till 5/5/09)
Councillor ZS Present
(till 30/06/09)

MEMBERS OF MAYORAL COMMITTEE

MMC Financial Services
MMC District Economic Development
MMC Corporate Services
MMC Health and Social Services
MMC Infrastructure Development
MMC Public Works and Transport
MMC Sports, Arts and Culture
MMC Transversal Issues

Councillor Z Moweli
Councillor M Lee (Ms)
Councillor M Ngomane (Ms)
Councillor MM Mojahi
Councillor MI Martins
Councillor Z Mathiso (till 31/05/09)
Councillor D Tabane (Ms) (till 31/05/09)
Councillor M S Galo

PART – TIME COUNCILLORS

Councillor J L Janse van Rensburg
(till 31/05/09)
Councillor S S Nkatlo (Ms)
Councillor N Mamabolo (Ms) (till 31/05/09)
Councillor M A Feliti
Councillor MK Khauoe (from 10/6/09)
Councillor C M Hattingh (Ms)
Councillor N P Laubscher
Councillor S B Mokgothu
Councillor M Leschinsky
Councillor M Sebata (Ms)
Councillor L van der Westhuizen (Ms)
Councillor L Dire (Ms)
Councillor D Montoedi
Councillor G R Dwayi (Ms)
Councillor S P Terblanche
Councillor T Hart
Councillor R van Jaarsveld
Councillor K S Moeng
Councillor S I Dipico
Councillor N M Koloti (Ms)
Councillor E Zwane (Ms)
Councillor J C Landsberg
Councillor TG Mosiane (till 31/12/08)
Councillor V L Makoba (till 31/05/09)
Councillor N B Bezu (Ms) (till 31/05/09)
Councillor D L Davel

Councillor TB Mpukwana
Councillor P Mokoena
(from 15/12/2007)(till 31/03/09)
Councillor WT Mosiane
(till 31/05/09)
Councillor JD Badenhorst
(from 01/01/2008) (till 31/05/09)
Councillor BM Maloyi
(from 10/06/09)
Councillor SG Maruping
(from 10/06/09)
Councillor TA Ngaleka
(from 10/06/09)
Councillor MD Chika
(from 10/06/09)
Councillor TS Selete
(from 1/4/09)

GRADING OF MUNICIPAL COUNCIL

Grade 4: Determination of Upper Limits
Grade 10: Bargaining Council

BANKERS

ABSA Bank Ltd
91 O R Tambo Street
KLERKSDORP
2570

AUDITORS

Office of the Auditor-General
Private Bag X1204
POTCHEFSTROOM
2520

REGISTRATION OFFICE

Civic Centre
Patmore Road
ORKNEY
2620

Tel: (018) 473 8000
Fax: (018) 473 2523
E-mail: admin@sdm.org.za

Private Bag X5017
KLERKSDORP
2570

MUNCIPAL MANAGER

Adv. MA DLAVANE
B. Juris, LLB (TURFLOOP)

ACTING CHIEF FINANCIAL OFFICER

MB Daffue


CERTIFIED AS CORRECT

CERTIFIED AS CORRECT

31/08/2009
DATE

CERTIFIED AS CORRECT

31/08/2009
DATE

2. CERTIFICATION BY MUNICIPAL MANAGER

I am responsible for the preparation of these Annual Financial Statements, which are set out on pages 4 to 41, in terms of Section 126(1) of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) 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 Annual Financial Statements are within the upper limits of the framework envisaged in Section 219 of the constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, No 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with this Act.

A rectangular box containing a handwritten signature in black ink. The signature is stylized and appears to be 'A. A. ...'. Below the signature, the name 'Accounting Officer' is printed in a small, light font.

Accounting Officer



Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Accounting Officer's Report	5
Statement of Financial Position	6
Statement of Financial Performance	7
Statement of Changes in Net Assets	8
Cash Flow Statement	9
Accounting Policies	9 - 29
Notes to the Annual Financial Statements	30 - 67

Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2009.

1. Review of activities

Main business and operations

The municipality is engaged in service delivery and operates principally in South Africa.

The operating results for the year were [pleasing/satisfactory/disappointing] for the following reasons. The financial position of the municipality is [describe].

Net surplus of the municipality was R 14,797,822 (2008: profit R 6,916,871)..

2. Going concern

We draw attention to the fact that at 30 June 2009, the municipality had accumulated surplus of R - and that the municipality's total assets exceeds its liabilities by R 123,493,483.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Accounting policies

The annual financial statements prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations of such Statements issued by the Accounting Practices Board, and in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

Dr Kenneth Kaunda District Municipality

Annual Financial Statements for the year ended 30 June 2009

Statement of Financial Position

Figures in Rand	Note(s)	2009	2008
Assets			
Current Assets			
Investments	9	113,000,000	106,000,000
Operating lease asset	11	8,760	-
Trade and other receivables	13	975,793	686,468
VAT	14	4,469,403	4,015,537
Consumer debtors	15	-	1,901
Cash and cash equivalents	16	11,428,454	1,997,673
		129,882,410	112,701,579
Non-Current Assets			
Biological assets	4	910,580	-
Property, plant and equipment	5	17,435,129	16,337,906
Intangible assets	6	546,091	806,127
Investments	9	8,723,066	7,972,702
		27,614,866	25,116,735
Total Assets		157,497,276	137,818,314
Liabilities			
Current Liabilities			
Finance lease obligation	17	57,396	113,767
Operating lease liability	11	817,762	-
Trade and other payables	21	13,232,399	18,091,957
Post Retirement Medical Aid benefit Liability	12&19	65,059	-
Unspent conditional grants and receipts	18	14,979,048	8,889,792
Provisions	19	523,621	112,000
Current Portion - Long Services defined Benefit Plan	19&20	33,266	-
		29,708,551	27,207,516
Non-Current Liabilities			
Post Retirement Medical Aid benefit Liability	12	3,543,802	-
Long Service Awards	20	751,440	-
		4,295,242	-
Total Liabilities		34,003,793	27,207,516
Net Assets		123,493,483	110,610,798
Net Assets			
Accumulated surplus		123,493,483	110,610,798
Total Net Assets		123,493,483	110,610,798

Dr Kenneth Kaunda District Municipality

Annual Financial Statements for the year ended 30 June 2009

Statement of Financial Performance

Figures in Rand	Note(s)	2009	2008
Revenue			
Sale of flowers		371,766	520,752
Penalty (Contracts)		20,500	39,000
Government grants	24	130,526,114	114,333,253
Actuarial gains - Defined benefit plan		149,766	-
Rental income		28,207	39,100
Other income	25	3,570,619	555,394
Gains on disposal of property, plant and equipment		-	16,000
Interest received - investment	29	15,635,020	15,358,214
Dividends received	29	1,651	-
Total Revenue		150,303,643	130,861,713
Expenditure			
Employee related costs	27	37,460,767	34,377,498
Remuneration of councillors	28	5,804,306	5,313,540
Depreciation and amortisation	30	2,317,289	2,247,058
Finance costs		16,653	24,495
Debt impairment		-	2,674,469
Repairs and maintenance		553,054	291,229
Contracted services	34	1,653,813	2,663,384
Grants and subsidies paid	35	70,412,689	64,315,268
Contributions to Leave Reserve		1,039,034	597,908
General Expenses	26	14,787,330	11,419,490
Total Expenditure		(134,044,935)	(123,924,339)
Gains (Loss) on disposal of assets		(1,460,884)	(20,503)
Surplus for the year		14,797,824	6,916,871

Dr Kenneth Kaunda District Municipality

Annual Financial Statements for the year ended 30 June 2009

Statement of Changes in Net Assets

Figures in Rand	Accumulated Surplus / (Deficit)
Opening balance as previously reported	406,251,885
Adjustments	
Fundamental errors affecting net assets	(4,615,929)
Balance at 01 July 2007 as restated	401,635,956
Changes in net assets	
Net income (losses) recognised directly in net assets	16,036,199
Surplus for the year	6,916,871
Transfer of assets recognised directly in net assets	(313,861,704)
Total changes	(290,908,634)
Opening balance as previously reported	110,727,322
Adjustments	
Fundamental errors affecting net assets	(116,524)
Balance at 01 July 2008 as restated	110,610,798
Changes in net assets	
Change in accounting policy	(2,661,625)
Prior year adjustments	1,016,112
Transfer to grants (Interest)	(269,627)
Net income (losses) recognised directly in net assets	(1,915,140)
Surplus for the year	14,797,825
Total recognised income and expenses for the year	12,882,685
Balance at 30 June 2009	123,493,483

Note(s)

Dr Kenneth Kaunda District Municipality

Annual Financial Statements for the year ended 30 June 2009

Cash Flow Statement

Figures in Rand	Note(s)	2009	2008
Cash flows from operating activities			
Cash receipts from customers		127,838,456	111,231,304
Cash paid to suppliers and employees		(124,393,968)	(113,893,195)
))
Cash generated from (used in) operations	36	3,444,488	(2,661,891)
Interest income		15,635,020	15,358,214
Dividends received		1,651	-
Finance costs		(16,653)	(24,495)
Net cash from operating activities		19,064,506	12,671,828
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,344,245)	(1,670,915)
Loss on disposal of property, plant and equipment		1,460,884	94,591
(increase)/ Decrease in non-current receivables		-	2,050
(Increase)/Decrease in non-current investments		(750,364)	5,364,406
(Increase)/Decrease in call investment deposits		(7,000,000)	(19,424,171)
Net cash from investing activities		(9,633,725)	(15,634,039)
Cash flows from financing activities			
Total cash movement for the year		9,430,781	2,962,211
Bank and cash at the beginning of the year		1,997,673	(964,538)
Bank and cash at the end of the year		11,428,454	1,997,673
Net increase (decrease) in cash and cash equivalents	16	9,430,781	2,962,211

Accounting Policies

1. Basis of Presentation of Annual Financial Statements

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate

The annual financial statements have been prepared in accordance with

- Directive 5 – Determining the GRAP Reporting Framework, issued by the Accounting Standards Board in March 2009 and comprising of:
- The South African Statements of Generally Recognised Accounting Practice (GRAP), the Standards of Generally Accepted Municipal Accounting Practice (GAMAP) prescribed by the Minister of Finance in:
- Notice 516 in Government Gazette 31021 issued 9 May 2008 read in conjunction with
- Notices 991 or 992 dated 7 December 2005 and Issued in Government Gazette No. 28095 of 15 December 2005 and Gazette No. 30013 of June 2007.
- Directive 4 Transitional Provisions for the Adoption of Standards of GRAP issued by the Accounting Standard Board by Medium and Low Capacity Municipalities.

GRAP:

GRAP 1 Presentation of Financial Statements
GRAP 2 Cash Flow Statements
GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4 Replace GAMAP4. The Effects of Changes in Foreign Exchange Rates
GRAP 5 Borrowing Costs
GRAP 6 Replace GAMAP6. Consolidated and Separate Financial Statements
GRAP 7 Replace GAMAP7. Investments in Associates
GRAP 8 Replace GAMAP8. Interests in Joint Ventures
GRAP 9 Replace GAMAP9. Revenue from Exchange Transactions
GRAP 10 Financial Reporting in Hyperinflationary Economies
GRAP 13 Leases
GRAP 14 Events After the Reporting Date
GRAP 17 Replace GAMAP17. Property, Plant and Equipment
GRAP 18 Segment Reporting

GRAP 19 Provisions, Contingent Liabilities and Contingent Assets
GRAP 100 Non-current Assets Held for Sale and Discontinued Operations
GRAP 101 Agriculture
GRAP 102 Intangible Assets

Interpretations of the Standards of GRAP approved:

IGRAP 1 Applying the Probability Test on Initial Recognition of Exchange Revenue

Approved guidelines of Standards of GRAP:

Guide 1 Guideline on Accounting for Public Private Partnerships

Effective accrual based IPSASs that are applied considering the provisions in paragraphs .15 to .19 of the Directive:

IPSAS 20 Related Party Disclosures

Effective IFRSs and IFRICs that are applied considering the provisions in paragraphs .20 to.26 of the Directive:

IFRS 7 (AC 144) Financial Instruments: Disclosures

IAS 19 (AC 116) Employee Benefits

IAS 32 (AC 125) Financial Instruments: Presentation

IAS 39 (AC 133) Financial Instruments: Recognition and Measurement

Accounting policies for material transactions, events or conditions not covered by the above GRAP and or GAMAP standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practice (SA GAAP) including any interpretations of such Statements issued by

Dr Kenneth Kaunda District Municipality

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

the Accounting Practices Board. A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted are disclosed below. The financial statements are prepared on the historic cost convention except for financial instruments which are stated at fair value.

1.1 FUNCTIONAL AND PRESENTATION CURRENCY – GRAP 1

These annual financial statements are presented in South African Rands (ZAR) which is also the functional currency of the municipality.

1.2 GOING CONCERN ASSUMPTION – GRAP 1

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

1.3 OFFSETTING – GRAP 1

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

1.4 COMPARATIVE INFORMATION - GRAP 1

Budget information in accordance with GRAP 1 and GRAP 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

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

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate.

The annual financial statements have been prepared in accordance with

- Directive 5 – Determining the GRAP Reporting Framework, issued by the Accounting Standards Board in March 2009 and comprising of:
- The South African Statements of Generally Recognised Accounting Practice (GRAP).
- Notice 516 in Government Gazette 31021 issued 9 May 2008 read in conjunction with
- Notices 991 or 992 dated 7 December 2005 and Issued in Government Gazette No. 28095 of 15 December 2005 and Gazette No. 30013 of June 2007.
- Directive 4 Transitional Provisions for the Adoption of Standards of GRAP issued by the Accounting Standard Board by Medium and Low Capacity Municipalities.

GRAP:

- GRAP 1 Presentation of Financial Statements
- GRAP 2 Cash Flow Statements
- GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 4 The Effects of Changes in Foreign Exchange Rates
- GRAP 5 Borrowing Costs
- GRAP 6 Consolidated and Separate Financial Statements
- GRAP 7 Investments in Associates
- GRAP 8 Interests in Joint Ventures
- GRAP 9 Replace GAMAP9. Revenue from Exchange Transactions
- GRAP 10 Financial Reporting in Hyperinflationary Economies
- GRAP 13 Leases
- GRAP 14 Events After the Reporting Date
- GRAP 17 Property, Plant and Equipment
- GRAP 19 Provisions, Contingent Liabilities and Contingent Assets
- GRAP 100 Non-current Assets Held for Sale and Discontinued Operations

Dr Kenneth Kaunda District Municipality

Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

GRAP 101 Agriculture
GRAP 102 Intangible Assets

Interpretations of the Standards of GRAP approved:

IGRAP 1 Applying the Probability Test on Initial Recognition of Exchange Revenue

Approved guidelines of Standards of GRAP:

Guide 1 Guideline on Accounting for Public Private Partnerships

Accounting policies for material transactions, events or conditions not covered by the above GRAP and or GAMAP standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practice (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board. A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted are disclosed below.

The financial statements are prepared on the historic cost convention except for financial instruments which are stated at fair value.

FUNCTIONAL AND PRESENTATION CURRENCY – GRAP 1

These annual financial statements are presented in South African Rand's (ZAR) which is also the functional currency of the municipality.

GOING CONCERN ASSUMPTION – GRAP 1

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

The cash flow statement can only be prepared in accordance with the direct method.

Specific information has been presented separately on the statement of financial position such as:

- Receivables from non-exchange transactions, including taxes and transfers;
- Taxes and transfers payable; and
- Trade and other payables from non-exchange transactions.

