

ALFRED NZO DISTRICT
MUNICIPALITY
PROVINCE OF THE ESTERN CAPE



ANNUAL REPORT FOR 2008/2009
FINANCIAL YEAR

MARCH 2010

TABLE OF CONTENTS

PART ONE: INTRODUCTION AND OVERVIEW

A. Mayor's Foreword.....	1
B. Statement by the Municipal Manager.....	2-3
C. Overview of the Municipality	4-9
D. Executive Summary.....	10-11

PART TWO: KPA ACHIEVEMENT REPORT

1. Human Resources and Organization Management-KPA 1.....	12-17
2. Basic Service Delivery Performance Highlights-KPA 2.....	21-29
3. Municipal Local Economic Development-KPA 3.....	30-32
4. Municipal Financial viability and Management-KPA 4.....	33-86
5. Good governance and Public Participation-KPA 5.....	87-92

PART THREE: FUNCTIONAL AREAS REPORTING

1. General Information-Population Statistics.....	94
2. Finance and Administration functions.....	95-96
3. Planning and Development-Local Economic Development.....	97-98
4. Community Development and Social Services.....	99-107
5. Waste Water management.....	108-109
6. Water Distribution function.....	110-112

LIST OF ANNEXURE

Annexure 1:	Auditor General's Report
Annexure 2:	Action Plan to address findings on AG's report
Annexure 3:	Audit Committee Report
Annexure 4:	Proof of Public Participation

MAYOR'S FOREWORD



The vision of the Institution we are leading was developed thus **“A SELF SUSTAINABLE MUNICIPALITY THAT STIMULATES ACCELERATED SOCIO-ECONOMIC GROWTH AND DEVELOPMENT BY 2014.”** It is this that ignites energy in us to develop strategic plans and optimize resources to achieve the ultimate goal.

The State of the District address has outlined the framework and targets for the financial year under review. Central to the State of the District address framework were innovative service delivery strategies of fog harvesting in water provisioning and escalating the level of infrastructure development to surfacing in the Mt Ayliff Town. We have been able to make a contribution to changing the landscape by surfacing four kilometres of road from the town to the hospital and the post office for we believe and are convinced that it is this kind of infrastructure that will ultimately change the face and landscape of our towns.

We successfully hosted the National Imbizo that afforded the local stakeholders to engage the national leadership and provided space for introspection on weaknesses and policy challenges. The District Municipality has matured in modeling and managing the Community based planning approach in its IDP engagements with the Constituent Communities. However the continued re-determination and reconfiguration of the District Municipality over the last two terms had undermined the necessary stability pertinent to the building of a Developmental Local State.

The Municipality has suffered financial distress during the period under review which somewhat affected service delivery. Despite these setbacks the Municipality has positioned itself to confront these challenges and recapture its mantle to be the beacon of hope for its Constituent Citizens.

CLLR G.G. MPUMZA
EXECUTIVE MAYOR

STATEMENT BY THE MUNICIPAL MANAGER



The Alfred Nzo District Municipality appreciates the efforts by DLGTA to come up with the format on Annual Report that is user friendly and the municipality has prepared its report according to the current format.

The district municipality of Alfred Nzo is one of the most rural district municipalities in the country thus it was identified as and continues to be one of the Country's Integrated Sustainable Rural Development (ISRDP) nodes. The district municipality is also a Water Service Authority and it experiences a high backlog in terms of service delivery as this is confirmed by the Community Survey of 2007 thus it has a vision that says "It is to create a self sustainable municipality which stimulates socio-economic growth and development by 2014".

Taking this vision forward the municipality set itself the following main pillars of its strategy for 2008/09:

- Re-established and robust institution.
- Improving living environments
- Improved livelihoods.

Understanding the high backlog on service delivery and high level of poverty and unemployment within the district, this has seen the municipality channelling the bulk of its budget towards service delivery where rural sanitation, bulk water supply projects and Local Economic Development projects were prioritised. This saw the municipality intensifying the programme of rural sanitation implementation programme where a total of seven zone centres were established. The programme also aimed at job creation in the form of Expanded Public Works Programme and this saw the municipality rated as one of the best performing municipalities on implementation of the programme and further received incentives amounting to R28 million.

Again the municipality still depends a lot on grants to perform its duties and this is due to its low revenue base however some efforts to increase its revenue base were put forward where water meter installation and billing system was highlighted as priority areas of the municipality.

The rural nature of the municipality impacted negatively towards the achievements of set targets where the level of capacity of locally based service providers proved to be not sufficient as a result delays on implementation of certain projects were experienced. Again high staff turnover also

impacted negatively towards the performance of the municipality and this resulted in the municipality being put under Section 139 (1)(b) of the Constitution of the Republic of South Africa of 1996. The situation also resulted in the municipality being unable to spend the total MIG funding allocated by the then DPLG.

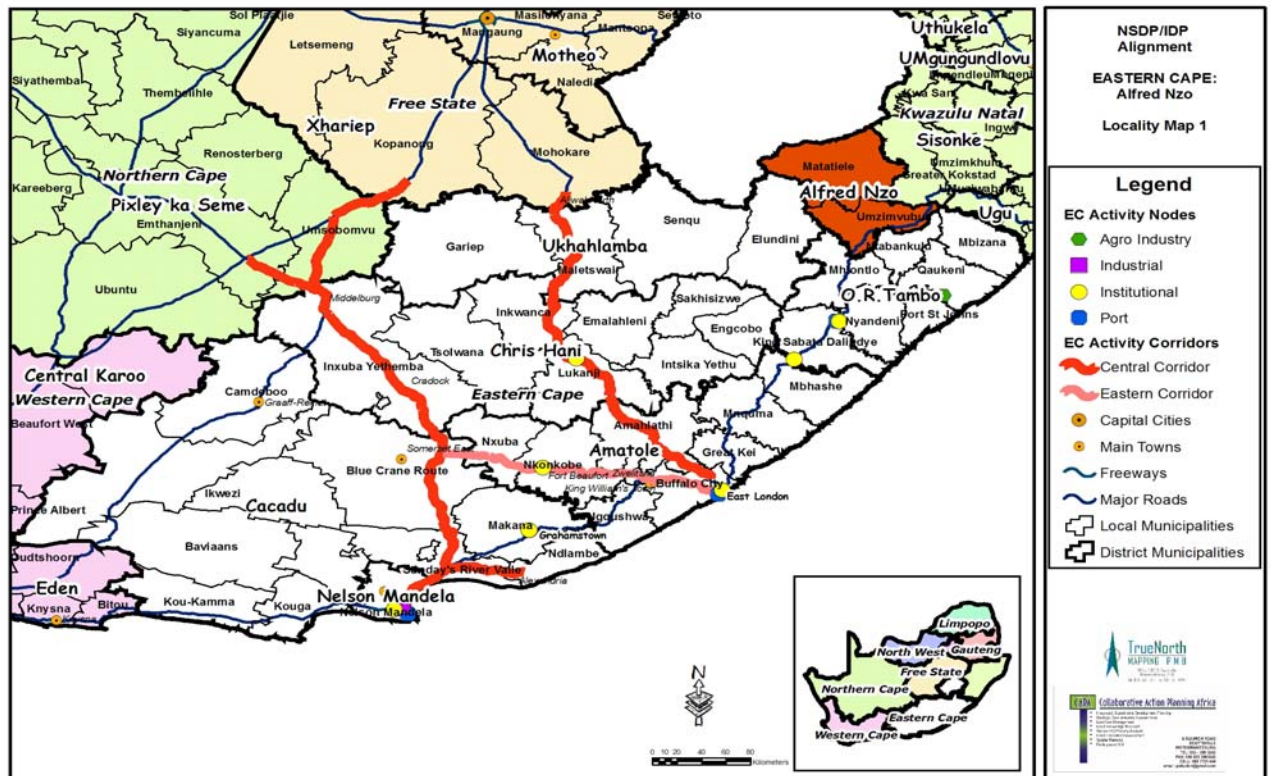
Moving forward, the municipality has prioritised the recruitment of staff members to address high level of vacancy and to further ensure capacity within the institution to ensure that service delivery is improved and systems are developed to ensure that the municipality performs its duties successfully. The municipality is still committed in ensuring that high backlogs in service delivery is addressed and again this has seen the bulk of 2009/10 budget channelled to Water and Sanitation and approaches to ensure proper expenditure aligned to effective service delivery were put in place and are continuously monitored. Again the municipality has managed to secure the services of a service provider to assist with Asset register that is GRAP compliant and the scope of work further entails the conversion of the finance system to GRAP as required by the National Treasury.