Amount and nature of any restrictions on cash balances is required.

Paragraph 11 – 15 of GRAP 1 has not been implemented due the fact that the local and international budget reporting standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the annual financial statements.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below

1.1 Significant judgement and sources of estimation uncertainty

In preparing the straight-line basis, management is required to make estimates and assumptions that affect the amounts represented in the straight-line basis and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of financial performance, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions

Accounting Policies

and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.'

Available-for-sale financial assets

The municipality follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the municipality evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 19 - Provisions.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 12.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Financial Reporting in Hyperinflationary Economics (GRAP 10)

As hyperinflation is deemed to be a matter of judgement, the municipality takes the following into account in order to determine whether the economy is hyperinflationary:

- The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power.
- The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency.
- Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short.
- Interest rates, wages and prices are linked to a price index.
- The cumulative inflation rate over three years is approaching, or exceeds, 100%.

1.2 Biological assets

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
 - it is probable that future economic benefits associated with the asset will flow to the entity; and
 - the fair value or cost of the asset can be measured reliably.
-

Accounting Policies

Biological assets are measured at their fair value less estimated point-of-sale costs.

The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.

The fair value of milk is determined based on market prices in the local area.

The fair value of the vine / pine plantations is based on the combined fair value of the land and the vines / pine trees. The fair value of the raw land and land improvements is then deducted from the combined fair value to determine the fair value of the vines / pine trees.

A gain or loss arising on initial recognition of agricultural produce at fair value less estimated point-of-sale costs is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate is used to determine fair value.

An unconditional government grant related to a biological asset measured at its fair value less estimated point-of-sale costs is recognised as income when the government grant becomes receivable.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on biological assets where fair value cannot be determined, to write down the cost, less residual value, by equal instalments over their useful lives as follows:

Item	Useful life
Plants yearly – annually	1 year
Plants –Perennial	10 years

1.3 Property, plant and equipment

The municipality has taken advantage of the transitional provisions as of Directive 4 and has not applied the standard of GRAP 17 – Property, Plant and Equipment

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 17 – Property, Plant and Equipment will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation. The carrying values of items of property, plant and equipment have not been adjusted with impairment losses as no impairment testing was done. Depreciation is calculated on the depreciable amount (cost less residual value), using the straight line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-

Accounting Policies

Item	Average useful life
Land	30 Years
Buildings	30 Years
Furniture and fixtures	7-10 Years
Motor vehicles	5-7 Years
Office equipment	3-7 Years
IT equipment	3-5 Years

The residual value and the useful life of each asset were not reviewed during the year under review due to the advantage of the transitional provisions as of Directive 4 par .74-.76 taken.

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 is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Disposal of property, plant and equipment

- The book values of assets are written off on disposal.
- The difference between the net book value of assets (cost less accumulated depreciation) and
- the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance.

Review of depreciation method. The depreciation method was not reviewed. The current year's accounting policy agrees with that applied in the previous financial year.

1.4 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

The municipality has taken advantage of the transitional provisions in paragraph .75 and .78 of Directive 4, Directive on transitional provisions for medium and low capacity municipalities issued by the Accounting Standards Board February 2008, and will on each reporting date during the three year period, disclose the classes of property, plant and equipment that were not recognised or measured in accordance with the Standards of GRAP on Property, Plant and Equipment at the previous reporting date, but which are then so recognised and/or measured. A Council's resolution, resolution No. A93/07/2009 to the effect was obtained on 30 July 2009.

In terms of the transitional provisions in paragraphs .75 and .78 of the said Directive 4, certain classes of property, plant and equipment were not recognised and measured in accordance with the Standard of GRAP on Property, Plant and Equipment in the municipality's financial statements. Therefore, until such time as the transitional provisions expire and those classes of property, plant and equipment are recognised and measured in their financial statements in accordance with the Standard of GRAP on Property, Plant and Equipment, full compliance with the following are outstanding:

- the Standards of GRAP on Presentation of Financial Statements, Segment Reporting and Non-current Assets Held for Sale and Discontinued Operations; and
- the recognition requirements of the Standards of GRAP on Leases and Provisions, Contingent Liabilities and Contingent Assets.

Accounting Policies

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation. The carrying values of intangible assets have not been adjusted with impairment losses as no impairment testing was done..

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is provided on a straight line basis over their useful life which is estimated to be between 3 and 5 years.

The useful lives and residual values of assets classified as property, plant and equipment were not reviewed during the year under review. The amortisation period and the amortisation method for intangible assets were not reviewed at year-end.

Reassessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Only cost incurred on computer software that meet the definition of an intangible asset are recognised as permitted in terms of Gazette 30013 of 29 June 2007. All other cost incurred on intangible assets during the exemption period has been expensed. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3-5 Years

1.5 Municipal entity

The municipality has taken advantage of the transitional provisions as of Directive (4) and has not applied the standard of GRAP 7 – Investment in Associates in full.

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 7 – Investment in Associates will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

Accounting Policies

Initial measurement

An associate is an entity over which the municipality as the investor is in a position to exercise significant

influence, through participation in the financial and operating policy decisions of the investee and which is neither a controlled entity nor a joint venture of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. The municipality exercises judgement in the context of all available information to determine if it has significant influence over an investee.

The municipality commences accounting for an investment in an associate from the date that significant influence exists and discontinues the application of the equity method when it no longer has significant influence over an associate. The equity method involves recognising the investment initially at cost, then adjusting for any change in the investor's share of net assets of the associate since it acquired it. A single line-item in the Statement of Financial Performance presents the investor's share of the associate's surplus or deficit for the year

The municipality uses the most recent available financial statements of the associate in applying the equity method. The equity method involves recognising the investment initially at cost, then adjusting for any change in the investor's share of net assets of the associate since it acquired it. A single line-item in the Statement of Financial Performance presents the investor's share of the associate's surplus or deficit for the year. The carrying value of the investment in associates is adjusted for the municipality's share of operating surpluses/ (deficits) less any dividends received.

Where the reporting periods of the associate and the municipality are different, separate financial statements for the same period are prepared by the associate unless it is impracticable to do so. When the reporting dates are different, the municipality makes adjustments for the effects of any significant events or transactions between the investor and the associate that occur between the different reporting dates. Adjustments are made to ensure consistency between the accounting policies of the associate and the municipality.

Where the municipality or its entities transact with an associate, unrealised gains and losses are eliminated to the extent of the Municipality's or its Municipal Entities' interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the asset transferred

Initial adoption of the Standard of GRAP

On initial adoption of the Standard of GRAP on Investments in Associates, comparative information was not restated for those financial statements in which the equity method is applied.

Separate financial statements

The municipality will apply the requirements of the Standard of GRAP on Investments in Associates relating to separate financial statements in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors retrospectively.

Financial statements in which the equity method is applied

On initial adoption of the Standard of GRAP on Investments in Associates, any adjustments required to the municipality's financial position and financial performance as a result of initially applying the equity method shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit of the period in which the Standard is adopted.

On initial adoption of the Standard of GRAP on Investments in Associates, comparative information is not restated for those financial statements in which the equity method is applied.

The effect of a transaction or event that gives rise to the municipality being required to apply the provisions of the Standard of GRAP on Investments in Associates are determined at the date that significant influence first exists. Any adjustments required to previous carrying amounts of assets, liabilities or net assets are recognised as an adjustment to the opening balance of accumulated surpluses and deficits in the period that the Standard of GRAP on Investments in Associates is adopted.

Accounting Policies

1.6 Financial instruments

Classification

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

- Held-to-maturity investment
- Loans and receivables

- Available for sale financial assets
- **Initial Recognition**
Financial instruments are initially recognised at fair value.

Subsequent Measurement

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

Financial assets

In accordance with IAS 39.09 the financial assets of the municipality are classified as follows into one of the categories allowed by this standard:

Investments - Available for sale financial assets
Call investment deposits - Held to maturity
Consumer debtors - Loans and receivables
Trade and other receivables from exchange transactions - Loans and receivables
VAT receivable - Loans and receivables
Bank balances and cash - Available for sale financial assets
Investments in associates - Available for sale financial assets

Bank balances and cash equivalents comprise of current accounts held by council and petty cash balances. Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or category.

Financial liabilities

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 or in the notes thereto:

- Trade and other receivables from exchange transactions - A financial liability that is not measured at fair value through profit or loss. Stated at their nominal value.
- Unspent conditional grants and receipts - A financial liability that is not measured at fair value through profit or loss. Stated at their nominal values.
- Provisions - A financial liability that is not measured at fair value through profit or loss. Stated at their nominal value

There are two main categories of financial liabilities, classified based on how they are measured. Financial liabilities may be measured at:

- Fair value through profit or loss; or
- Not at fair value through profit or loss ('other financial liabilities')

Financial liabilities that are measured at fair value through profit or loss are financial liabilities that are essentially held for trading

Any other financial liabilities are classified as financial liabilities that are not measured at fair value through profit or loss.

In accordance with IAS 39.09 the financial liabilities of the municipality are classified only as financial liabilities that are not measured at fair value through profit or loss because none of the following instruments are held for

Accounting Policies

trading.

Initial recognition and measurement

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

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a

financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial liabilities and financial assets are recognized and measured in accordance with IAS 39 paragraph 43,46,47. Held to maturity investments and loans and receivables are initially measured at fair value. Financial assets at fair value and available for sale financial assets are initially and subsequently measured at fair value with the profit or loss being recognized in the Statement of Financial Performance, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

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

Subsequent measurement

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

Gains and losses arising from changes in financial assets or financial liabilities at amortised cost are recognised in profit and loss when the financial asset or liability is derecognised or impaired through the amortisation process.

Dividend income is recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established .

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

Investments

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments 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. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance. Available for sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available for sale financial assets calculated using the effective interest method is recognised in surplus or deficit as part of other income. Dividends received on available for sale equity instruments are recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established.

Accounting Policies

Changes in fair value of available for sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in surplus or deficit, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination

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

Impairment of financial assets

At each balance sheet date an assessment is made of whether there is any objective evidence of impairment of financial assets. If there is evidence then the recoverable amount is estimated and an impairment loss is recognized in accordance with IAS 39.

For amounts due to the municipality, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in surplus or deficit.

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

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

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Accounting Policies

Trade payables and borrowings

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

Financial liabilities and equity instruments

Financial liabilities are classified according to the substance of contractual agreements entered into. Trade and other payables are stated at their nominal value. Equity instruments are recorded at the amount received, net of direct issue costs.

Gains and losses

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

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit,
- A gain or loss on an available-for-sale financial asset is recognised directly in net assets, through the statement of changes in net assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in net assets is recognised in surplus or deficit, and
- For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

Impairment of financial assets

The municipality assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit. The municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

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1.7 Leases

The municipality has taken advantage of the transitional provisions as of Directive (4) and has not applied the standard of GRAP 13 – Leases.

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 13 – Leases will have on the municipality's financial statements was not known at the time of compilation of the statements. The municipality intends to take full advantage of the period of the transitional provisions

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Such risks and rewards include: A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

- a) Transfer of ownership at the end of the lease term
- b) The lessee has a bargain purchase option
- c) The lease term covers a major part of the asset's economic life
- d) The present value of the minimum lease payments approximates the fair value of the asset. Payments

made by a lessee that are a substantial portion of a leased asset's fair value is presumed to give rise to a finance lease. The presumption is that the lessee will have received substantially all the benefits of ownership because it will have paid an amount that is close to the asset's fair value.

- e) The leased asset is constructed to the municipality's specification and could not be used by others without significant modification

as well as the following situations that may individually or in combination also lead to a lease being classified as a finance lease:

- On cancellation of the lease, the lessor's losses associated with the cancellation, e.g. loss of rental revenue are carried by the lessee;
- Movements in the fluctuation of the fair value of the residual accrue to the lessee;
- The lessee may upon expiration of the lease agreement, continue the lease at a rent which is substantially lower than market rent

Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over the shorter of the lease term or its estimated useful life. Lease payments are allocated between the finance lease costs and the capital repayment expensed as they become due.

The judgements made by the municipality are based on the above criteria and are stipulated with the recording of each lease.

Finance leases – lessor

The municipality recognises finance lease receivables on the statement of financial position. Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Finance leases – 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 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 minimum lease payments is the .

Accounting Policies

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 – lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.8 Construction contracts and receivables

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the statement of financial position date, as measured by .

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

1.9 Impairment of assets

The municipality has taken advantage of the transitional provisions as of Directive 4 and has not applied the standard of IPSAS 21 &26 – Impairment of Assets.

Reasonably estimable information relevant to assessing the possible impact of the implementation of IPSAS 21 & 26 –

Impairment of Assets will have on the municipality's financial statements were not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

The following is the nature of the impending changes in the accounting policy:

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

Accounting Policies

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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

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

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

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

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

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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

Accounting Policies

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Post employment health care benefits

The municipality provides post retirement health care benefits, upon retirement to some retirees. The entitlement to post retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. An annual charge to income is made to cover this liability.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to statement of financial position date where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

Other post retirement obligations

The municipality provides post-retirement health care benefits upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

1.11 GRAP 19: Provisions, Contingent Liabilities and Contingent Assets

The municipality has taken advantage of the transitional provisions as of Directive (4) and has not applied the standard of GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets.

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- and a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Accounting Policies

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

GRAP 100: Non current Assets Held for Sale and Discontinued Operations

The municipality has taken advantage of the transitional provisions as of Directive 3 (4) and has not applied the standard of GRAP 100 – Non current assets held for sale or discontinued operations.

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 100 – Non current assets held for sale or discontinued operations will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

The following is the nature of the impending changes in the accounting policy:

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

These investments are measured initially and subsequently at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period.

Impairment losses recognised in profit or loss for equity investments classified as available for sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available for sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss

1.12 Government grants

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the government grant recorded as revenue in the Statement of Financial Performance.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant reserve to the accumulated surplus/(deficit).

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed through a government grant is disposed off, the

Accounting Policies

balance in the Government grant reserve relating to the item is transferred to the accumulated surplus/(deficit).

Government grants are recognised when there is reasonable assurance that:

- the municipality will comply with the conditions attaching to them; and
- the grants will be received.

1.13 Revenue from exchange transactions

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the statement of financial position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the statement of financial position date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at statement of financial position date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Contract revenue comprises:

- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:
 - to the extent that it is probable that they will result in revenue; and
 - they are capable of being reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

Dividends are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Accounting Policies

Grants, transfers and donations

Grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

Donations are measured at the fair value of the consideration received or receivable when the amount of the revenue can be measured reliably.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.15 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.16 Borrowing costs

The municipality has applied the requirements of the Standard of GRAP on Borrowing Costs prospectively. The requirements of the Standard of GRAP on Borrowing Costs only apply to those borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after the effective date of the Standard.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Comparative figures

Budget information in accordance with GRAP 1 and GRAP 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

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

Accounting Policies

1.18 Unauthorised expenditure

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

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which 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 subsequently recovered, it is accounted for as revenue in the Statement of Financial Performance.

1.20 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Local Government: 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 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 subsequently recovered, it is accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements are recorded as irregular expenditure. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end are recorded as irregular expenditure. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements are updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority are recorded appropriately as irregular expenditure. If liability for the irregular expenditure can be attributed to a person, a debt account are created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person

concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as bad debt and disclose such in the relevant note to the financial statements. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto remain against the relevant programme / expenditure item, is disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.21 Use of Estimates

The preparation of annual financial statements in conformity with Generally Recognised Accounting Practice requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future,

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actual results ultimately may differ from those estimates.