MUNICIPAL MANAGER

M. MOYO

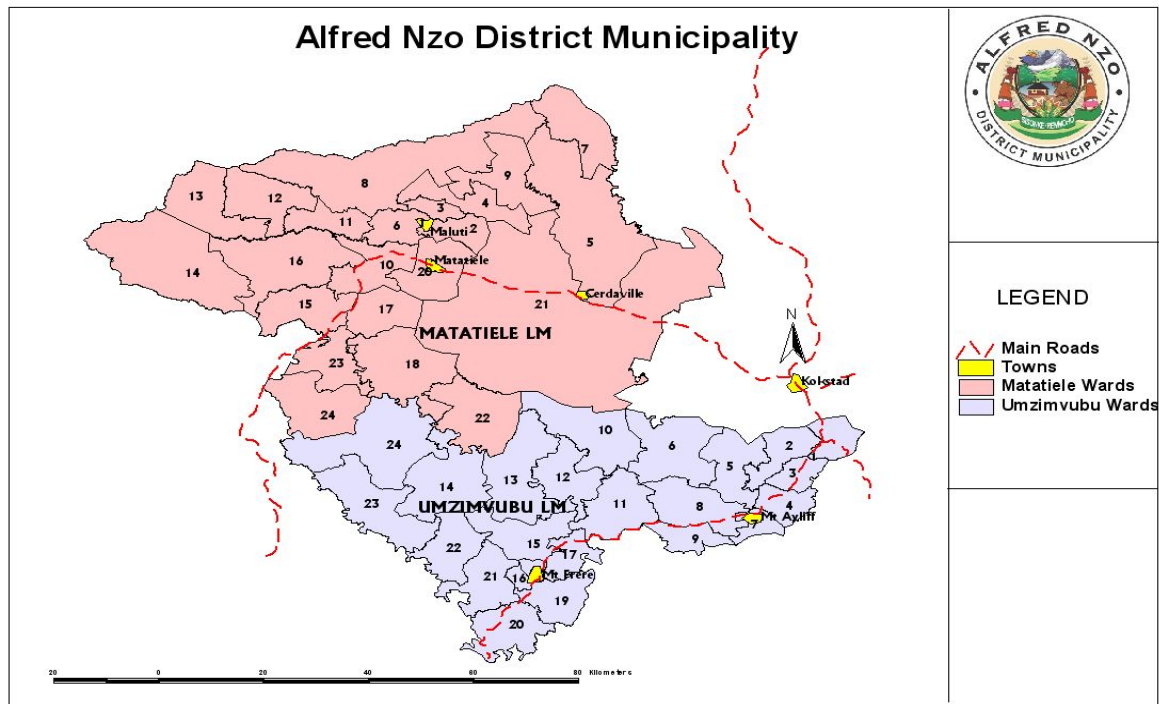
C. OVERVIEW OF THE MUNICIPALITY

LOCALITY



1.1. GEOGRAPHIC AND DEMOGRAPHIC PROFILE

Alfred Nzo District Municipality stretches from the Drakensberg Mountains, borders Lesotho in the West, Sisonke District Municipality to the North and O.R. Tambo District Municipality in the East and South. The District has a total surface area of approximately 6858 square kilometres and is subdivided into Matatiele and Umzimvubu local municipalities occupying approximately 2506 and 4352 square kilometres respectively. The local municipalities have a total of 24 wards each thus giving a total of 48 wards making the district. The local municipalities are composed of three former Transitional Local Councils (TLCs) or towns, Mount Frere, Mount Ayliff and Matatiele and one R293 township, Maluti as well as three former Transitional Rural Councils (TRC). The former Transitional Rural Councils are now part of the two local municipalities, Matatiele and Umzimvubu.



Alfred Nzo is one of the six District Municipalities in the Eastern Cape Province, which due to its economic status was declared as a rural node which requires injection in terms of investment, for the sole purpose of changing for the better, the livelihoods of its communities. Alfred Nzo municipal area is naturally well vest with resources of a significant nature.

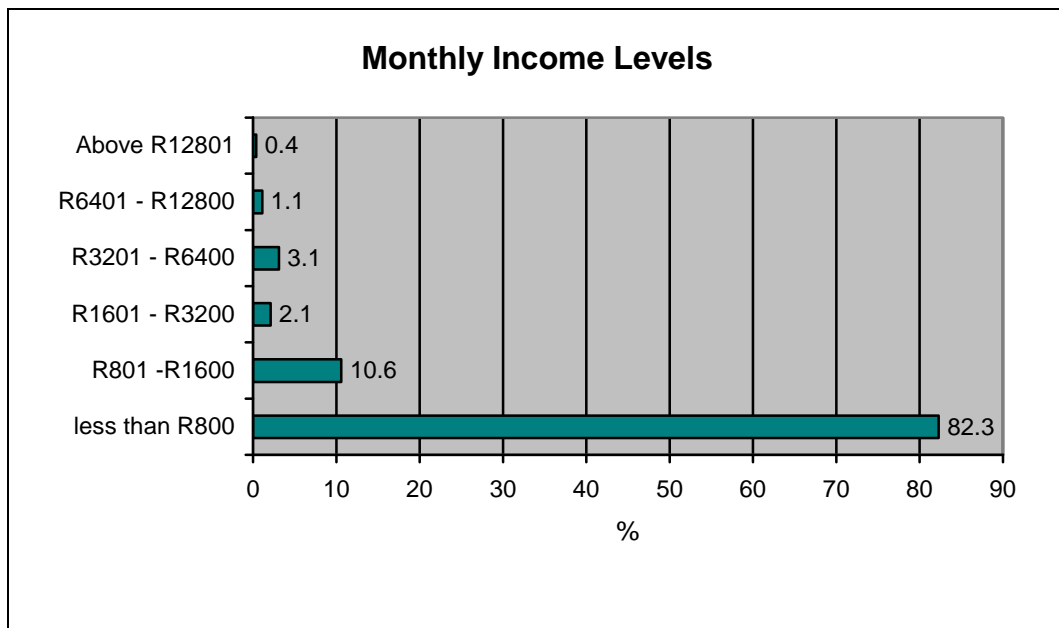
1.2 SOCIO ECONOMIC CONTEXT

The Alfred Nzo District is characterised by poor socio economic conditions and low levels of development which is not an uncommon trend in the region.

1.2.1 Income levels

Income levels within the District area are very low. Approximately 69.8% of the economically active population do not generate any income. Only 6.7% of the economically active population has an income of more than R1601.00 per month. Municipal planning still needs to focus strongly on local economic development initiatives that will enable the community to generate an income.

Figure 1: Income levels



Source: Statistics South Africa: Community Survey 2007

1.2.2 Poverty levels

Increasing levels of absolute poverty have been recorded in the Eastern Cape and 74% of the people of the Eastern Cape live below the poverty line of R800 or less a month). Poverty levels vary according to district but in Alfred Nzo 82.3% of the population live below the poverty line which is much higher than the Provincial norm. High poverty levels imply a high dependency on social assistance in the form of grants. Municipal planning needs to focus strongly on poverty alleviation mechanisms.

1.2.3 Employment levels and trends

The Alfred Nzo District is characterised by low levels of employment and a high percentage of people who are not economically active. This in turn accounts for the high poverty levels and low income levels. High unemployment rates impact negatively on municipalities as low affordability levels result in a poor payment rate for services. A comparison of the unemployment rate on district level reveals that Alfred Nzo has the second highest level of unemployment in the province.

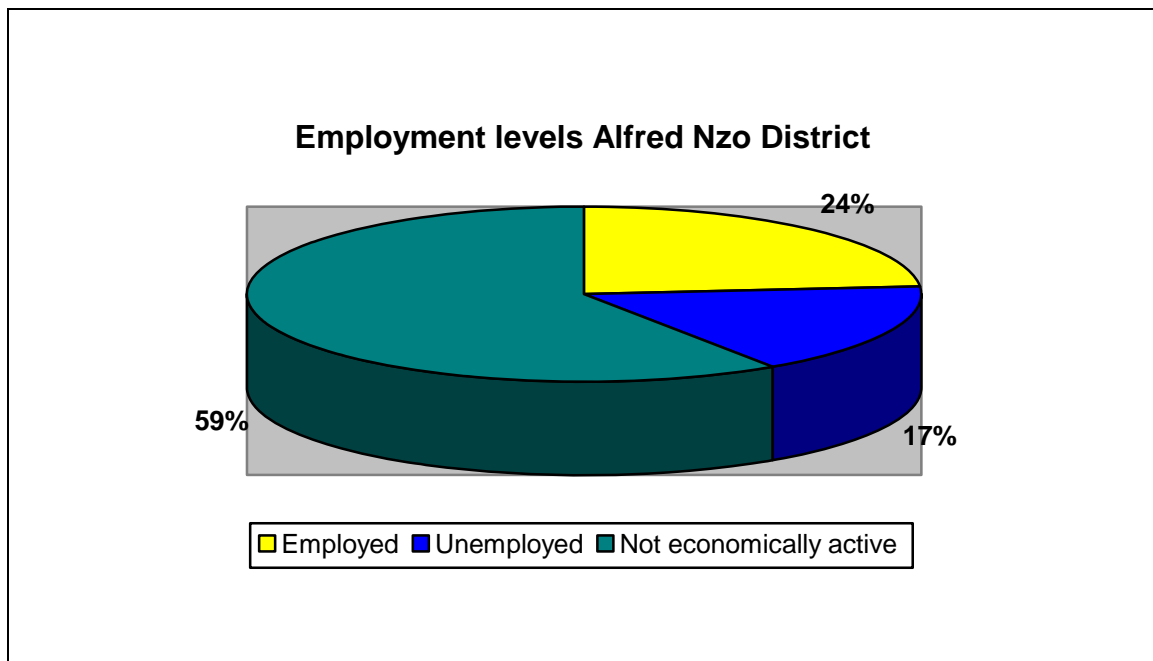
Table 1: Comparison of unemployment rates per district.

Municipality	Employed (%)	Unemployed /not economically active (%)
Chris Hani	18.3	81.7
Alfred Nzo	23.69	76.31
Ukhahlamba	26.3	73.7
Amatole	28.6	71.4
O.R.Tambo	32.06	67.9
Nelson Mandela Bay Metro	38.13	61.87
Cacadu	40.59	59.41

Source: Statistics South Africa: Community Survey 2007

The following figure provides an overview of employment levels at district level.