1.22 Offsetting

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

1.23 Accumulated Surplus

- Included in the accumulated surplus of the municipality, are the following reserves that are maintained in terms of specific requirements.

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

- Profit on the sale of land during a financial year is reflected in the Statement of Financial Performance. Profit on the sale of land more than budgeted is transferred annually via the Statement of Changes in Net Assets to the CRR, provided that it cash backed.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated

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surplus/deficit.

Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

1.24 Conditional Grants and receipts

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

Government grants are recognised when there is reasonable assurance that:

- the municipality will comply with the conditions attaching to them; and
- the grants will be received.

Income is transferred to the Statement of Financial Performance as revenue to the extent that the criteria, conditions or obligations have been met.

A government grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs are recognised as income of the period in which it becomes receivable.

1.25 Segmental information

The municipality has taken advantage of the transitional provisions as of Directive 3 (4) and has not applied the standard of GRAP 18 – Segment Reporting

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 18 – Segment Reporting will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the entity. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the entity's overall mission. Geographical segments relate to specific outputs

generated, or particular objectives achieved, by an entity within a particular region.

1.26 AS 24 – Related Parties

A party is related to an the Dr Kenneth Kaunda District Municipality if:

(a) directly, or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or (iii) has joint control over

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the entity;

(b) the party is an associate (as defined in IAS 28 Investments in Associates) of the entity;

(c) the party is a joint venture in which the entity is a venturer.

(d) the party is a member of the key management personnel of the entity or its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the municipality.

1.27 Consolidated and Separate Financial Statements (GRAP 6)

The municipality has taken advantage of the transitional provisions as of Directive 3 (4) and has not applied the standard of GRAP 6 – Consolidated and Separate Financial Statements.

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 6 – Consolidated and Separate Financial Statements will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

Adjustments required to an economic entity's financial position and financial performance as a result of initially adopting the Standard of GRAP on Consolidated and Separate Financial Statements are recognised as an adjustment to the opening balance of accumulated surplus or deficit of the period in which the Standard is adopted.

The effect of a transaction or event that gives rise to an entity being required to prepare consolidated financial statements is determined at the date that control first exists. Any adjustments required to previous carrying amounts of assets, liabilities or net assets are recognised as an adjustment to the opening balance of accumulated surpluses and deficits in the period that the Standard of GRAP on Consolidated and Separate Financial Statements is adopted

Adjustments required to an economic entity's financial position and financial performance as a result of initially adopting the Standard of GRAP on Consolidated and Separate Financial Statements are recognised as an adjustment to the opening balance of accumulated surplus or deficit of the period in which the Standard is adopted.

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
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2. Changes in accounting policy

The municipality has only changed accounting policies if it:

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

The following is not seen as changes in accounting policies:

- the application of an accounting policy for events or transactions, other events or conditions that differ in substance from those that previously occurred; and
- the application of a new accounting policy for transactions, other events or conditions that did not occur previously or were immaterial.

Changes in accounting policies upon initial application of Standards that do not include specific transitional provisions applying to these changes and voluntary changes in accounting policies are accounted for retrospectively. When a new accounting policy is applied retrospectively, it is applied to comparative information for prior periods as far back as is practicable

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

- GRAP 5 Borrowing Costs
- GRAP 6 Consolidated and Separate Financial Statements
- GRAP 7 Investments in Associates
- GRAP 10 Financial Reporting in Hyperinflationary Economies
- GRAP 13 Leases
- GRAP 14 Events After the Reporting Date
- GRAP 17 Property, Plant and Equipment/IAS40 Investment Property
- GRAP 100 Non-current Assets Held for Sale and Discontinued Operations
- GRAP 101 Agriculture
- GRAP 102 Intangible Assets
- GRAP 19 Provisions, Contingent Liabilities and Contingent Assets

Notes to the Annual Financial Statements

3. New standards and interpretations

3.1 Standards and interpretations effective and adopted in the current year

Standards and interpretations effective and not yet adopted in full during the current year due to transitional provisions as per Directive (4) – Directive on transitional provisions for medium and low capacity municipalities

The municipality has taken advantage of the transitional provisions of Directive 4, Directive on transitional provisions for medium and low capacity municipalities issued by the Accounting Standards Board February 2008, and will on each reporting date during the three year period, disclose the classes of property, plant and equipment that were not recognised or measured in accordance with the Standards of GRAP on Property, Plant and Equipment at the previous reporting date, but which are then so recognised and/or measured. A Council's resolution, resolution No A93/07/2009 to the effect was obtained on 30 July 2009

In terms of the transitional provisions in paragraphs .75 and .78 of the said Directive 4, certain classes of property, plant and equipment were not recognised and measured in accordance with the Standard of GRAP on Property, Plant and Equipment in the municipality's financial statements. Therefore, until such time as the transitional provisions expire and those classes of property, plant and equipment are recognised and measured in their financial statements in accordance with the Standard of GRAP on Property, Plant and Equipment, full compliance with the implementation of the following Standards of GRAP are outstanding:

- the Standards of GRAP on Presentation of Financial Statements, Segment Reporting and Non current Assets Held for Sale and Discontinued Operations; and
- the recognition requirements of the Standards of GRAP on Leases and Provisions, Contingent Liabilities and Contingent Assets.

The changes in accounting method of the following standards are disclosed in detail under the accounting policies:

GRAP 5: Borrowing Costs

GRAP 6: Consolidated and Separate Financial Statements

GRAP 7: Investments in Associates

GRAP 10: Financial Reporting in Hyperinflationary Economies

GRAP 13: Leases

GRAP 14: Events after the reporting date

GRAP 17: Property, Plant and Equipment

GRAP 18: Segmental Information Reporting

GRAP 100: Non current Assets Held for Sale and Discontinued Operations

GRAP 101: Agriculture

GRAP 102: Intangible Assets

IPSAS 21: Impairment of Non Cash Generating Assets

IAS 19: Employee benefits

IAS 39: Financial instruments

In the current year, the municipality has adopted the mentioned standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IAS 19: Employee Benefits

With regards to curtailments and negative past service costs clarification has been made that:

- When a plan amendment reduces benefits, the effect of the reduction for future service is a curtailment and the effect of any reduction for past service is a negative past service cost;
- Negative past service cost arises when a change in the benefits attributable to past service results in a reduction in the present value of the defined benefit obligation; and
- A curtailment may arise from a reduction in the extent to which future salary increases are linked to the benefits payable for past service.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The impact of the amendment is set out in note 1.102 Changes in Accounting Policy.

Notes to the Annual Financial Statements

IAS 39 (AC 133) and IFRS7 (AC 144) Financial Instruments Disclosures

IAS 39 (AC 133) prohibits the classification of financial instruments into or out of the fair value through profit or loss category after initial recognition. The amendments set out a number of changes in circumstances that are not considered to be reclassifications for this purpose

The amendments have also removed references to the designation of hedging instruments at the segment level.

The amendments further clarify that the revised effective interest rate calculated when fair value hedge accounting ceases, in accordance with paragraph 92 IAS 39 (AC 133) should be used for the remeasurement of the hedged item when paragraph AG8 of IAS 39 (AC 133) is applicable
IFRS 7 introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the municipality's financial instruments.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

IAS 39 (AC 133) Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items

The amendment provides clarification on two hedge accounting issues:

- Inflation in a financial hedged item and
- A one sided risk in a hedged item.

The effective date of the amendment is for years beginning on or after 01 July 2009.

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

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

GRAP 5: Borrowing Costs

Directive 4 - Transitional provisions for medium and low capacity municipalities requires only prospective application of the Standard and only will apply to borrowing costs incurred on qualifying assets where the commencement date for capitalisation is on or after the effective date of the Standard.

The effective date of the standard is for years beginning on or after 01 April 2009.

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

GRAP 6: Consolidated and Separate Financial Statements

GRAP 6 includes specific guidance on whether control exists and on power conditions to determine whether control exists in a public sector context – public sector entities need to consider impact of this guidance to determine whether an investment should be accounted for in accordance with GRAP 6.

GRAP 6 includes specific guidance and explanatory material on the accounting of special purpose entities adopted from SIC 12 – SA specific public sector amendment. Public sector entities need to consider impact of this guidance to determine whether an investment should be accounted for in accordance with GRAP 6.

The initial application of GRAP 6 will have no impact on the annual financial statements.

Notes to the Annual Financial Statements

The municipality has taken advantage of the transitional provisions as of Directive (4) and has not applied the standard of GRAP 6 – Consolidated and Separate Financial Statements.

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 6 – Consolidated and Separate Financial Statements will have on the municipality's financial statements were not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

The nature of the impending changes is set out in the accounting policy:

The effective date of the standard is for years beginning on or after 01 April 2009.

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

GRAP 7: Investments in a Entity

An entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. The investor must exercise judgement in the context of all available information to determine if it has significant influence over an investee.

An investor accounts for investments in associates in the consolidated annual financial statements using the equity method.

The initial application of GRAP 7 will have an impact on the annual financial statements.

The municipality has taken advantage of the transitional provisions as of Directive (4) and has not applied the standard of GRAP 7 – Investment in Associates in totality.

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 7 – Investment in Associates will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

The nature of the impending changes is set out in the accounting policy

The effective date of the standard is for years beginning on or after 01 April 2009.

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

GRAP 10: Financial Reporting in Hyperinflationary Economies

GRAP 10 includes additional guidance as adopted from Financial Reporting in Hyperinflationary Economies (IFRIC 7) on Applying the Restatement Approach.

The nature of the impending changes is set out in the accounting policy

The effective date of the standard is for years beginning on or after 01 April 2009.

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

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GRAP 13: Leases

The municipality has taken advantage of the transitional provisions as of Directive (4) and has not applied the standard of GRAP 13 – Leases

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 13 - Leases will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

The nature of the impending changes is set out in the accounting policy:

The effective date of the standard is for years beginning on or after 01 April 2009.

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

GRAP 14: Events after the reporting date

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

The date of authorisation for issue is the date on which the annual financial statements have received approval from

management to be issued to the executive authority or municipal council.

Two types of events can be identified:

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

An municipality has adjusted the amounts recognised in its annual financial statements to reflect adjusting events after the reporting date.

The effective date of the standard is for years beginning on or after 01 April 2009.

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

The impact of the standard is set out in the Accounting Policy.

GRAP 17: Property, Plant and Equipment

The municipality has taken advantage of the transitional provisions as of Directive 3 (4) and has not applied the standard of GRAP 17 – Property, Plant and Equipment

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 17 – Property, Plant and Equipment will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

The nature of the impending changes is set out in the accounting policy

The effective date of the standard is for years beginning on or after 01 April 2009.

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

GRAP 18: Segment Reporting

The municipality has taken advantage of the transitional provisions as of Directive 3 (4) and has not applied the standard of GRAP 18 – Segment Reporting

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 17 – Property, Plant and Equipment will have on the municipality's financial statements was not known at the time

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of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

The effective date of the standard is for years beginning on or after 01 April 2011.

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

The impact of the standard is set out the in Accounting Policy.

GRAP 19: Provisions, Contingent Liabilities and Contingent Assets

The effective date of the standard is for years beginning on or after 01 April 2009.

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

The municipality has taken advantage of the transitional provisions as of Directive 3 (4) and has not applied the standard of GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets.

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

The nature of the impending changes is set out in the accounting policy:

GRAP 100: Non-current Assets Held for Sale and Discontinued Operations

The effective date of the standard is for years beginning on or after 01 April 2009.

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

The municipality has taken advantage of the transitional provisions as of Directive 3 (4) and has not applied the standard of GRAP 100 – Non-current assets held for sale or discontinued operations.

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 100 – Non-current assets held for sale or discontinued operations will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

The following is the nature of the impending changes in the accounting policy:

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

These investments are measured initially and subsequently at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

The nature of the impending changes is set out in the accounting policy:

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GRAP 101: Agriculture

GRAP 101 excludes guidance on accounting for non-exchange revenue from government grants related to a biological asset as GRAP 23 on Revenue from Non-Exchange Transactions will provide such guidance.

Recognition requirement includes the concept of the probable flow of service potential.

Biological assets acquired at no or for a nominal value shall be measured on initial recognition and at each reporting date at its fair value less estimated point-of-sale costs.

Additional disclosure is required of biological assets for which the entity's use or capacity to sell is subject to restrictions imposed by regulations that have a significant impact on their total fair value less estimated point-of-sale costs.

In the reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period it is also required to disclose increases or decreases due to transfers.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires any adjustments required to the previous carrying amounts of assets and net assets shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit in the period that the Standard initially adopted. Comparative information is not required to be restated on initial adoption of this Standard.

Directive 4 - Transitional provisions for medium and low capacity requires any adjustments required to the previous carrying amounts of assets and net assets shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit in the period that the Standard is initially adopted. Comparative information is not required to be restated. Entities are not required to recognise biological assets and/or agricultural produce for reporting periods beginning on or after a date within three years following the date of initial adoption of this Standard.

The effective date of the standard is for years beginning on or after 01 April 2009.

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

The impact of the standard is set out in the Accounting Policy.

GRAP 102: Intangible Assets

The effective date of the standard is for years beginning on or after 01 April 2009.

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

The municipality has taken advantage of the transitional provisions as of Directive (4) and has not applied the standard of GRAP102 – Intangible Assets

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 102 – Intangible Assets will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

The nature of the impending changes is set out in the accounting policy

Dr Kenneth Kaunda District Municipality

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IPSAS 21: Impairment of Non Cash-Generating Assets

The method of measurement of value in use of a non-cash-generating asset under this Standard is different to that applied to a cash generating asset. Asset should be measured by reference to the present value of the remaining service potential of the asset.

Determining value in use (present value of remaining service potential) of a non-cash-generating asset, may be the depreciated replacement cost approach, restoration cost approach and service units approach. This Standard does not require entities to apply an impairment test to property, plant and equipment carried at revalued amounts. This Standard does not include a decrease in market value significantly greater than would be expected as a result of the passage of time or normal use as a minimum indication of impairment. This indication is included as an additional indication that impairment may exist.

The effective date of the standard is for years beginning on or after 01 April 2009.

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

The impact of the standard is set out in note 1.92 Changes in Accounting Policy.



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4. Biological assets

	2009			2008		
	Cost / Valuation	Accumulate d depreciation	Carrying value	Cost / Valuation	Accumulate d depreciation	Carrying value
Plants Annual - Replanted yearly	15,840	-	15,840	-	-	-
Plants - Perennial	894,740	-	894,740	-	-	-
Total	910,580	-	910,580	-	-	-

Non – Financial information

Quantities of each biological asset

Annual -Replanted yearly

Craspedia	18,360	-
Statice White	8,040	-
Statice Blue	4,200	-
Liatris	540	-
Perennials		
Limonium	20,160	-
Liriope	39,600	-
Asparagus Virgatus	10,740	-
Ruscus	5,100	-
Aspedistra	16,300	-
Flax	13,500	-
Tuberose	24,480	-
Safari Sunset	600	-
Beschauaria	35,700	-
Willow Green	2,520	-
Willow Yellow	600	-
Equisitum	25,500	-
	225,940	-

The asset count was done by Mr Ermano Radice farm Manager of the farm "Living Gold" and the valuation was done by Mr Jac Duif horticultural consultant.