Figure 2: Employment levels Alfred Nzo District



Source: Statistics South Africa: Community Survey 2007

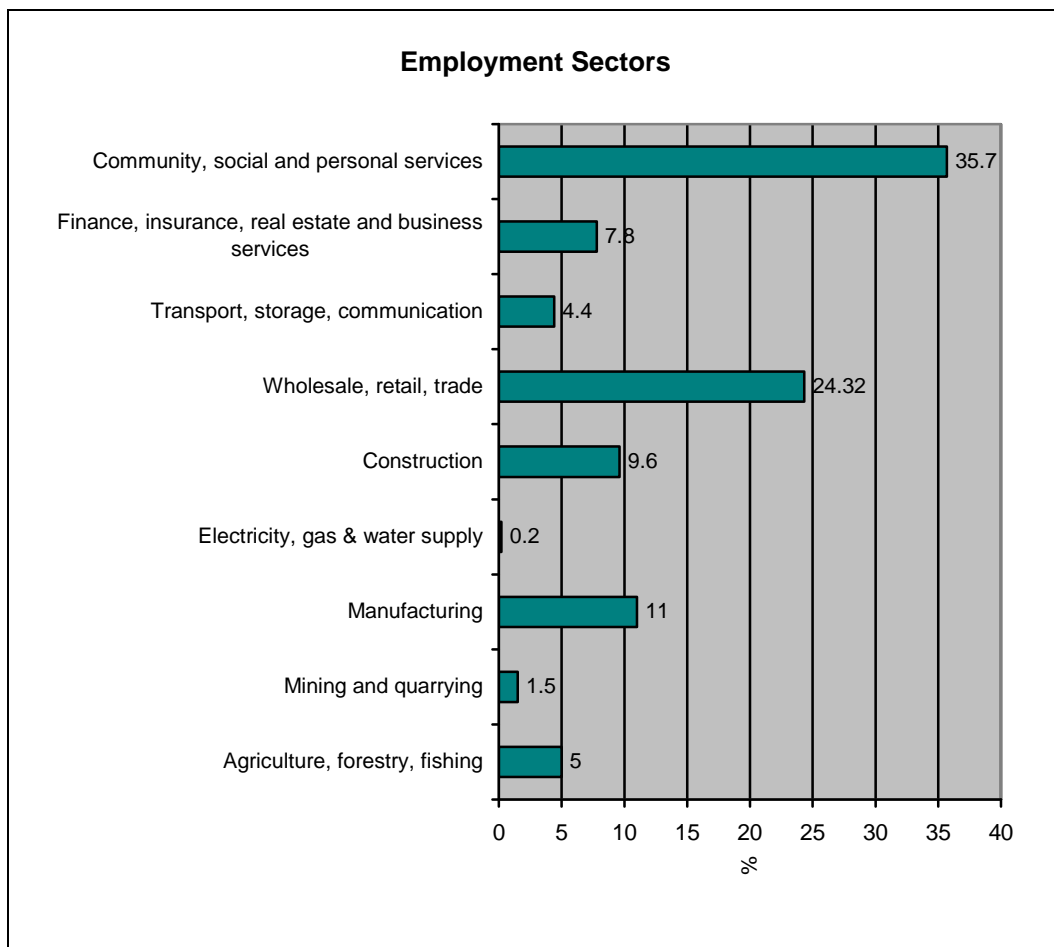
The Eastern Cape Province derives income from basically three sectors:

- ⇒ The primary sector made up by agriculture, forestry and fishing industry
- ⇒ The secondary sector dominated by transport, construction, food industry, and wholesale industry.
- ⇒ The tertiary sector dominated by community and public sector services.

On Provincial level employment is dominated by the tertiary sector. This is reflected in the Alfred Nzo District where the public sector or community services accounts for the majority of specified jobs (35.7%). This sector is an unlikely base for employment expansion.

Primary activities namely agriculture, forestry and fishing only account for 5% of the jobs in the District, despite the fact that agriculture remains the most dominant activity. It is assumed that the subsistence nature of agriculture in the District is the reason why the sector does not reflect as a significant employment sector.

Figure 3: Employment Sectors



Source: Statistics South Africa: Community Survey 2007

The employment sector is dominated by elementary occupations (31.1%). Craft and related workers, service shop market and sales workers, and clerks jointly constitute 23.3% of the employment sector. Professionals, technicians and associate professionals and legislators /senior managers jointly constitute only 33.1 % of the employment sector. This dominance of elementary and other low level occupations is testimony to the low skills base of the area. This is aggravated by an absence of tertiary educational institutions which contribute significantly to the low levels of graduates in the area. Consequently there is an acute shortage of skilled artisans, engineers, project managers, business management skills and technical skills in agriculture, tourism, forestry and environmental management.

D. EXECUTIVE SUMMARY

VISION AND MISSION STATEMENT

The Alfred Nzo District Municipality set its vision and mission where it aimed to have all plans and activities aligned and channelled towards achieving its vision.

VISION

“A self-sustainable municipality, which will stimulate social-economic growth and development by 2014”.

MISSION

To create self-sustainable livelihoods through maximum utilisation of natural resources, improvement of human capacities and skills in an integrated manner, that coordinates government people’s programmes, which ensure meaningful participation.

Alfred Nzo District Municipality adopted strategies for year under review and such strategies were also aligned to the five year strategic local agenda and they were also based on the National Key Performance Areas as outlined below:

- Basic Service Delivery
- Good governance and Public Participation
- Institutional Development and Transformation
- Financial Viability and Management
- Local Economic Development

In terms of Basic service delivery, the municipality adopted an objective which was to strive to offer potable water, sanitation and to create healthy environment that is sustainable. The municipality identified Water Service Development Plan as one of the critical vehicle to ensure that the municipality realised its objective it was one of the targeted plan to be developed during the year under review. Again the municipality embarked on Section 78 Assessment Exercise to ensure universal provision of water to its communities. Though the municipality managed to get such plans developed it was somehow a challenge to get such plans implemented due to gaps the plans had. The municipality could not complete all the infrastructure projects due to slow progress on implementation resulting on low expenditure and the allocated MIG budget for year under review had to be exhausted during 2009/10 financial year. Other contributing factor to this situation is the resignation of personnel within the said department.

In terms of good governance and public participation, the municipality managed to review its Communication strategy to enhance communication lines between the municipality and its communities as well as dissemination of information. The municipality also have IGR structures such as Mayor's Forum, Municipal Managers' Forum and the bigger IGR forum meeting. Though such structures were in place, they were not fully functional and this was due to instability within the municipality in as far as the Municipal Manager's post was concern as the custodian of IGR structures. The municipality also managed to prepare and adopted six bylaws during the year under review and the adopted bylaws are Customer care and Revenue Management; Disaster Management; Fire safety; Solid Waste Disposal; Water Supply and Sanitation Services as well as Municipal Health By-laws. The municipality also ensured that an Audit Committee was functional to assist the municipality in turning around the situation of getting negative Auditor General's report.

In terms of institutional development and Municipal Transformation one of the municipal objectives was to that Performance Management System was functional to encourage the culture of performance and accountability. The municipality though financial assistance by DLGTA managed to conduct training on Performance Management System though the system could not be fully functional but the situation is being addressed. Part of the municipal intended objectives for the year under review was skills development and recruitment of staff however the municipality experienced financial problems and could not achieve fully its object around the set targets.

In terms of Financial viability and management one of the municipal objectives was to intensify the revenue collection system to reduce dependency on grants and also further improve on accounting on public resources to ensure that positive audit report is achieved. One of the critical areas was to also ensure compliance with Supply Chain Management Policy. The municipality was also identified as one of the municipalities qualifying for Turn Around Plan (TAP) due to its challenges around financial management. TAP intervention was introduced to the municipality and some improvements were recognized as the municipality managed to develop and review some financial policies however such support was later withdrawn and this had a negative impact on municipality.