The municipality has taken advantage of the transitional provisions as of Directive 4 and has not applied the standard of GRAP 101 – Agricultural Assets.

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 101 – Agricultural Assets will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

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5. Property, plant and equipment

	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and Buildings	12,633,415	(1,582,678)	11,050,737	12,582,175	(895,022)	11,687,153
Furniture and fittings	1,876,726	(627,903)	1,248,823	780,814	(145,801)	635,013
Motor vehicles	4,933,605	(1,613,664)	3,319,941	2,984,142	(884,801)	2,099,341
Office equipment	740,976	(93,149)	647,827	1,388,695	(787,792)	600,903
Computer Equipment	2,343,579	(1,458,479)	885,100	2,881,730	(1,673,419)	1,208,311
Community	9,820	(374)	9,446	-	-	-
Other property, plant and equipment	435,041	(161,786)	273,255	167,779	(60,594)	107,185
Total	22,973,162	(5,538,033)	17,435,129	20,785,335	(4,447,429)	16,337,906

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Transfer in of Assets	Loss on Write off of Assets	Depreciation	Total
Land and Buildings	11,687,153	51,240	-	-	(698,656)	11,050,737
Furniture and fixtures	635,013	1,108,909	864,812	(7,523)	(487,576)	1,248,823
Motor vehicles	2,099,341	1,949,464	459,500	-	(728,861)	3,319,941
Office equipment	600,903	642,407	8,012	(654,138)	(59,133)	647,827
Computer Equipment	1,208,312	323,419	125,704	(62,556)	(484,248)	885,100
Community	-	9,820	-	-	(374)	9,446
Other property, plant and equipment	107,185	435,041	210,932	-	(101,192)	273,255
	16,337,907	4,520,300	1,668,960	(724,217)	(2,560,040)	17,435,129

Reconciliation of property, plant and equipment - 2008

	Opening Balance	Additions	Disposals	Depreciation	Total
Land and Buildings	1,255,138	11,105,164	-	(673,149)	11,687,153
Furniture and fixtures	226,726	476,334	-	(68,047)	635,013
Motor vehicles	2,291,264	338,558	-	(530,481)	2,099,341
Office equipment	1,033,098	40,401	(78,592)	(394,004)	600,903
Computer equipment	836,627	801,001	(20,503)	(408,813)	1,208,311
Infrastructure	375,313,371	-	(375,313,371)	-	-
Other property, plant and equipment	163,118	-	-	(55,933)	107,185
	381,119,342	12,761,458	(375,412,466)	(2,130,427)	16,337,906

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Pledged as security

No carrying value of assets was pledged as security for liabilities:

Assets subject to finance lease (Net carrying amount)

Samsung DSC PABX System	51,272	107,205
	51,272	107,205

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.



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6. Intangible assets

	2009			2008		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	851,510	(305,419)	546,091	922,756	(116,629)	806,127
Total	851,510	(305,419)	546,091	922,756	(116,629)	806,127

Reconciliation of intangible assets - 2009

	Opening Balance	Additions	Loss on Write off of Assets	Transfers	Amortisation	Total
Computer software, other	806,126	479,635	(705,582)	30,352	(46,480)	564,051
	806,126	479,635	(705,582)	30,352	(46,480)	564,051

Reconciliation of intangible assets - 2008

	Opening Balance	Additions	Amortisation	Total
Computer software, other	808,895	113,860	(116,629)	806,126
	808,895	113,860	(116,629)	806,126

Pledged as security

No Carrying value of intangible assets pledged as security:

Used to secure (borrowings) (banking facilities) (other : specify) granted to the municipality of R - (2008: R -).- refer to note .

Used to secure (borrowings) (banking facilities) (other : specify) granted to the municipality of R - (2008: R -).- refer to note .

Other information

The municipality has taken advantage of the transitional provisions as of Directive 4 and has not applied the standard of GRAP 102 – Intangible Assets.

Reasonably estimable information relevant to assessing the possible impact of the implementation of GRAP 102 – Intangible Assets will have on the municipality's financial statements was not known at the time of compilation of the statements.

The municipality intends to take full advantage of the period of the transitional provisions.

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7. Municipal entity

Name of company	Listed / Unlisted	% holding 2009	% holding 2008	Carrying amount 2009	Carrying amount 2008	Fair value 2009	Fair value 2008
SDM Economic Development Agency	Unlisted	100.00%	100.00%	2,257,664	-	2,257,664	1,688,756
				2,257,664	-	2,257,664	1,688,756

The municipality has a 100% holding in the Dr Kenneth Kaunda District Municipality Economic Agency. The carrying value and fair value is determined by the office of Price Waterhouse Cooper 10 Rykstr Welkom. The cost price of the investment is nul.

8. Long-term Receivables

Study loans Terms and conditions	16,715	71,684
Total Long -Term Receivables	16,715	71,684
Less: Impairment of Long -Term Receivables	(16,715)	(71,684)
Total Long- Term Receivables	-	-

Study loans are classified as Long term receivables as it will not be realised within 12 months of balance sheet date.

Non-current assets	-	-
Current assets	-	-
	-	-

9. Investments

Available for sale		
ABSA Asset Management	8,723,066	7,972,702
This fund is manage by ABSA Fund Managers		
	8,723,066	7,972,702

Dr Kenneth Kaunda District Municipality

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Held to maturity		
Call Investment Deposits	113,000,000	106,000,000
Call investment Deposits is invested for a period from one to six months		
	113,000,000	106,000,000
Total Investments	121,723,066	113,972,702
Non-current assets		
Available for sale	8,723,066	7,972,702
	-	-
	8,723,066	7,972,702
Current assets		
Held to maturity	113,000,000	106,000,000
Loans and receivables	-	-
	113,000,000	106,000,000
	121,723,066	113,972,702

The maximum exposure to credit risk at the reporting date is the carrying amount of the held to maturity financial assets.

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

There were no gains or losses realised on the disposal of held to maturity financial assets in 2009 and 2008, as all the financial assets were disposed of at their redemption date.

Loans and receivables impaired

As of 30 June 2009, loans and receivables of R 16,715 (2008: R 71,684) were impaired and provided for.

The amount of the provision was R 16,715 as of 30 June 2009 (2008: R 71,684).

Dr Kenneth Kaunda District Municipality

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The ageing of these loans is as follows.

3 to 6 months
Over 6 months

	16,715	71,684
R	16,715	71,684

Reconciliation of provision for impairment of loans and receivables

Opening balance
Provision for impairment
Amounts written off as uncollectable
Unused amounts reversed

	71,684	-
	-	71,684
	(20,626)	-
	34,343	-
	16,715	71,684

10. Financial assets by category

Dr Kenneth Kaunda District Municipality

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2008

The accounting policies for financial instruments have been applied to the line items below:

2009

	Loans and receivables	Held to maturity investments	Available for sale	Total
Investments	-	-	8,723,066	8,723,066
Call investment deposits	-	113,000,000	-	113,000,000
Trade and other receivables	975,793	-	-	975,793
Bank and cash equivalents	-	-	11,428,454	11,428,454
VAT	4,469,403	-	-	4,469,403
	5,445,196	113,000,000	20,151,520	138,596,716

2008

	Loans and receivables	Held to maturity investments	Available for sale	Total
Investments	-	-	7,972,702	7,972,702
Call investment deposits	-	106,000,000	-	106,000,000
Consumer debtors	1,901	-	-	1,901
Trade and other receivables	686,468	-	-	686,468
Bank and cash equivalents	-	-	1,997,673	1,997,673
VAT	4,015,537	-	-	4,015,537
	4,703,906	106,000,000	9,970,375	120,674,281

11. Operating leases

Deferred lease assets	8,760	-
Current liabilities	(817,762)	-
	(809,002)	-

This amount represent the current lease liability on the lease entered into with Morubisi Technologies for CCTV surveillance services, and the deferred lease asset is on the lease entered into with Old Mutual for the lease of office buildings.

12. Retirement benefits

Post retirement medical aid benefit liability

Post-Employment Health Care Benefit Liability	3,608,861	-
Total: Post-Employment Health Care Benefit Liability	3,608,861	-

Dr Kenneth Kaunda District Municipality

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Less: Transfer to current provisions

(65,059)

Net Post-Employment Health Care Benefit Liability

3,543,802

Post retirement medical aid plan

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 medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The most recent actuarial valuations 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 post retirement benefits are provided by the municipality.

The Post Employment Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

Member category

In-service (employee) members

59

-

Continuation (retiree and widow) members

4

-

63

-

The unfunded liability in respect of past service has been estimated to be as follows:

Member category

In-service members

2,299,909

-

Continuation members

1,308,861

-

3,608,770

-

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The municipality makes monthly contributions for health care arrangements to the following medical aid schemes

- Bonitas
- Hosmed
- LA Health
- Key Health
- Samwumed:

The future service cost for the ensuing year is established to be R 308,091, whereas the interest-cost for the next year is estimated to be R 320,882

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

Discount rate		8.97
	%	
Health Care Cost Inflation Rate		7.69
	%	
Net Effective Discount Rate		1.19
	%	
Continuation of membership at retirement		90
	%	
Proportion assumed married at retirement		90
	%	
Average retirement age		63

Dr Kenneth Kaunda District Municipality

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The movement in the defined benefit obligation over the year is as follows:

Balance at the beginning of the year	2,991,112	-
Current service cost	242,465	-
Interest cost	316,206	-
Benefits paid	(57,485)	-
Actuarial (gain)/loss on the obligation	116,563	-
Balance at end of year	3,608,861	-

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

Increase

Effect on the aggregate of the current service cost and the interest cost	122,500	-
	122,500	-

Decrease

Effect on the aggregate of the current service cost and the interest cost	(95,900)	-
	(95,900)	-

13. Trade and other receivables

Prepayments (if immaterial)	277,020	7,860
Fruitless and wasteful expenditure to be investigated	276	-
Sundry debtors	786,163	843,887
DBSA Payments on behalf of councils	4,118,326	4,337,376
Control Accounts	42,181	124,059
Less: Provision for bad debt	(4,248,173)	(4,626,714)
	975,793	686,468

14. VAT

VAT	4,469,403	4,015,537
	4,469,403	4,015,537

VAT is payable on the payment basis. Only once payments received and / or made from debtors VAT is paid over to SARS.

Dr Kenneth Kaunda District Municipality

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15. Consumer debtors

Gross balances

Regional services levies

- 5,430,633

Service debtors

- 1,901

- 5,432,534

Less: Provision for bad debts

Regional services levies

- (5,430,633)

- -

- (5,430,633)

Net balance

Service debtors

- 1,901



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Regional services levies		
> 365 days	-	5,430,633
Service debtors		
Current (0 -30 days)	-	1,901
	-	1,901
Summary of debtors by customer classification		
Industrial/ commercial		
Current (0 -30 days)	-	1,901
> 365 days	-	5,430,633
Less: Provision for bad debts	-	5,432,534 (5,430,633)
	-	1,901
Reconciliation of bad debt provision		
Balance at beginning of the year	5,430,633	7,538,614
Bad debts written off against provision	(4,782,843)	-
Reversal of provision	(647,790)	(2,107,981)
	-	5,430,633
16. Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statement comprise of the following statement of amounts :		
Cash on hand	3,560	3,150
Bank balances	11,424,894	423,344
	11,428,454	426,494
Correction of error - Merafong flora project		334,585
Correction of error - Geysdorp plaaslike gebiedskomitee		1,236,594
Total Bank and Cash	11,428,454	1,997,673

The Merafong Flora project is included in the Bank and Cash as a restatement as this amount should have been disclosed in the 2007/8 financial year.

Geysdorp plaaslike gebiedskomitee account is included in the Bank and Cash as a restatement as this amount should have been disclosed in the 2007/8 financial year.

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The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2009	30 June 2008	30 June 2007	30 June 2009	30 June 2008	30 June 2007
Current Account (Primary Bank Account ABSA Klerksdorp Account no 950 000 627)	7,719,994	5,088,296	3,209,006	(2,569,670)	(1,821,832)	(3,629,041)
Current Account (Local Government Support Grant) ABSA Klerksdorp Account no 405 643 8304	1,703,465	2,120,940	2,923,348	1,837,572	1,662,267	2,120,940
Current Account (Premiers Support Grant) ABSA Klerksdorp Account no 950 000 244	582,909	540,413	511,098	630,338	582,909	540,413
Current Account (Disaster Risk Management grant) ABSA Pretoria Account no 40 7293 0455)	2,011,028	-	-	2,009,789	-	-
Current Account (Fire Support Grant) ABSA Pretoria Account no 40 7293 0340	7,592,239	-	-	7,537,562	-	-
Current Account (Merafong Flora) Standard bank Klerksdorp Account no 02 137 020 6)	702,884	334,585	1,004,621	702,884	334,585	1,004,621
Current Account (Geysdorp plaaslike gebiedsmomitee) ABSA Klerksdorp Account no 9 5014 6036	1,276,419	1,236,592	1,192,194	1,276,419	1,236,592	1,192,194
Total	21,588,938	9,320,826	8,840,267	11,424,894	1,994,521	1,229,127

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17. Finance lease obligation		
Minimum lease payments due		
- within one year	-	57,416
	-	57,416
less: future finance charges	-	(5,194)
Present value of minimum lease payments	-	52,222
Current liabilities	57,396	113,767
	57,396	113,767

Lease of Samsung DSC PABX System.

The municipality lease a Samsung DSC PABX System. The lease was classified as a finance lease on the following grounds:

1. All risks and rewards are therefore substantially transferred to the municipality.
2. The lease term therefore covers the major part of the asset's economic life
3. The present value of the minimum lease payments approximates the fair value of the Asset

Clause 7 of the TERMS OF BUSINESS states that the item must be insured by the municipality.

The agreement was signed On 22 May 2007 and the period for the lease is 36 months.

The monthly lease amount as per the agreement is R6 701.60. The cost of the item was determined as R 191 290,88 (R167 799.07 + R23 491.80 VAT)]

General description of lease arrangements

No contingent rent

No restrictions – the lease is for a period of 36 months as from 31 May 2007

The interest rate is Prime PLUS 3.25%

No accumulative annual escalation

No stipulation for further leasing

PABX must be insured by the Lessee as from 31 May 2007 when agreement (financial) was signed.]

18. Increase/(Decrease) in conditional grants and receipts

Deferred income comprises:

Conditional grants and receipts

MIG Grants	-	1,087,421
Disaster Management Fund	2,346,978	1,024,803
Integrated Municipal Monitoring Grant (IMMIS)	161,394	34,554
Emergency Grant	-	55,601
DWAF Basic Sanitation	(74,162)	92,765
Councillor Development Training	-	8,837
Local Government Support Grant	1,283,436	1,315,221
Finance Management Grant	1,784,177	2,229,234
LED Learner ship (seta)	193,231	68,663
Pay point (LED)	(74,968)	77,251
Clinic Sanitation DWAF	-	374,905
Two Roomed Clinics	-	442,249
Premiers Support Grant	630,338	582,909
Municipal System Improvement Grant	-	1,495,379
LG Seta	(38,594)	-
LG Seta (HIV/AIDS)	1,200,000	-
Fire support program	7,537,562	-
Rural Sanitation Backlog	29,656	-

Dr Kenneth Kaunda District Municipality

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Figures in Rand	2009	2008
Conditional Grants and Receipts	14,979,048	8,889,792
	-	-
Total Conditional Grants and Receipts	14,979,048	8,889,792
Movement during the year		
Balance at the beginning of the year	8,889,792	10,744,723
Additions during the year	14,574,809	5,213,864
Income recognition during the year	(8,485,553)	(7,068,795)
	14,979,048	8,889,792
Current liabilities	14,979,048	8,889,792
Non-current liabilities	-	-
	14,979,048	8,889,792

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 24 for reconciliation of grants from National/Provincial Government.