In terms of Local Economic Development the municipality aimed at facilitating job creation and access to business opportunities to address high level of unemployment and poverty in the district. Again the municipality aimed to prioritise skills development through training of SMME and further promote commercial agriculture. The district municipality managed to create a total of approximately 250 both permanent and temporary jobs through LED initiatives. The district municipality still relies lot on grants and financial constraints impact negatively on municipal targets in as far as Local Economic development is concerned.

PART 2: KPA ACHIEVEMENT REPORT

CHAPTER 1: HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT

1.1 ORGANISATIONAL STRUCTURE

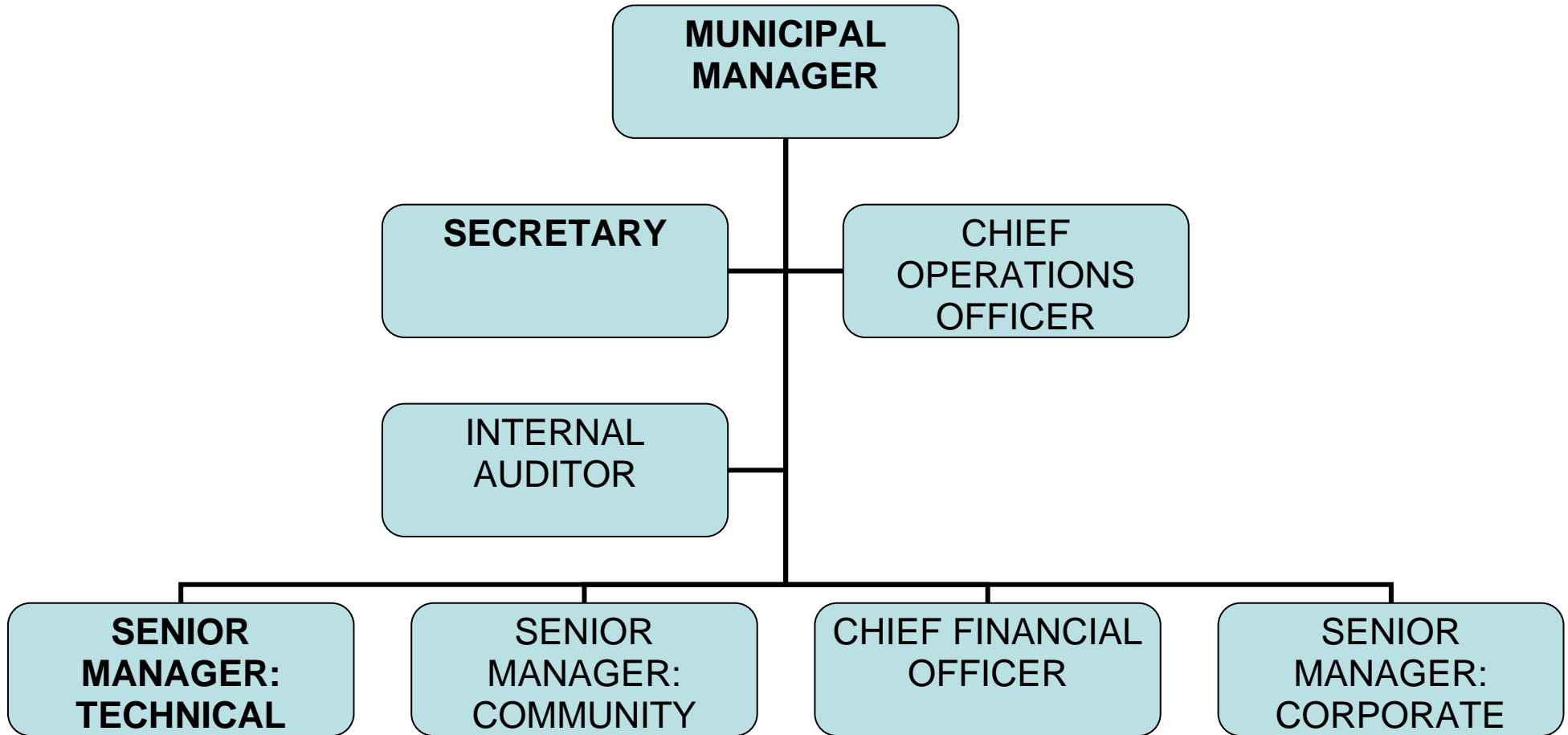
The municipality managed to prepare and get the Organogram approved by Council before the start of the year under review. According to the approved organogram, it shows a total of 5 Section 57 Managers including the Municipal Manager which are performance based posts. The municipality embarked on a process of developing job description for its staff though the evaluation process could not be finalised as they were new posts that were on the process of being filled.

The municipality successfully managed to sign all Performance Agreement for all managers appointed in terms of Section 57 of the Municipal System Act. The agreements included the following managers:

- Municipal Manager
- Chief Financial Officer
- Senior Manager Technical Services
- Senior Manager Corporate Services

The position of Senior Manager Community Development Services remained vacant during the year under review however it has since been filled. The position of the Municipal Manager and Chief financial Officer became vacant at the beginning of the second term of the financial year due to resignations.

MUNICIPAL TOP ORGANISATIONAL STRUCTURE



1.2 Staff development initiatives during the Financial Year

The Work skills Plan was submitted on the 30 June 07 for the financial year of 2008-2009 with the HRD Plan.

Training Intervention	BENEFITIARIES				
	Departments	Gender		Levels	Amount
		Female	Male		
Soft line VIP Premier Basic Workshop	Finance , CPS	2		9	R 6,398.60
UNISA study BA Degree Dev Studies	SPU	1		8	R 2,540.00
Masters in Development Studies	Community Services		1	3	R 8,790.00
UNISA payment for ND: Public Management	Office of the Ex Mayor	1		7	R 4,800.00
Soft line VIP Skills Development workshop	CPS	1	1	7	R 3,408.60
VIP Skills Module New Features workshop	CPS		1	6	R 735.30
Driving Lessons	CPS	1		9	R 2,500.00
Computer Training for employees	All Departments			3, 4, 5, 6, 7,8,9	R 54,172.80
CPMD	Office of the Ex Mayor & PMU	1	1	1	R 91,000.00
New Managers programme	CPS	1		1	R 14,500.00
UNISA Records Management	CPS		1	9,	R 6,400.00
B Tech Management	Office of the Speaker		1	3	R 2,880.00
A+ and N+	SPU	1		8,	R 7,581.00
CPMD	CPS, LED, SPU, Office of Ex M	2	2	1,2,3	R 80,000.00
EAPSA Conference	SPU	1			R 12,500.00
CTNET+	IT	2		6	R 12,350.76
CBM Training for Secretaries & PA Conference	All Departments	11		6,7,8	R 53,866.68
Soft line VIP Payment for Report Writer	CPS	2		6	R 5,180.00
GIMS Arch GIS Desktop	Development Planning	1	1	4,7	R 11,913.00
PM regional conferences	Technical services		1	2	R 2,565.00
Financial Management for Non financed managers	All Departments	6	9	3,4,6	IDT
B tech Quantity Surveying	PMU		1	4	R 11,058.01
New Managers programme	CPS	1		2	R 1,250.00
Air Conditioning and Refrigeration tech	CPS		1	9	R 5,187.00
ND Office Management and Technology	Community Services	1		8	R 1,795.00
ND Information Technology	CPS		1	6	R 1,050.00
Practical Legal Training	Office of the MM		1	7	R 3,500.00
Masters of Public Management	Office of the MM	1		9	R 4,000.00
PMS Workshop	All Departments	12	17	1,2,3,4,6,7	R 79,352.12
Project and Contract Management	All Departments	5	9	1,2,3,6	DBSA
CPMD	BTO, PMU, CPS & Office of the Speaker	4	1	2,3,4,5	LGSETA
IDP Learnership	All Departments	7	13	3,4,5,6,7	R 150,000.00