19. Provisions

Reconciliation of provisions – 2009

	Opening Balance	Transfer from non-current	Additions	Total
Performance Bonuses	112,000	-	411,621	523,621
Post -Employment Health Care Benefits	-	65,059	-	65,059
Long -Service Awards	-	33,266	-	33,266
	112,000	98,325	411,621	621,946

Performance bonuses- the outflow is dependent on the evaluation of the performance of the managers provided for.

Post - employment health care benefits- the outflow is periodic as and when employees retired from service

Long service awards - the outflow is linked to when employees are due for long service awards..

Dr Kenneth Kaunda District Municipality

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20. Long Service Awards

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality. 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 limitation 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 valuations 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.

Provision for Long Service Awards	784,706	-
Total Provision for Long Service Awards	784,706	-
Less: Transfer to Current Liabilities	(33,266)	-
Net Long Service Awards liability	751,440	-

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

Discount rate	9.22%	-
Expected Rate of Salary Increase(long-term)	6.73%	-
Net Effective Discount Rate	2.33%	-
Expected Retirement Age	63	-
Mortality during employment	SA 85-90	-

The movement in the long service awards obligation over the year is as follows:

Balance at beginning of year	775,279	-
Current service cost	161,473	-
Interest cost	80,409	-
Benefits paid	(82,689)	-
Actuarial (gain)/loss on the obligation	(149,766)	-
Balance at end of year	784,706	-

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21. Increase/(Decrease) in trade and other payables

Trade payables	6,275,788	9,378,355
Levy debtors in advance	-	624,749
Retention Creditors	2,419,252	1,818,657
Staff Leave	2,226,927	1,187,893
Other Payables	-	2,764,135
Control Accounts	979	692,222
Other Creditors	1,033,034	389,354
Geysdorp Gebiedskomitee	1,276,419	1,236,592
	13,232,399	18,091,957

Fair value of trade and other payables

The Municipality did not constitute a credit risk at reporting date and therefore no fair value was attributable to any credit risk. The carrying amount at 30 June 2009 of financial liabilities was 13 232 399, (2008 was 18 091 957)

Dr Kenneth Kaunda District Municipality

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22. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2009

	Loans and payables	Total
Other current liabilities	98,325	98,325
Provisions	523,621	523,621
Operating lease liability	817,762	817,762
Unspent conditional grants and receipts	14,979,048	14,979,048
Trade and other payables	13,232,399	13,232,399
	29,651,155	29,651,155

2008

	Financial liabilities at amortised cost	Total
Provisions	112,000	112,000
Unspent conditional grants	8,889,792	8,889,792
Trade and other payables	18,091,957	18,091,957
	27,093,749	27,093,749

23. Revenue

Sale of goods	371,766	520,752
Fines	20,500	39,000
Government grants	130,526,114	114,333,253
	130,918,380	114,893,005

24. Government grants and subsidies

Equitable share	14,578,000	8,238,000
RSC Levy Replacement Grant	108,667,319	99,026,459
Conditions met - Transfer to Revenue	7,280,795	7,068,794
	130,526,114	114,333,253

Equitable Share

Current-year receipts	14,578,000	8,238,000
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Dr Kenneth Kaunda District Municipality

Annual Financial Statements for the year ended 30 June 2009

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	2009	2008
--	------	------

The Grant is unconditional and is utilised to fund operational and capital program.

RSC Levy Replacement Grant

Current-year receipts	108,667,319	99,026,459
	-	-
	108,667,319	99,026,459

The grant has replaced the RSC Levies that were collected by Districts and Metropolitan Municipalities. These municipalities receives the grant until National Treasury produce the tax instrument that meets conditions of a "fair" tax. The Grant is utilised to fund the operational and capital program.

Municipal Infrastructure Grant

Balance unspent at beginning of year	1,087,421	1,149,249
Conditions met - transferred to revenue	(1,087,421)	(61,827)
	-	1,087,422

Disaster Management Grant

Balance unspent at beginning of year	1,024,803	1,884,476
Current-year receipts	2,000,000	1,000,000
Conditions met - transferred to revenue	(687,614)	(1,859,673)
Interest earned	9,789	-
	2,346,978	1,024,803

DWAF Basic Sanitation

Balance unspent at beginning of year	92,765	330,532
Conditions met - transferred to revenue	(166,927)	(237,767)
	(74,162)	92,765

Local Government Support Grant

Balance unspent at beginning of year	1,315,221	1,666,505
Current-year receipts	134,962	138,669
Conditions met - transferred to revenue	(1,708)	(489,954)
Interest earned	134,961	-
Transfer to IMMIS Grant	(300,000)	-
	1,283,436	1,315,220

Dr Kenneth Kaunda District Municipality

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Figures in Rand	2009	2008
Finance Management Grant		
Balance unspent at beginning of year	2,229,234	2,317,242
Current-year receipts	500,000	500,000
Conditions met - transferred to revenue	(945,057)	(588,008)
Conditions still to be met- transferred to liabilities	1,784,177	2,229,234
Integrated Municipal Monitoring Information Systems (IMMIS)		
Balance unspent at beginning of year	34,554	72,915
Current-year receipts	300,000	-
Conditions met - transferred to revenue	(173,160)	(38,361)
Conditions still to be met- transferred to liabilities	161,394	34,554
Emergency Grant		
Balance unspent at beginning of year	55,601	55,601
Conditions met - transferred to revenue	(55,601)	-
Conditions still to be met- transferred to liabilities	-	55,601
Councillor Development Training		
Balance unspent at beginning of year	8,837	8,837
Conditions met - transferred to revenue	(8,837)	-
Conditions still to be met- transferred to liabilities	-	8,837
Premier's Support Grant		
Balance unspent at beginning of year	582,909	540,413
Current-year receipts	-	42,496
Conditions met - transferred to revenue	(60)	-
Other	47,489	-
Conditions still to be met- transferred to liabilities	630,338	582,909

Dr Kenneth Kaunda District Municipality

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Municipal System Improvement Grant (MSIG)

Balance unspent at beginning of year	1,495,379	1,558,716
Current-year receipts	735,000	1,000,000
Conditions met - transferred to revenue	(2,230,379)	(1,063,337)

Conditions still to be met- transferred to liabilities

- 1,495,379

Health Subsidy

Current-year receipts	-	2,300,000
Conditions met - transferred to revenue	-	(2,300,000)

Conditions still to be met- transferred to liabilities

- -

Municipal Performance Management Systems

Balance unspent at beginning of year	-	133,950
Conditions met - transferred to revenue	-	(133,950)

Conditions still to be met- transferred to liabilities

- -

Dr Kenneth Kaunda District Municipality

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DWAF Clinic Sanitation		
Balance unspent at beginning of year	374,905	374,905
Conditions met - transferred to revenue	(374,905)	-
Conditions still to be met- transferred to liabilities	-	374,905
Fire Support Program		
Current-year receipts	7,500,000	-
Interest received	37,562	-
Conditions still to be met- transferred to liabilities	7,537,562	-
LED Learner ship SETA		
Balance unspent at beginning of year	68,663	(2,800)
Current-year receipts	139,045	71,463
Conditions met - transferred to revenue	(14,477)	-
	193,231	68,663
LG SETA (HIV/AIDS)		
Current-year receipts	1,200,000	-
	1,200,000	-
Pay point Social Services		
Balance unspent at beginning of year	77,251	73,953
Current-year receipts	-	114,288
Conditions met - transferred to revenue	(152,219)	(110,990)
	(74,968)	77,251
LG SETA		
Current-year receipts	20,000	-
Conditions met - transferred to revenue	(58,594)	-
	(38,594)	-
Two -Roomed Clinics		
Balance unspent at beginning of year	442,249	442,249
Conditions met - transferred to revenue	(442,249)	-
	-	442,249

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Figures in Rand	2009	2008
Drought Relief		
Balance unspent at beginning of year	-	(12,021)
Current-year receipts	-	46,948
Conditions met - transferred to revenue	-	(34,927)
	-	-
Mogopa Resettlement Grant		
Balance unspent at beginning of year	-	150,000
Conditions met - transferred to revenue	-	(150,000)
	-	-
Rural Sanitation Backlog		
Current-year receipts	1,816,000	-
Conditions met - transferred to revenue	(1,786,344)	-
	29,656	-
25. Other income		
Commissions received	13,129	-
Reversal of provision for bad debt	990,347	-
Acknowledgement of unallocated income	2,564,381	555,394
Anonymous receipts	50	-
Clearance certificate fees	2,712	-
	3,570,619	555,394

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26. General expenses

Advertisement	356,321	423,083
Assessment rates & municipal charges	352,006	275,435
Auditors remuneration	997,918	1,179,537
Bank charges	127,136	116,969
Cleaning of Overgrown Stands	1,950	57,490
Consulting and professional fees	2,196,717	1,284,745
Consumables	96,013	159,320
Entertainment - General	429,006	355,765
General Expenses - Other	325,776	180,543
Gifts	173,919	117,970
Insurance	208,870	195,762
Conferences and seminars	608,877	455,811
Skills Development Levy	294,627	241,809
Compensation Commissioner	444,085	578,998
Magazines, books and periodicals	21,548	25,120
Motor vehicle expenses	632,539	406,446
Public Participation Expenses	123,990	83,328
Pest control	237,258	-
Testing of Samples - Health	20,965	3,542
Postage and courier	2,625	29,368
Printing and stationery	562,406	372,616
Protective clothing	49,287	1,480
License fees- Other	10,297	16,925
Membership fees	369,898	85,580
Telephone and fax	620,978	541,506
Subsistence and Travel	564,852	765,285
International Trips	1,383,086	384,381
Office Rentals	671,319	601,060
Business Expenses Councillor and Directors	218,680	136,341
Audit Committee Members - Remuneration	126,294	91,694
Legal Fees	51,323	107,837
Moral Regeneration Expenses	568,868	298,393
Training and Development - Councillors	443,639	329,375
Training and Development - Employees	446,763	159,526
Events and Campaigns	536,433	1,062,703
IDP Review Expenses	185,499	-
Plants and Chemicals	325,562	293,747
	14,787,330	11,419,490

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27. Employee related costs

Basic Salaries	21,623,924	25,612,515
Redemption of Leave	1,372,709	416,508
Cell Phone Allowances	457,609	337,814
Overtime payments	139,024	137,674
13th Cheques	1,342,884	954,736
Car allowance	3,054,107	2,408,949
Housing benefits and allowances	303,999	233,420
Salary Claims - Local Councils	3,962,046	-
Standby Allowances	32,584	13,213
Allowances Uniforms	16,567	9,456
Pension Fund - Councils' Contributions	2,713,386	2,308,476
Medical aid - Councils' contributions	898,995	1,418,691
Group Life Insurance - Councils' Contributions	94,098	100,236
UIF	116,664	95,855
Industrial Council	3,434	2,891
Post-employment benefits - Defined benefit plan	675,234	-
Performance Bonuses	411,621	327,064
Long-service awards	241,882	-
	37,460,767	34,377,498

Remuneration of municipal manager

Annual Remuneration	756,089	597,040
Car Allowance	182,400	182,400
Contributions to UIF, Medical and Pension Funds	72,000	72,000
	(1,010,489)	(851,440)

Remuneration of chief finance officer

Annual Remuneration	374,997	520,817
Car Allowance	63,000	108,000
Performance Bonuses	-	60,088
Contributions to UIF, Medical and Pension Funds	43,067	38,830
	481,064	727,735

Remuneration of manager corporate services

Annual Remuneration	644,306	500,262
Car Allowance	104,288	125,146
Performance Bonuses	-	60,088
Contributions to UIF, Medical and Pension Funds	93,486	42,239
	842,080	727,735

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Remuneration of manager technical services

Annual Remuneration	394,904	377,974
Car Allowance	148,000	162,000
Performance Bonuses	-	60,088
Contributions to UIF, Medical and Pension Funds	158,901	127,673
	701,805	727,735



Dr Kenneth Kaunda District Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2009	2008
27. Employee related costs (continued)		
Remuneration of manager local economic development		
Annual Remuneration	594,605	513,072
Car Allowance	84,000	84,000
Performance Bonuses	-	34,800
Contributions to UIF, Medical and Pension Funds	50,994	-
	729,599	631,872
Remuneration of manager public safety		
Annual Remuneration	514,023	485,145
Car Allowance	100,219	100,220
Contributions to UIF, Medical and Pension Funds	59,637	-
	673,879	585,365
Remuneration of the manager environmental health		
Annual Remuneration	535,200	478,000
Car Allowance	72,000	72,000
Contributions to UIF, Medical and Pension Funds	64,251	-
	671,451	550,000
28. Remuneration of councillors'		
Executive Major	604,157	495,142
Single Whip	457,826	378,302
Mayoral Committee Members	2,132,612	2,310,960
Speaker	406,071	402,563
Councillors	1,558,721	1,231,562
Councillors' pension contribution	644,919	495,011
	5,804,306	5,313,540
29. Investment revenue		
Dividend revenue		
Sanlam Shares	1,651	-

The share holding in Sanlam was received due to the issuing of a certain number of shares for policies that was in the name of the municipality

Dr Kenneth Kaunda District Municipality

Annual Financial Statements for the year ended 30 June 2009

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27. Employee related costs (continued)

Interest revenue

Investments and call deposits	15,635,020	14,283,892
Interest charged on trade and other receivables	-	1,074,322
	<hr/>	<hr/>
	15,635,020	15,358,214
	<hr/>	<hr/>
	15,636,671	15,358,214

The interest income is calculated using the actual effective interest rate received on investments and call deposits.

30. Depreciation and amortization

Property, plant and equipment	2,317,289	2,247,058
	<hr/>	<hr/>
	2,317,289	2,247,058



Dr Kenneth Kaunda District Municipality

Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

Figures in Rand	2009	2008
31. Impairment of assets		
Impairment of financial assets		
Consumer Debtors	647,790	5,430,633
Trade and other receivables	4,318,500	4,626,714
Long - term Receivables	16,715	71,684
	(4,983,005)	(10,129,031)
<p>The provision for bad debt on other debtors (loans and receivables) exists predominantly due to the possibility that this debt will not be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment. The total amount of the provision for bad debt is standing on R 4,983,005 and the abovementioned loans and receivables are included therein.</p>		
32. Auditors' remuneration		
Fees	997,918	1,153,802
Expenses	(997,918)	(1,139,748)
	-	14,054
33. Rental income of facilities and equipment		
Facilities and equipment		
Rental of facilities	28,207	39,100
	28,207	39,100
34. Contracted Services		
Information Technology Services	642,227	-
Other Contractors	1,011,586	2,663,384
	1,653,813	2,663,384
35. Grants and subsidies paid		
City of Matlosana	19,439,565	25,192,235
City Council of Tlokwe	9,824,982	6,911,068
Merafong City Local Municipality	6,741,358	14,217,191
Ventersdorp Local Municipality	3,077,711	5,721,477
Maquassi Hills Local Municipality	12,906,626	2,283,918
Dr Kenneth Kaunda District Municipality	18,422,447	9,989,379
	70,412,689	64,315,268

Dr Kenneth Kaunda District Municipality

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Figures in Rand	2009	2008
Details of Grants paid - Dr Kenneth Kaunda District Municipality		
Merit bursary Community	645,689	479,288
Merit bursary employees	152,394	124,916
Disaster Management Planning	298,328	311,404
Special Discretionary on Merit	1,403,379	700,807
Promotion and Marketing DED	135,300	191,085
SODA	1,000,000	1,000,000
District Expo	84,526	45,400
SMME Workshop/Summit	99,210	39,597
Traditional Food/Cultural festival	-	195,516
Tourism Products Training	-	16,549
Identify/Preservation of Tourism/Heritage Sites	575,505	302,145
Tourism Information Centre	40,000	30,000
2010 Development Plan	583,400	120,791
Local/International Games	-	479,172
Agricultural Summit/Strategy	-	534,735
Food Production Household Levels	-	100,455
Woman/Youth Agri Skills Development	-	65,318
Business development Centre	-	3,694
Disaster Management Awareness	305,211	140,828
Disaster Management Relief	44,400	35,889
Disaster Management Advisory Forum	39,678	13,750
Emergency Funding Major Incident	-	9,669
SAFA Vodacom	-	1,100,000
Communication Unit	-	590,450
Sport, Arts and Culture	-	539,057
Promotion and Marketing	198,015	19,943
Grants & Subsidies conditional grants	-	2,472,616
Integrated Development Plan (IDP)	-	217,266
Uninterrupted power supply	-	109,039
Special Projects Desk	1,018,854	-
Communication Unit	682,795	-
Mayoral Golf Fund	50,000	-
Development of School Sports	156,700	-
Tourism & Marketing	95,788	-
Community Agricultural Support	91,750	-
Tourism Awareness	29,694	-
Exhibitions	74,997	-
Skills, Training & Mentorship	32,058	-
Entrepreneurial Month	41,880	-
Led Leadership Programme	3,500	-
DGDS/Agric Summit Business Plans	320,351	-
Women in Sports	243,450	-
Local and International Games	395,977	-
Codes Development	191,448	-
Active Oldies Game	1,123	-
Maintenance Of Identified Heritage S	72,000	-
SAMSRA Games	148,423	-
Cultural Festival	159,000	-
Skills Development and Training	9,521	-
Maintenance Rural Roads	1,845,720	-
Electricity Programme	362,614	-
Housing Project & Infrastrc. Baitshoki	1,557,000	-
Rural Sanitation &Water Backlog @ Schools	1,786,344	-

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Figures in Rand	2009	2008
Upgrading of Parks	208,558	-
Scheikenmaster Meat Processing	2,500,000	-
Dr Kenneth Kaunda Tourism Association	50,000	-
Small Scale Farmers Tech. Support	192,340	-
N12 Treasure Route	30,000	-
Resource & Support Centre	50,000	-
Rural Development Games	295,527	-
GIS Development	120,000	-
	18,422,447	9,989,379
Details of Grants paid - City of Matlosana		
Mayoral Roads	-	704,189
Buckle and Phuduhudu Roads Developments	-	153,048
CCTV Cameras	10,295,607	7,809,402
Environment Youth Services (Cleaning Campaign)	-	3,000,000
2010 Soccer World Cup Legacy	-	2,000,000
Special project desk	-	643,252
Wesvaal Agricultural projects	-	585,000
10ml Reservoir Hartebeesfontein/Tigane	5,879,127	4,826,152
Solid Waste Handling-Matlosana	342,328	5,471,192
Khuma Main Road (Malekhutu)	997,503	-
Mayoral Project Matlosana	1,500,000	-
District Agricultural Projects	425,000	-
	19,439,565	25,192,235

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Figures in Rand	2009	2008
Details of Grants paid - City Council of Tlokwe		
Branding	-	500,000
Mayoral projects	-	5,000,000
Rysmierbult Clinic	614,762	566,770
Special project desk	-	197,576
Growth and Development strategies	-	260,000
Drikus Malan Bridge	7,963,765	386,723
Tlokwe Beans Project	122,807	-
Zonderwater Geostudy	1,123,649	-
	9,824,983	6,911,069
Details of Grants paid - Merafong City Local Municipality		
Emergency services	-	8,322,305
Growth and Development strategies	-	65,000
Cleaning Campaign	-	5,745,730
Paupers funeral	-	6,401
Special project desk	-	52,999
Telephone and Additional Services	45,199	24,757
Mayoral Project Merafong	5,000,000	-
Sewer Pipeline Kokosi	944,767	-
Water Pipeline (Fochville)	734,172	-
Fire support program	17,220	-
	6,741,358	14,217,192
Details of Grants paid - Ventersdorp Local Municipality		
Cemeteries Development	-	1,425,713
Electricity Upgrade	-	1,750,000
Fencing Rural Cemeteries	-	97,858
Growth and Development strategies	-	65,000
Mayoral projects	284,746	1,000,000
Rural Areas Water Network	-	170,091
Telephone and Additional Services	-	2,005
Special project desk	-	38,590
Administration Charges	-	5,655
Formalization of Rural Settlement	686,511	582,214
High Mast Lights	1,641,775	584,351
Ventersdorp Vineyard Project	257,608	-
Paupers Funerals	124,882	-
Township Establish. Toevlug Ventersdorp	82,190	-
	3,077,712	5,721,477

Dr Kenneth Kaunda District Municipality

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Details of Grants paid - Maquassi Hills Local Municipality		
Growth and Development strategies	-	130,000
Special project desk	-	98,211
Development of Cemeteries	-	800,019
Water Awareness Campaign	-	161,876
Lebaleng Storm Water	5,812,383	581,694
Electricity Upgrade	385,350	512,117
Main Road Wolmaransstad	3,833,582	-
Mayoral Project M/Hills	1,677,537	-
Maquassi Hills Piggery	98,428	-
M/Hills Streetlights Tsweleng	38,900	-
Investigation Elect. Loss M/Hills	1,060,445	-
	12,906,625	2,283,917
 Total grants and subsidies paid	 70,412,689	 64,315,269
 36. Cash generated from (used in) operations		
Surplus before taxation	14,797,822	6,916,871
Adjustments for:		
Depreciation and amortisation	2,373,222	2,247,058
Deficit (surplus) on sale of assets	1,460,884	(16,000)
Dividends received	(1,651)	-
Interest received	(15,635,020)	(15,358,214)
Finance costs	16,653	24,495
Provision for leave reserve	1,039,034	-
Movements in bad debt provision	-	2,674,469
Movements in provisions	509,946	112,000
Other non-cash items	(1,168)	-
 Operating surplus before working capital changes	 4,559,722	 (3,399,321)
Changes in working capital:		
Trade and other receivables	(12,306)	(3,273,987)
Increase/(Decrease) in trade and other payables	(6,738,318)	3,114,296
VAT	(453,866)	1,747,296
Increase/(Decrease) in conditional grants and receipts	6,089,256	(1,854,932)
Changes in net assets - Merafong Flora	-	1,004,757
	3,444,488	(2,661,891)

Dr Kenneth Kaunda District Municipality

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37. Commitments

Authorised capital expenditure

Approved and contracted for

• Infrastructure	3,816,847	18,100,000
• Water	6,547,129	1,860,000
• Other	557,238	1,177,956

Total approved and contracted for	10,921,214	21,137,956
-----------------------------------	------------	------------

Approved but not yet contracted for Infrastructure

-	6,050,000
-	6,050,000

This expenditure will be financed from:

Own resources	10,921,214	22,987,956
Contributions local councils	-	4,200,000
	10,921,214	27,187,956

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	10,846,510	-
- in second to fifth year inclusive	15,998,783	-
	26,845,293	-

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Operating lease payments represent rentals payable by the municipality for:

1. Public Surveillance System (CCTV and Security Service)

The municipality lease a Public Surveillance System. The lease was classified as a operating lease the following grounds:

1. The Municipality have obtained all the information of the lease instalments and expensed it in the Statement of Financial Performance on a straight-line basis.
2. The difference between the equalised lease payment and the actual cash flow is recognised as a deferred asset or liability in the statement of financial position.

Clause 1 SERVICE DESCRIPTION states that the lessee shall install, operate, maintain, and insure the CCTV System.

The original agreement was signed on the 2 Nov 2005 and the period for the lease was 36 months. A new lease contract was entered into and signed on the 7 Nov 2008 for a further period of 36 months. The monthly lease amount as per the agreement is R819,072.70 (Excl VAT), with a 12% escalation per year.

General description of lease arrangements

No contingent rent

No restrictions – the lease is for a period of 36 months as from 7 Nov 2008

Accumulative annual escalation is 12%

Option to renew the contract for another 36 months is included under PERIOD OF LEASE paragraph 2.2

2. Nashua

The municipality lease a printer (AF 3500DN serial no Q6560100140) from Nashua. The lease was classified as a operating lease the following grounds:

1. The Municipality have obtained all the information of the lease instalments and expensed it in the Statement of Financial Performance on a straight-line basis.
2. The difference between the equalised lease payment and the actual cash flow is recognised as a deferred asset or liability in the statement of financial position.

3. Nashua shall maintain an service the equipment.

4. The agreement was signed on the 23 Oct 2006 and the period for the lease was 36 months.

5. The monthly lease amount as per the agreement is R275.00 (Excl VAT), No escalation was agreed on in the lease

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General description of lease arrangements

No contingent rent

No restrictions – the lease is for a period of 36 months as from 23Oct 2006

No accumulative annual escalation is included in the lease

No Option to renew the contract is stipulated in the lease

3. Nashua

The municipality lease an copier (AF 3030 PS serial no K8664101495) from Nashua. The lease was classified as a operating lease the following grounds:

1.The Municipality have obtained all the information of the lease instalments and expensed it in the Statement of Financial Performance on a straight-line basis.

2..The difference between the equalised lease payment and the actual cash flow is recognised as a deferred asset or liability in the statement of financial position.

3. Nashua shall maintain and service the equipment.

4.The agreement was signed on the 23 Oct 2006 and the period for the lease was 36 months.

5.The monthly lease amount as per the agreement is R2179.00 (Excl VAT), No escalation was agreed on in the lease.

General description of lease arrangements

No contingent rent

No restrictions – the lease is for a period of 36 months as from 23Oct 2006

No accumulative annual escalation is included in the lease

No Option to renew the contract is stipulated in the lease.

4. Old Mutual

The municipality lease an Office Building from Old Mutual. The lease was classified as a operating lease the following grounds:

1.The Municipality have obtained all the information of the lease instalments and expensed it in the Statement of Financial Performance on a straight-line basis.

2.The difference between the equalised lease payment and the actual cash flow is recognised as a deferred asset or liability in the statement of financial position.

3.Old Mutual shall maintain the building.

4.The is from the 1st March2007 for a period of 36 months.

3.The monthly lease amount as per the agreement is R24338 (Excl VAT), A 9% escalation was agreed on the lease.

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38. Related parties

Relationships

Accounting Officer	Refer to accounting officer's report
Short term benefits employees	Refer to note 27
Post employment benefit plan for employees of the entity and/or other related parties	Refer to note 12
Entity	Refer to note 7
Members of Council	Refer to page 1
Members of key management	MA Dlavane - Municipal Manager M J Ratlhogo - CFO till 28 Feb 2009 M E M Postma - Director Corporate Services till 31May 2009 F W Labuschagne - Director Infrastructure till 31May 2009 L Ngubane - Director Disaster Management M M Mongake - Director District Economic Development T M Ramathhape - Director Health Services

The council supply these Projects with funds via the SDM Economic Agency.

Related party transactions

Other Related Parties

SDM Economic Agency	3,043,673
Ventersdorp Vineyard Project	257,608
Tlokwe Beans Project	122,807
Maquassi Hills Piggery	96,491
Scheikenmaster Meat Processing	2,500,000

39. Change in accounting policies

Transactions affecting changes in accounting policies

The valuation of Biological Assets of the Merafong flora project amounts to R910,580 that was done on account of GRAP101.

Transactions affecting the disclosure of Biological Assets

-Merafong Flora Project

Statement of financial position - Biological Assets	-	910,580
Statement of financial performance - Accumulated surplus	-	(910,580)
	-	-

The disclosure of employees benefits IAS 19. Actuarial valuation was obtained as at 30 June 2009 for the first time of post-retirement health care benefit liability.

Post - employment health care benefit liability

Statement of financial performance - Accumulated surplus	-	2,933,627
Statement of financial position - Post retirement medical aid benefit liability	-	(2,933,627)
	-	-

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The disclosure of Long service awards in accordance with IAS 19. Actuarial valuation was obtained as at 30 June 2009 for the first time of Long service awards.

Long service awards

Statement of financial performance - Accumulated surplus	-	692,590
Statement of financial position - Long service awards	-	(692,590)

- -

Transactions affecting prior year lease payments

Statement of financial position - Capitalised Lease Liability	-	54,012
Statement of financial performance - Accumulated surplus	-	(54,012)

- -

40. Correction of errors

The correction of the error(s) results in adjustments as follows:

Transaction affecting bank balances

Statement of financial position - Bank and cash equivalents	-	334,585
Statement of financial performance - Accumulated surplus	-	(334,585)

- -

The bank balances and cash equivalents was understated with the amount of R334,585 regarding the Merafong Flora project that was transferred from the West Rand District Municipality in 2007/2008. The R334 585 was made up of R1,004, 621 received the 1st of July 2007 and deficit for 2007/2008 of R670,036.

Transactions affecting prior year errors

Statement of financial performance - Accumulated surplus	-	4,519
Statement of financial position - Sundry debtors billing - Prior years	-	(3,461)
Statement of financial performance - Bad debt - Prior years	-	(1,058)

Statement of financial position - Retention Creditors - Prior years	-	7,554
Statement of financial performance - Accumulated surplus	-	(7,554)

Statement of financial performance - Accumulated surplus	-	7,859
Statement of financial position - Payments made in advance	-	(7,859)

Statement of financial performance - Grants and subsidies	-	3,040
Statement of financial performance - Accumulated surplus	-	(3,040)

Statement of financial performance - Accumulated surplus	-	640
	-	(640)

Statement of financial performance - Accumulated surplus	-	4
Statement of financial position - Assets	-	(4)

- -

Dr Kenneth Kaunda District Municipality

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Correction of previous year errors.

Transactions affecting current liabilities - Compensation

Commissioner

Statement of financial position - Creditors 06/07	-	199,595
Statement of financial position - Creditors 07/08	-	389,354
Statement of financial performance - Accumulated surplus	-	(588,949)
	-	-

Assessment on Compensation Commissioner levy for the 2006/7 and 2007/8 financial years received on 24/07/2009. (Journal 54)

Transactions affecting the import of assets that is not previously recognised .

Statement of financial position - Assets	-	1,398,443
Statement of financial performance - Accumulated surplus	-	(1,398,443)

The recognition of assets not previously recognised. (Journal A61)

Transactions affecting the correction of retention money

Statement of financial performance - Accumulated surplus	-	87,711
Statement of financial position - creditors retention	-	(87,711)

Correction of retention not allocated against Digwe Water Management project.(Journal 36)

Transactions affecting the disclosure of assets - Merafong Flora Project

Statement of financial position - Assets	-	11,204,329
Statement of financial performance - Accumulated surplus	-	(11,204,329)
Statement of financial performance - Accumulated surplus	-	667,792
Statement of financial position - Assets	-	(667,792)

Restatement of the capitalisation of the assets of the Merafong Flora project that was transferred from the West Rand District Municipality and restated in the as from 1 July 2007.(Journal A64)

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Transactions affecting the disclosure of finance leases previously disclosed as operating leases Statement of performance		
Statement of financial performance - Accumulated surplus -Depreciation 06/07	-	4,661
Statement of financial performance - Accumulated surplus -Depreciation 07/08	-	55,933
Statement of financial performance - Depreciation on assets	-	(60,594)
	<hr/>	<hr/>
	-	-

Depreciation restated on the PABX System for the 2006/2007 and 2007/2008 financial year. (Journal A61)

Transactions affecting the disclosure of the operations of Merafong Flora project

Statement of financial performance - Sale of Flowers	-	(520,752)
Statement of financial performance - Employee related costs	-	837,582
Statement of financial performance - General expenses	-	353,207
Statement of financial performance - Accumulated surplus	-	(670,037)
	<hr/>	<hr/>
	-	-

Restatement of the operations of the Merafong Flora project for the 2007/2008 financial year.