Report Writing and Minute Taking	All Departments	24	4	5,6,7,8	DBSA
TOTAL					R 641,273.87

TRAINING FOR COUNCLLORS

Training Intervention	BENEFICIARIES				
	Departments	Gender		Levels	Amount
		Female	Male		
Intec College	Councillor		1	Cllr	R 5,719.00
CPMD	Councillor	1		Cllr	R 45,500.00
MFMA	Councillor	10	12		Funded by SALGA
BA Public Administration and Development Studies	Councillor	1		Cllr	R 4,960.00
TOTAL					R 56,179.00

1.3 Key HR statistics per functional area

1. Full time staff complement per functional area (examples are given below)

a. MM/Section 57 and Line Managers

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Municipal Manager	01	01	00
2	Senior Manager: Corporate Services	01	01	00
3	Senior Manager : Technical Services	01	01	00
4	Senior Manager : Project Management Unit	01	01	00
5.	Senior Manager: Local Economic Development	01	01	00
6.	Chief Financial Officer	01	01	01
7.	Chief Operations officer	01	00	01
8.	Manager: Planning and Development	01	01	00
9.	Manager: Public relations	01	00	01
10.	Manager: Legal Services	01	01	00
11.	Manager : SPU and ATTIC	01	01	00
12.	Manager: Office of the Executive Mayor	01	01	00
13.	Manager : Office of the Speaker	01	01	00
14.	Manager: Information Communication and Technology	01	01	00
15.	Manager: Admin Support	01	00	01

16.	Manager : Human Resource Development	01	00	01
17.	Manager: Human Resource management	01	01	00
18.	Manager: Expenditure and Budget	01	01	00
19.	Manager: Income	01	00	01
20.	Manager: Supply chain management	01	01	00
21.	Chief Fire Officer	01	01	00
22.	Manager Community Development	01	01	00
23.	Manager : Municipal Health	01	01	00
24	Manager Disaster Management	01	01	00
25	Manager: Operations and Maintenance	01	00	01
26.	Internal Auditor	01	00	01
27.	Manager : Water Service Authority	01	01	00
28.	Manager: Building	01	01	00
29.	Manager : LED	01	00	01
30.	Engineer: Planning and Design	01	00	01
	Total	30	19	11

2. Technical staff registered with professional bodies

Technical Service (e.g water, electricity etc...)	Total number of technical service Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
	Six	none	none	None

3. Levels of education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	Number of staff with Tertiary/accredited professionals training
247 (2008-2009)	88	60	99

4. Trends on total personnel expenditure

Financial Years	Total number of staff	Total approved operating Budget	Personnel expenditure (salary and salary related)	Percentage of expenditure
2006-2007	168	62,434,579	25,990,737	100%
2007-2008	281	57,491,896	R 38,036,821	100%
2008-2009	247	67,685,964	R 52.836,102	100%

5. List of pension and medical aids to whom employees belong (please add if necessary)

Names of pension fund	Number of members		Names of medical Aids	Number of members
SAMWU	82		Samwumed	19
Municipal Employees Pension Fund	12		Global Health	24
Local Government Pension Fund	57		HOSMED	3
Natal Joint	22		BONITAS	105
Cape Joint	4		LA HEALTH	3
SALA	2			

1.4 Implementation of the Performance Management System (PMS):

The Municipality has developed and adopted PMS Policy and the same was adopted by Council however it has not been effectively implemented. The approach by the municipality when it adopted its PMS Policy framework was to get the system cascaded to lower levels below Section 57 Managers however the municipality has not been able to achieve its objective. The municipality is working on revival of the performance Management system and this has seen the revised policy being adopted by the Council in December 2009 and is currently working on the process of getting the system cascaded to lower levels.

1.5 Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	8%			
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	98%			
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	100%			
4	Percentage of Managers in Technical Services with a professional qualification	100%			
5	Percentage of municipalities within the district area that have a fully functional Performance Management System	100%			
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	100%			
9	Percentage of councillors who attended a skill development training within the current 5	80%			

	year term				
10	Percentage of staff complement with disability	1,2%			
11	Percentage of female employees	33%			
12	Percentage of employees that are aged 35 or younger	70%			

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

2.1 Water services

a. Water services delivery strategy and main role-players:

The Alfred Nzo District Municipality as a Water Service Authority managed to prepare and adopted both Section 78 Assessment and Water Service Development Plan during the year under review. The municipality was assisted by the service provider and the then DWAF to ensure capacity during the process. The municipality is still providing and collecting revenue on its own as this function has not been delegated to any organisation or institution. The municipality however intends to explore the options of making use of support by local municipalities in the form of collecting revenue on water provision.

b. Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	72%	22150 households			
2	Percentage of indigent households with access to free basic potable water					
4	Percentage of clinics with access to potable water					
5	Percentage of schools with access to potable water					
6	Percentage of households using buckets	0	0	0	0	0

Major challenges in water services and remedial actions

The municipality experienced water shortage in some areas where water flow was not consistent due to water sources drying out and infrastructure challenges. Though the municipality had water cart trucks to assist where there were water problems, the municipal were not consistent as they required regular maintenance. The municipality purchased a number of water tanks and they were distributed in problematic areas where water were delivered with trucks. The municipality has since procured two new trucks to ensure sustainable provision of water in problematic areas while still working on implementation of bulk water projects that will improve the situation.

2.3 Sanitation

a. Sanitation services delivery strategy and main role-players

The National Government has prioritised delivery of sanitation services as one of the key components of the basic services required for all citizens and has a target date of December 2010, and 2014 for the provision of the universal access to sanitation to all citizens.

Areas impacted by sanitation programme include the following;

- Rural settlements and Farm dwellers
- Clinics, Schools and Government complexes in rural areas
- Urban informal settlements and
- Urban formal settlements that had sub-IDP standard toilets

A Basic Sanitation Facility is one which is safe, reliable, private, protected from the weather, ventilated, keeps smells to a minimum, is easy to keep clean, minimizes the risk of the spread of sanitation related diseases and enables the safe and appropriate treatment and / or removal of human waste and wastewater in an environmentally sound manner.