Transactions affecting correction of business expenses

Statement of financial performance - General expenses	(38,583)	-
Statement of financial performance - Accumulated surplus	38,583	-
	<hr/>	<hr/>
	-	-

Correction of previous year business against the general expense vote.(Journal 49)

41. Risk management

Financial risk management

The municipality's is expose to a variety of financial risks: market risk , fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk, but the exposure is limited and manageable.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income received on interest on investments are dependent of changes in market interest rates.

To decrease interest rate risk exposure, investments is mostly done on a on a term not longer than six months. The current Interest rate shown below is the interest on call investment deposits at year end or the average interest earned during the past year under review

Dr Kenneth Kaunda District Municipality

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Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Cash in current banking institutions	4.25%	11,424,894	-	-	-	-
Call investment deposits	7.25%	113,000,000	-	-	-	-
Investments	8.80%	8,723,066	-	-	-	-

Credit risk

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

Receivables and Other Debtors are individually evaluated annually at statement of financial position date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment/ discounting, where applicable.

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

Financial instrument	2009	2008
Investments	8,723,066	7,972,702
Call investment deposits	113,000,000	106,000,000
Consumer debtors	-	1,901
Trade and other receivables	975,793	686,468
Bank balances and cash	11,428,454	1,997,673

The maximum credit and interest risk exposure in respect of the relevant financial instruments amounts to as indicated above.

42. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	276	-
	276	-

Fruitless and wasteful expenditure represent interest on late payment

43. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription	368,374	84,673
Amount paid - current year	(132,842)	(84,673)
Amount paid - previous years	(235,532)	-
	-	-

Dr Kenneth Kaunda District Municipality

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Notes to the Annual Financial Statements

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Audit fees		
Opening balance	14,054	-
Current year audit fee	983,864	1,153,802
Amount paid - current year	(983,864)	(1,139,748)
Amount paid - previous years	(14,054)	-
	-	14,054
PAYE and UIF		
Current year payroll deductions	5,893,975	4,519,609
Amount paid - current year	(5,893,975)	(4,519,609)
	-	-
Pension and Medical Aid Deductions		
Current year payroll deductions and council contributions	4,259,672	5,426,220
Amount paid - current year	(4,259,672)	(5,426,220)
	-	-
VAT		
VAT receivable	4,469,403	4,015,537
	4,469,403	4,015,537

VAT output payables and VAT input receivables are shown in note 14.

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

44. Actual operating expenditure versus budgeted operating expenditure

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

45. Actual capital expenditure versus budgeted capital expenditure

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

46. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

.See the attached annexure regarding deviations from supply chain regulations.

47. Water Services Authorities - transfer of assets & liabilities

The Government Gazette No. 24228 of 3 January 2003 was promulgated by the Minister responsible for Provincial and Local Government. In this Gazette the municipalities of Tlokwe, Matlosana, Maquassi Hills and Ventersdorp were made Water Services Authorities (WSA). In terms of this Gazette the relevant Category B Municipalities are responsible for the assets and liabilities relating to the bulk water and sanitation. services. All relevant external loans and assets are transferred to the Category B Municipalities in the 2007/2008 financial year. We are still in the process to unbundle the bulk infrastructural assets and this process will be finalized before the June 2010.

48. Details of statement of changes in net assets

Refer to Appendix A, for the detail of the Statement of changes in net assets

49. Analysis of property plant and equipment

Refer to Appendix B - Analysis of property, plant and equipment

50. Segmental analysis of property, plant and equipment

Refer to Appendix C - Segmental Analysis of property, plant and equipment

51. Segmental statement of financial performance

Refer to Appendix D - Segmental statement of financial performance

52. Disclosure of grants and subsidies

Refer to Appendix F - Disclosure of grants and subsidies

CHAPTER 5

5. Functional Service Delivery Reporting

1. GENERAL INFORMATION

Executive Mayor
Speaker

Councillor B E Moloji (Ms)
Councillor W J Nelson (Ms)
(till 5/5/09)

Single Whip

Councillor ZS Present
(till 30/06/09)

MEMBERS OF MAYORAL COMMITTEE

MMC Financial Services
MMC District Economic Development
MMC Corporate Services
MMC Health and Social Services
MMC Infrastructure Development
MMC Public Works and Transport
MMC Sports, Arts and Culture
MMC Transversal Issues

Councillor Z Moweli
Councillor M Lee (Ms)
Councillor M Ngomane (Ms)
Councillor MM Mojahi
Councillor MI Martins
Councillor Z Mathiso (till 31/05/09)
Councillor D Tabane (Ms) (till 31/05/09)
Councillor M S Galo

PART – TIME COUNCILLORS

Councillor J L Janse van Rensburg
(till 31/05/09)

Councillor TB Mpukwana

Councillor S S Nkatlo (Ms)

Councillor N Mamabolo (Ms) (till 31/05/09)

Councillor P Mokoena
(from 15/12/2007)(till 31/03/09)

Councillor M A Feliti

Councillor MK Khauoe (from 10/6/09)

Councillor WT Mosiane
(till 31/05/09)

Councillor C M Hattingh (Ms)

Councillor N P Laubscher

Councillor JD Badenhorst
(from 01/01/2008) (till 31/05/09)

Councillor S B Mokgothu

Councillor M Leschinsky

Councillor BM Maloyi
(from 10/06/09)

Councillor M Sebata (Ms)

Councillor L van der Westhuizen (Ms)

Councillor SG Maruping
(from 10/06/09)

Councillor L Dire (Ms)

Councillor D Montoedi

Councillor TA Ngaleka
(from 10/06/09)

Councillor G R Dwayi (Ms)

Councillor S P Terblanche

Councillor MD Chika
(from 10/06/09)

Councillor T Hart

Councillor TS Selete
(from 1/4/09)

Councillor R van Jaarsveld

Councillor K S Moeng

Councillor S I Dipico

Councillor N M Koloti (Ms)

Councillor E Zwane (Ms)

Councillor J C Landsberg

Councillor TG Mosiane (till 31/12/08)
Councillor V L Makoba (till 31/05/09)
Councillor N B Bezu (Ms) (till 31/05/09)
Councillor D L Davel

Integrated Development Plan

The district municipality successfully completed IDP for the financial year 2008/2009. Compliance with the legislation was done as the IDP was advertised and submitted to the MEC for Developmental Local Government and Housing.

Performance management

The overall purpose of developing a performance management policy for the Dr. Kenneth Kaunda District Municipality is to measure the extent of the implementation of the integrated development plan, as a contract entered into by the Municipality and other stakeholders within its area of jurisdiction in terms of which priorities and objectives are established through a process of consultation, to be addressed in five year period

Integrated Development Planning

The activities of the department centre on the development of the integrated development plan (IDP) and the expenditure was primarily focused on this main activity. The operations are hence subdivided into activities of the department as based mainly on the IDP Process Plan 2008/09 and the related financial expenditure report. These are the actual planning processes for the 2009/10 IDP Review Document. During the said financial year the Municipal Systems Improvement Grant (MSIG) ceased to be utilized in the department and as a result the operations were entirely financed by the Municipality.

5.1. Milestones of the Process Plan Implementation

Below are the actual activities in support of the IDP Process Plan implementation:

Activity	Date(s)
IDP Coordinating Committee Meeting	24 July 2008
IDP Steering Committee Meeting	24 November 2008
IDP Coordinating Committee Meeting	26 November 2008
Sector Departments Meeting	02-03 December 2008
Mayoral Road Show (Postponed)	09-13 February 2009
Budget Steering Committee Meeting	20 March 2009
Tabling of the 2009/10 Draft IDP document in Council Meeting	31 March 2009
Placing of Draft IDP Document for 21 days public viewing and comments	31 March-4 May 2009
Mayoral Road Show (Postponed)	12-14 May 2009
Mayoral Road Show	20-21 May 2009
Budget Steering Committee Meeting	25 May 2009
IDP Representative Forum Meeting	28 May 2009
Adoption of the 2009/10 IDP Document in Council Meeting	03 June 2009

The Mayoral Road Show is the flagship program of the Dr Kenneth Kaunda DM, in which the Executive Mayor leads a delegation of Members of the Mayoral Committee and the Administrative leadership to the local municipalities within the district to discuss district municipality funded projects for the forthcoming financial year. It was introduced during the 2007/08 planning process and successfully reintroduced in this particular financial year. The main challenge of this programme, hence its postponement on two occasions, is that it requires the presence of both the political and administrative leaderships of the concerned local municipality and the district municipality, a difficult matter to achieve because of the vast component of such delegations.

Provision was made for the Sector Departments (External Committee) Meeting, according to the IDP Process Plan and IDP Framework (2009/10 Review Documents). This important engagement was carried out between the 2nd and 3rd December 2008. The meeting, which was coordinated in collaboration with the Office of the Premier, the Department of Developmental

Local Government Housing and SALGA-NW, was a significant milestone in the Integrated Development Planning (IDP) Review processes of all municipalities in the district. During the two days nineteen (19) sector departments, including one (1) state owned enterprises, SALGA (who were supporting the programme) and one (1) mining house attended. The municipalities represented were Matlosana, Merafong, Ventersdorp, Maquassie Hills, Tlokwe and Dr Kenneth Kaunda District Municipality. The total attendance for the first day was seventy one (71) and the second day forty five (47) officials, which represent excellent representation.

The IDP processes were achieved successfully, with some weaknesses in the internal IDP Steering Committee meetings. What is significant is that all the legislated dates of placing, adoption and submission were complied with. The IDP Representative Forum was well attended by all significant stakeholders. What is also important, coordination between the Dr. Kenneth Kaunda District Municipality and its family of local municipalities and provincial sector departments improved significantly in the financial year under review.

Expenditure in the Department

The Adjusted Budget of the PIMSS unit was R 1,048,358, and the Actual Expenditure, which included both the Employee Related Costs and the Operational Expenses, was R 1,006,317.

5.2. Performance Management System

The development of a Performance Management System (PMS) is in terms of Chapter 6 of the Municipal System Act 32 of 2000 will involve an extensive process, to ensure that the system complies with legislative and policy requirements, especially in terms of the Constitution. A wide range of role players from outside as well as inside Dr. Kenneth Kaunda District Municipality will be involved in the development and implementation of a Performance Management System (PMS). The process plan/or action plan of the Municipality will indicate these role players as well as roles and responsibilities of these role players.

Performance management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. Therefore, it is the system through which the municipalities sets targets, monitors, assesses and reviews organizational objectives and individual employees performance based on the District priorities, objectives and measures derived from the Integrated Development Plan (IDP). There is currently a

Performance Management System in the Dr. Kenneth Kaunda District Municipality must measure the performance of the whole Municipality and that of the employees

During 2008/2009 financial year the Municipality developed Performance Management Policy Framework that has been adopted by Council. Performance Agreement for the Municipal Manager, Section 57 Managers and Personal Development Plans has also been developed and signed. The Municipality has established institutional arrangements or organisational structures that manage the PMS. The municipal organisational PMS has the following components:

- Defined objectives for the developmental priorities as set out in the IDP
- Key Performance Indicators: Input, Output and Outcome measures
- Performance targets with regard to each development priority and objectives
- Monitor performance on development priorities and objectives against the set performance targets and indicators

Mechanisms or processes for continuous performance improvement address under performance. However, the Municipality has internal auditing processes that monitor, measure and review development priorities and objectives against key performance indicators and targets. The Municipality has Performance Audit Committee that reports bi-annually to the Council about the effectiveness, legality and reliability of the Performance Management System. Municipal organisational Performance Management System produced annual and quarterly performance reports reflecting:

- The development and service delivery priorities and performance targets during the reporting period.
- Challenges or barriers hampering excellence and measures taken to improve performance
- Change management programme instituted before and during the development and implementation phases of the municipal organisational Performance Management System.

Measures to Close the Gaps

- The Municipality has developed detailed PMS framework.
- Clear evidence to be provided by senior managers
- Timetables of performance assessments need to be developed

- Organizational and Departmental reviews.
- Conduct workshop to familiarize the Councillors and officials with concept of organizational performance management as well as the entire staff.
- To provide hand of support to the local municipalities within the district.

Automated Performance Management System

Dr. Kenneth Kaunda District Municipality has purchase an Automated Performance Management System that is able to monitor the implementation Status of Projects and SDBIP of the Municipality. The system main function is to plan, implement and monitor all plans that have been executed by the District Municipality towards service delivery targets that is aligned with the SDBIP with a suite of web-based application modules. It is a standalone system with a server maintained independently and however be a fully functional and integrated system that requires components such as: Projects, - Hardware,-Software, and Data. Therefore, the key component of the system interacts/or be integrated with the following core business functions:

- A internet based system
- Online Reporting of Critical Business Areas
- Document Uploading
- Data Management
- Data Accuracy & Integrity
- Automation of Reports
- Audit Trails

The system provides the following reports: In the case of Income versus Budget the system is able to provide: Actual Expenditure against Budget and generate quality reports. The system requires Monthly and Quarterly Capturing (Departmental Data Capturers). The system is able to generate the following reports:

- Monthly Reports
- Quarterly Reports
- Input into the Annual Reports

The System has the ability to generate Business Plan for the Municipality

The Software will however, assist the municipality through the alignment of Top layer SDBIP (planning), Budget (implementation) and performance management system (monitoring and

evaluation). To generate better business plans, the following is being used, and fed into the system: Minimum Information:

- ✓ Link to Strategic Objectives
- ✓ Project Risks (**Monthly**)
- ✓ Utilization of Financial resources of the Municipality

5.3. Corporate Services:

The Strategic Objectives of the Department Corporate Services were determined in line with the objectives of the Municipality identified at a Strategic Planning Workshops

The following Strategic Goals were identified for the Municipality:

- To promote physical Infrastructure development and service;
- To ensure economical development and services;
- To ensure integrated policy frameworks;
- To ensure intergovernmental relations/stakeholders framework;
- To promote capacity development services;
- To provide environmental health management;
- To ensure disaster risk management; and
- To ensure internal municipal excellence.

Security Services

During the 2008/09 financial year, security services were appointed on month to month contract at both buildings. An arrangement that the gates at the municipal buildings are locked during night time was made and the back gate was fixed

Steiner Hygienic Services

The hygienic services relating to the bathrooms were extended to the Old Mutual building's cloak rooms as well as the bathrooms on the top floor of the municipal building, occupied by the health department and to the Disaster Centre in Klerksdorp.

IT and telephone Maintenance and upgrading

All PC specifications are drafted by the IT specialists to ensure that the right standards, programmes and compatible software is purchased. This measurement should be strictly adhered to. It has been experienced that ad hoc purchasing (without collaboration with IT Specialist) resulted into obtaining equipment without compatible software. (An informal

committee existing out of the IT specialist, Manager Corporate Services and Procurement Officer must approve specifications of IT equipment).

Facilities Management

Buildings

Both buildings occupied by personnel of the Dr. Kenneth Kaunda District Municipality are leased from the owner's i.e. Matlosana City Council and Old Mutual Properties respectively. Contracts, inclusive of conditions of lease, were submitted to council, approved and concluded. Both buildings contract's provide for general maintenance to be done by the lessees (Dr. Kenneth Kaunda District Municipality) like replacement of bulbs, maintenance of air conditioner toilets, sewer blockages, windows panes, etc.

Accessibility: Disabled

Although ramps for wheelchairs are installed at both buildings, access for wheelchairs will only be to the ground floors of both buildings. Advice was obtained from a civil engineer who indicated that neither of the buildings are suitable for the installation of lifts without large structural changes. A report to this effect was submitted. To enter into these costs will not be feasible especially when considering that the buildings are not the property of the Dr. Kenneth Kaunda District Municipality

Service contracts

Dr. Kenneth Kaunda District Municipality has entered into a service contract with various a service providers to provide a particular aspect of a municipal service on a short-term basis (only one or three years). The municipality provides the budget and monitors the performance of the service provider to ensure that the service provided is of a good quality and within the allocated budget. The following service providers are contracted in the Municipality.

- ▶ Morubisi Technologies
Commence on the 01 November 2008
Surveillance Technology Systems
R819 072.70 Excluding Vat
- ▶ Nashua
Commence – November 2006
Photostat Machines

Monthly Plus Photo Copiers

▶ AMIE F

Commence 01 April 2009

Student Accommodation

R162 000 (6 Months)

Committee Management

During the financial year 1 July 2008 to 30 June 2009 the following official meetings were held:

Meetings Held 2008/2009

Portfolios

Finance	6
Corporate	7
Infrastructure	7
Roads, Public Safety	5
Health	6
District Economic Development	7
Sports	4
Total	42
Mayco	7
Council	6
Special Council	2
Total Meetings Held	57

5.4. Internal audit Objectives

To ensure Internal Municipal Excellence

Internal audit- To provide effective and efficient internal audit services to the municipalities (KPA Good governance)

Tasks	KPI	Targets		Measurement of Frequency	Responsible Person	Planned Reporting		Actual Reporting	Budget	Variance and Action Plan
		Numbers and percentage	100%			Target	Evidence			
Develop and internal audit plan	Approved audit plan	100%	100	Annually (development of internal audit plan)	Audit Manager	Audit committee resolution and adoption at council	Approved by Audit Committee & adopted by council			
Implement internal audit plan- (project planning, time management, supervision, monitoring, review and reporting	Number of audit reports issued	4 per municipality	4 per municipality	Execution operation plan, ongoing (audit reports)	Audit Manger/Team	Audit report	15 reports issued the following types of audit; PMS, Internal Control & DORA audits. Reports issued for Dr Kenneth Kaunda District Municipality, namely: Infrastructure Projects, PMS Quarter 1 & 2, Follow up audit Procurement & Payments, Follow up audit payroll, Grants, Follow up AG's			According to the approved plan the following were taken out (Approved by audit committee): <ul style="list-style-type: none"> PMS Quarter 3 & 4 for both Maquassi Hills and Ventersdorp local municipalities as their PMS Managers resigned. Follow up on AG's finding for Maquassi Hills as they were audited late. Performance and IT audit for Dr Kenneth Kaunda District

Review an audit committee charters	Approved audit committee charter	100%	Annually	Audit Manager	100%	Audit committee & council resolution	100% (Approved by Audit Committee & adopted by council)	To be reviewed	
Develop audit methodology	Approved audit methodology	100%	Annually	Audit Manager	100%	Audit committee & council resolution	100%		
Risk management strategy- Risk Assessment- Facilitate the risk assessment	Established risk management strategy	100%	Annually	Audit Manager	100%	Council resolution	80%		R194, 156.25 PWC was appointed to conducted risk assessments; risk management strategies & policies for the three municipalities i.e. Dr Kenneth Kaunda District Municipality, Ventersdorp & Maquassie Hills Local Municipalities. Risk assessments reports, strategies and policies were submitted to the audit committee for recommendation, they are still be submitted to council for adoption, action plan on risk registers still outstanding, to be done in the current period 2009/10.
Fraud Strategy- Assist with the development of fraud prevention strategy	Established fraud strategy	100%	Annually	Audit Manager	100%	Council resolution	90%		Fraud strategy was recommended by the audit committee, still to be submitted to council for adoption. To be adopted in the current period

Prepare for and attending audit committee meeting	Number of meeting held and audit committee reports issued	4	Quarterly	Audit manager	4	Audit committee(AC) minutes, and AC reports	6		2009/10
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5.5. District Economic Development Project Description and Progress

Description	Comments
Maquassie Hills Piggery Project	In partnership with Dr KKDM Economic Agency Services Providers has been appointed to do the feasibility study and the Business Plan- Completed
Mefarong Flora Project	Enough progress has been achieved as more than 100% of the budget has already been spent
Tlokwe Beans Project	In partnership with Dr KKDM Economic Agency Services Providers has been appointed to do the feasibility study and the Business Plan- Completed
Ventersdorp Vineyard Project	In partnership with Dr KKDM Economic Agency Services Providers has been appointed to do the feasibility study and the Business Plan- Completed
Ventersdorp Aganang Agricultural support centre	More than 20 applications from the community for the support has been received. Still awaiting the office of the Executive Mayor to supply the names of Councilors who forms part of the Project Technical Committee
Dr KK District Municipality Tourism Association	The registration as a Non Profit Organization has just been completed and a bank account for the Association is opened for proper transfer to be made
N12 Route Membership	New committee ha been elected during December Month and the transfer will be made soon
Branding /Packaging of Tourism products	Enough progress has been achieved as more than 95.79% of the budget has already been spent
Community Agricultural Support	More than 20 applications from the community for the support has been received. Still awaiting the office of the Executive Mayor to supply the names of Councilors who forms part of the Project Technical Committee
Small Scale Farmers Technical Support	More than 20 applications from the community for the support has been received. Still awaiting the office of the Executive Mayor to supply the names of Councilors who forms part of the Project Technical Committee
DGDS Agricultural Summit Business Plans	Business Plans of Community projects have been completed and already sent to LOTO and Neighborhood Development Fund
Business Development Centre	With the Dr Kenneth Kaunda District Support Centre just about to be established in Potchefstroom the money would be used for the launch
Tourism Awareness	Enough progress has been achieved as more than 59.39% of the budget has already been spent
LED Leadership programme	LG Seta has allocated 6 LED Learnerships for the district. Selections and appointment of a Service provider to be done soon.
Exhibitions	Enough progress has been achieved as more than 93.75% of the budget has already been spent
Skills Training and Mentorship	Trainings to took place
Entrepreneurial Month	Enough progress has been achieved as more than 83.76% of the budget has already been spent
Mining Summit/Conference	A suggestion for partnership between the district and from the Mining PGDS was proposed. Still awaiting directive from the

	province
Skills Development Training	A partnership between Potch Perfect and the District has just been established. A number of SMME's are going to be sent to University of North West for entrepreneurial training
Car Wash Project	Still awaiting directive from the province
SODA	Money transferred to the Agency
District EXPO	Enough progress has been achieved as more than 84.53% of the budget has already been spent
SMME Summit	Enough progress has been achieved as more than 99.21% of the budget has already been spent
Promotion and Marketing	Enough progress has been achieved as more than 90.20% of the budget has already been spent
2010 Development Plan	District Tourism Strategy, Incentive Policy and Marketing Strategy already completed still waiting comments from stakeholders.

Project Description and Financial Progress

Vote	Project	Budget	SDBIP	Actual	%	Balance
1080/05/8/12/0003	Maquassi Hills Piggery	100,000	100,000	98,428	98,43	1572
1080/05/8/13/0003	Merafong Flora Project	100,000	375,000	500,000	100	0
1080/05/8/14/0003	Tlokwe Beans Project	124,000	124,000	122,807	99.04	1193
1080/05/8/15/0002	Ventersdorp Vineyard Project	258,000	258,000	257,607	99.85	393
1080/05/8/15/0003	Ventersdorp Aganang Agricultural Support	50,000	50,000	50,000	100	0
1080/05/8/16/0012	Dr KKDM Tourism Association	50,000	50,000	50,000	100	0
1080/05/8/16/0014	Branding/Packaging Tourism Projects	100,000	75,000	95,788	95.79	4,212
1080/05/8/16/0017	Community Agricultural Support	100,000	75,000	3,750	3.75	96,250
1080/05/8/16/0018	Small Scale Farming Technical Support	200,000	150,000	-	-	200,000
1080/05/8/16/0019	N12 Treasure Route Membership	30,000	30,000	30,000	100	0
1080/05/8/16/0020	Business Development Centre	50,000	50,000	-	-	-
1080/05/8/16/0021	Tourism Awareness Campaign	50,000	50,000	29,693	59.39	20,307
1080/05/8/16/0022	Exhibitions	80,000	80,000	74,996	93.75	5,004
1080/05/8/16/0023	Skills Training and Mentorship	40,000	40,000	32,058	80.15	7,942
1080/05/8/16/0024	Entrepreneurship Month	50,000	50,000	41,880	83.76	8,120
1080/05/8/16/0025	Mining Summit/Conference	80,000	80,000	80,000	100	0

1080/05/8/16/0026	LED Leadership Programme	100,000	75,000	3,500	3.50	96,500
1080/05/8/16/0027	DGDS/Agricultural Summit Business Plans	322,000	322,000			
1080/05/8/16/0042	Dr KKDM Tourism Centre	40,000	40,000			-
1080/05/8/16/0043	Skills Development and Training	140,000	105,000	9,520	23.80	30,480
1080/10/8/25/0010	Promotion and Marketing	150,000	150,000	135,300	90.20	14,700
1080/10/8/25/0011	SDM Development Agency	1,000,000	1,000,000	1,000,000	100	-
1080/10/8/25/0012	Car Wash Project	50,000	50,000	-	-	50,000
1080/10/8/25/0013	District EXPO	100,000	100,000	84,526	84.53	15,474
1080/10/8/25/0014	SMME Summit	100,000	100,000	99,210	99.21	790
1080/10/8/25/0019	2010 Development Plan Implementation	500,000	375,000	583,400	116.68	-83,400

5.6. REPORT OF THE AUDIT COMMITTEE OF THE DR KENNETH KAUNDA DISTRICT MUNICIPALITY

Membership

The Dr Kenneth Kaunda District Municipality has an Audit and Risk Committee set up in accordance with the prescripts of the MFMA No 56 of 2003, section 166. The Committee comprises of three independent members, who are neither in the employ of the municipality or any of its entities, nor are any members political office bearers.

Audit Committee Roles and Responsibilities

For the period under review the Committee had reviewed and advised on amongst others:

- a) The adequacy, reliability and accuracy of financial reporting;
- b) The activities and effectiveness of Internal Audit Function;
- c) The accounting and audit concerns identified as a result of internal or external audits performed;
- d) The effectiveness of internal control systems;
- e) Risk Management;
- f) Review of Performance Management system; and
- g) Compliance with the MFMA.

The Committee can report that although this Committee has also been appointed to review and advise on Performance Management of the district municipality, its local municipalities and entity.

Internal Audit

The Dr Kenneth Kaunda District Municipality has a system on Internal Audit under the direction of the Audit and Risk Committee. Based on the results of the assurance work carried out by the Internal Audit unit, there remains major areas where internal control weaknesses have been identified and reported on, yet no correction action taken by management timely or at all.

In the year to follow, the Audit and Risk Committee will become stricter on processes designed and implemented to ensure that internal controls are effectively and efficiently monitored and reviewed.

Performance Management

For the period under review the Audit and Risk Committee found that the Performance Management system in the municipality was ineffective, since it was reported that there was little or no co-operation from divisional managers and there appeared to be a lack of management buy-in to the reporting procedures.

Risk Management

A review of the risk assessment and risk management policy and strategy resulted in the Audit and Risk Committee recommending that the district municipality appoints a dedicated resource as a shared service for the district, its local municipalities and of late even the municipal owned entity.

For the period under review there has been no progress on the implementation, monitoring and review of mitigation strategies for risks identified in the risk assessment nor could progress on implementation of risk management policy and strategy be evidenced.

Compliance with the MFMA No. 56 of 2003

During the year the Audit and Risk Committee had ensured that the agenda of Committee meetings included material compliance areas with the MFMA No. 56 of 2003. Although the agenda is extensive, the areas of compliance are not totally exhaustive. Areas such as Supply Chain Management, Possible fruitless and Wasteful expenditure, Risk Management, Internal Controls, Internal Audit, Financial Reporting are covered on each meeting, whilst performance management is dealt with separately.

The Committee does take cognisance on the omissions and/or gaps in the process identified by the Auditor General South Africa and aim to incorporate such in the agenda[s] of future meetings.

Internal Controls

The Audit and Risk Committee reviewed the internal controls systems of the district municipality on an ongoing basis throughout the year and recommended and/or advised management on corrective action to be taken. In addition the Committee had requested that Internal Audit assists management in developing control mechanisms to ensure that management constantly reviewed their progress on the implementation of corrective action on risks identified by both internal and external audit. This proved to be ineffective and the reasons cited for the ineffectiveness was the capacity constraints as a result of vacancies of key personnel.

It ineffectiveness was also further confirmed by the high rate of repeat findings raised by the Auditor General South Africa.

Review of the annual financial statements for the year ended 30 June 2009

During the period under review the municipality was faced with vacancies in key positions, namely Chief Financial Officer, Corporate Services and Infrastructure and Technical Services. These positions became vacant during February 2009 and by the time of this report (January 2010), had still not been filled.

Numerous findings raised by the Auditor General South Africa, were as a result of tasks either not performed at all during the financial year, or ineffectively performed. Although these may significantly be attributable to the lack of capacity of senior personnel creating a burden on existing staff, it also does relate to a poor control culture within the municipality. It is for this reason that internal and external audit findings are not followed up and corrective action not taken by management timely or at all.

Albeit the above, the Committee had reviewed the annual financial statements for the year ended 30 June 2009. The Committee would like to concur with the audit opinion (Qualified Audit) of the Auditor General South Africa and agrees that major improvement in the financial statements preparation, validity, accuracy and completeness is still required, but cognisance is taken that the Acting Chief Financial Officer did the best he could under the circumstances.

The review of the financial statements by and large included an assessment of:

- a) The underlying accounting policies and changes thereto;
- b) Major estimates and managerial judgements;

- c) Significant adjustments flowing from the year-end audit and omissions by management;
- d) Compliance with Generally Recognised Accounting Practice;
- e) The appropriateness of going concern considerations and events after balance sheet date;
and
- f) The management letter of the Auditor General South Africa.

Conclusion

The Committee therefore recommends the adoption of the annual financial statements by the Council of the Dr Kenneth Kaunda District Municipality.



R. A Kenosi

Chairperson: Audit and Risk Committee

Dr Kenneth Kaunda District Municipality

Conclusion

The IDP of the Dr Kenneth Kaunda District Municipality is therefore a concerted attempt to overcome the debilitating crisis of fragmentation in how we operated in the past. Through periodic reviews, implementation assessment and monitoring mechanisms, we will ensure that our IDP is a living document capable of adapting to the changing priorities and circumstances of our people