Alfred Nzo District Municipality is one of the water Services Authorities (WSA) with a high rural sanitation backlog 188 000 units/households. The previous Alfred Nzo District Municipality's strategy of service delivery with regards to eradicating the sanitation backlog made it impossible to meet the target of December 2010. The municipality has therefore contracted Service Providers to try and speed up the delivery of sanitation in its area of jurisdiction.

Currently there are two service Providers that have been appointed with one contracted for three zone centres in Matatiele and two in Umzimvubu and the other Service Provider contracted for two zone centres in Umzimvubu.

Although it would be desirable to serve all people in Alfred Nzo DM to the highest possible level of sanitation service, this wish cannot be achieved in a sustainable manner for all as a result of both financial and water resource constraints. It is therefore necessary to differentiate between various levels to which different types of communities of Alfred Nzo DM will be served.

In its sanitation master plan Alfred Nzo District Municipality proposed that for rural settlements the strategy is to serve all households with Movable Ventilated Improved Pit (MVIP), however, the current practice is still an unlined single pit which has an estimated life span of >20 years.

For urban settlements waterborne systems are preferable provided that water supply is sustainable and provided that waste water treatment can be operated and maintained in a sustainable manner.

The players involved in the provision of sanitation facilities are:

	Stakeholder	Roles
1	Department of Water & Environmental Affairs	DWAE is the custodian of the nation's water and a lead department on the sanitation sector, they also provide financial support to the District Municipality.
2	Department of Housing & Local Government	DPLG take a primary responsibility for providing the IDP of the municipality through which the sanitation projects are prioritized.
3	Department of Health	They coordinate information on public health as well as creating demand for sanitation through hygiene awareness programs
4	National Treasury	Support Local Government and District Municipality in planning and managing their funds
5	Non-Governmental Organizations	They assist in health and hygiene awareness program, facilitate community participation and develop community based construction teams.
6	Private Sector (Service Providers)	Private sector can manufacture and install sanitation systems or partner with the municipality in providing sanitation to communities.
7	The District Municipality	Responsible for the implementation of sanitation services ensuring that its community has access to basic sanitation services.
8	The Ward Councilors	Community representatives at municipality level, responsible to ensure that communities have access to sanitation services.
9	The Ward Committees	Assist the ward councilors at village level with information of served and non-served.
10	Community	Beneficiaries of the sanitation program and are actually involved in the construction, working with the service providers,

b. Level and standards in sanitation services

The municipality on its own would like to serve its community the highest possible level of sanitation service, but this cannot be achieved due to both financial and water resource constraints. It is therefore necessary to differentiate between various levels to which different types of communities of Alfred Nzo DM will be served.

Therefore the municipality plans to serve its communities in rural areas with a basic level of service which is defined as one which is safe, reliable, private, protected from the weather, ventilated, keeps smells to a minimum, is easy to keep clean, minimizes the risk of the spread of sanitation related diseases and enables and enables the safe and appropriate treatment and / or removal of human waste and wastewater in an environmentally sound manner and it entails the following:

- The provision of a basic facility which is easily accessible to the household;

- The sustainable operation of the facility including the safe removal of human waste and wastewater where this is appropriate and necessary; and
- The communication of good sanitation, hygiene and related practices

There are quite a number of available technology options that would meet the above minimum requirement for Alfred Nzo District Municipality however; the decision made by the water services authority is the key to the success in providing affordable basic sanitation services in a sustainable manner.

For urban settlements waterborne systems are preferable provided that water supply is sustainable and provided that waste water treatment can be operated and maintained in a sustainable manner.

c. Annual performance as per key performance indicators in sanitation services.

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	102 020	66516.00	16800	35493	25%
2	Percentage of indigent households with access to free basic sanitation services	35493	66516	16800	0	0
4	Percentage of clinics with access to sanitation services	-	-	-	-	-
5	Percentage of schools with access to sanitation services	96%	142	0%	0%	0%

d. Major challenges in sanitation services and remedial actions

Challenges on sanitation can be summarised as follows:

- Appointment of only two Service Providers for the implementation of the sanitation in the entire Alfred Nzo area instead of one for each.
- Service Providers not having the same sense of urgency that the municipality is having, taking more time in planning than doing actual construction.
- Existing contractual commitments especially transport and material suppliers that the new PSPs have to accommodate.
- Machinery that is old which require replacement or major maintenance.
- Electrification of the zone centres that do not have electricity or use of generators and
- Water supply to some zone centres.

2.4 Road maintenance

a. Road maintenance services delivery strategy and main role-players

The role of the district municipality is to assist the local municipalities with machinery, plant management and quality of workmanship during the construction. The District municipality owns the plant and the local municipalities rent /hire plant from the district. There is MOU between the local municipalities on how utilize plant, this MOU was signed only in October with only one municipality the other one is still working on it.

b. Level and standards in road maintenance services

The purpose of this maintenance using machinery is to extend the design life of a road. The main focus is heavy maintenance where regravelling is the most essential. The improvement of drainage is also crucial.

c. Annual performance as per key performance indicators in road maintenance services

The maintenance of roads is the co-function of the local municipality however the district does assist in the form of making plant machines available for local municipalities and this has seen a plan for utilisation of plant machines being put in place and agreed upon by all parties.

d. Major challenges in road maintenance services and remedial actions

Challenges

1. In many instances Supply Chain Management processes takes too long to respond.
2. There is no in- house capacity to manage plant.
3. Delay on appointment of operators
4. The low morale of operators.
5. Delay on appointment of plant maintenance service provider.

Remedial Actions

1. Supply Chain Management to speed processes.
2. Capacity building on plant management.
3. Improve the wage scale of operators by comparing it with other municipalities.
4. Fast track the appointment of maintenance of service provider and operators.

2.5 Waste management

a. Waste management services delivery strategy and main role-players

The role of the district Municipality in regard to waste management services is as follows:

- To compile an Integrated Waste Management Plan (IWMP). Alfred Nzo District Municipality's IWMP is a strategic planning document that includes background information on the current waste situation in the whole district area, a regulatory framework and objectives and strategies to improve the waste management system.
- To ensure that waste management services are provided within the district in a manner which prioritises the recovery, re-use or recycling of waste and provides for the treatment and safe disposal of waste as a last resort
- To ensure compliance with the objects of Waste Act that are in the domain of the municipality;
- To implement other measures of the Waste Act (such as recycling) those are within the domain of the municipality.
- To pass waste management by-laws and standards
- To co-operate with another municipality in respect of the provision of joint waste management services.

Role Players involved and their role in waste management services provision within the municipality

- Development Planning department has an Environmental Management Officer who plays a role of ensuring that the district and the two local municipalities comply with the Waste Management Act and the National Waste Management Strategy.
- The Environmental Management Officer also ensures that all guiding documents required to ensure proper waste management are developed in the municipality.
- The municipality of Östersund from Sweden also plays a role in ensuring that the Alfred Nzo District Municipality has proper waste management practices in place.

The Integrated Waste Management Plan for ANDM was adopted in December 2006 prior to the change in municipal boundaries. This IWMP was later reviewed in 2008-2009 to incorporate the Matatiele Local Municipality. This waste management planning process incorporated all the major stages of the environmental planning process, namely:

- Reviewing the existing baseline situation and legal environment;
- Making projections of the future requirements;
- Setting objectives;
- Identifying and evaluating alternative methods/approaches for meeting Waste Management Act requirements;
- Developing and implementing an Integrated Waste Management Plan;
- Evaluating and reviewing the IWMP to ensure the respective objectives are being met.

b. Major challenges in waste management services and remedial actions

- Poor landfill site management and operations
- Insufficient waste management receptacles
- Absence of waste bylaw enforcement
- Illegal dumping
- Lack of Environmental Awareness and Education (Waste Management in particular).
- Poor infrastructure development

2.6 Housing and town planning

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

The district municipality plays a minor role in housing programme where it is only involved in emergency housing to assist households who were previously affected by disasters. The Local Municipalities are responsible for rural housing as agent for Department of Housing.

The district municipality has not been involved in Town Planning issues as this is the co-function of the local municipalities however where assistance is required the district municipality is always on board to assist on Town Planning issues.

2.7 Spatial planning

a. Preparation and approval process of SDF:

The district municipality managed to prepare and adopted its Spatial Development Framework before the start of the financial year under review. The process for development of the SDF was comprehensive in a sense that there was full involvement of other stakeholders such as government departments, the community of Alfred Nzo, NGOs, CBOs, Traditional Councils and its local municipalities.

The district municipality is currently working on process of reviewing the current SDF to ensure that Matatiele Area is well catered for since Matatiele Local Municipality did not have its SDF covering the whole municipal jurisdictional area in place.

2.8 Indigent policy implementation

a. Preparation and approval process of the indigent policy

The municipality approved its policy on the 17th September 2009. The municipality is expected to provide information on the process that is ongoing for the development of the indigent policy.

b. Implementation of the policy.

The municipality will, together with Department of Local Government and Traditional Affairs, will be conducting a municipal workshop where the policy and its register on 03rd November 2009 in the Alfred Nzo District Municipal Offices. This workshop will attended by the ward councillors, ward committees and ward clerks from both local municipality's i.e. Matatiele Local Municipality and Umzimvubu Local Municipality. Immediately after this workshop, the indigent register will be developed or completed by ward committees and ward clerks in their respective wards.

2.9 Overall service delivery backlogs

Basic service delivery area	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	required	budgeted	Actual
Water backlogs (6KL/month)						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	128 000	R 113 265815.13	37000	102009	R136483000.00	17,748,878.68
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
Sanitation backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate						

backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						

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

3.1 LED strategy/plan

The district municipality does have LED Strategy though it is outdated as it was approved by the Council in 2003. The district strategy focuses on stimulating local economy through the following programmes or initiatives:

- To provide food security programs
- Impart experiential learning through use of local labour in projects
- Utilization of underutilized resources e.g. land, value addition (canning, thatched grass, use of stones)
- Strengthening existing cooperatives and establishing new ones
- To implement livestock improvement programme.
- To develop forestry sector plan and arrange forestry summit
- To develop Tourism sector plan and Tourism summit
- Focusing on value chain and processing activities
- To establish a business chamber e.g. NAFCOOC Strengthen business linkages

The district municipality established an entity called Alfred Nzo Development Agency (ANDA) to focus on implementing LED projects and further provide support on LED initiatives within district wide. This arrangement saw the municipality reducing the number of personnel within LED Unit to two LED Officers. The focus of LED Unit is mainly to deal with strategic issues such as preparation of plans like LED strategy, DGDS etc. Furthermore the unit also focused on coordinating other supports such as Thina Sinako and this saw the unit involved in the establishment of District Support Team to build capacity on local communities to access funding for LED initiatives. The District Support Team is consists of LED Units from Local Municipalities, DEDEA, Department of Agriculture, ANDA, Provincial Tourism Board, Eastern Cape Development Cooperation and LED Unit in Department of Local Government and Traditional Affairs.

The district municipality during the year under review received funding from DLGTA to the value of R1 700 000 and such funding was categorised as follow:

- R1000 000.00 for Integrated Sustainable Rural Development Programme (ISRDP)
- R 350 000.00 for LED capacity building within the municipality
- R 350 000.00 for District LED Strategy review.

Thina Sinako also funded a number of projects that are LED related during the year under review and they are summarised as follow:

Project Name	Project Location	Project funding budget
Regional lodge, conference and training facility, with municipal offices	Matatiele	R406 895.00
Development of Mehlooding Hiking Trail	Matatiele	R1 500.000
Freedom Trail (establishment of a mountain bike route)	Matatiele	R5 847 454
LEAP' – Local Economic Action Partnership for Socially & Economically Excluded Groups in Alfred Nzo & Ukhahlamba Municipalities. Assisting communities to establish savings and loans initiatives.	Matatiele	R3 054 706
Cederville Agri BEE Village	Matatiele	R425 557.00
Alignment of insurance products with micro lending operations. An insurance product was designed for small businesses. The organisation is able to issue business loans to smme's.	Matatiele	R726 915.00
Innovative approach to bouyant micro credit expansion	Matatiele and Mt Frere	R2 011 694
Goxe agri-tourism business and marketing strategy	Umzimvubu-Mount Ayliff	R1 069 491
New approaches to micro-lending in disadvantaged areas of the Eastern Cape	Umzimvubu-Mt Frere	R652 079.00
Mount Frere forestry evaluation and pole treatment plant design	Umzimvubu-Mt Frere	R745 102.00
TOTAL FUNDING		R16 439 893

3.2 Challenges regarding LED strategy implementation

Though the municipality does have the LED strategy, the plan was prepared and approved in 2003 which makes it outdated. The municipality realised the need to get the strategy reviewed however due to demarcation processes that took place in 2006, the municipal boundaries were adjusted with Matatiele as a new local municipality and the said municipality did not have its strategy in place. The district has managed to secure funding for the development of Matatiele LED Strategy before the district strategy gets reviewed. The district is currently developing Matatiele LED strategy and will further review its Strategy before the end of 2009/10 financial year as funding from DLGTA has been secured already.

Through these processes, the district aims to have LED Strategies with clear implementation plans that will ensure success in Local Economic Development district wide.

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

4.1 The audited financial statements

ALFRED NZO DISTRICT MUNICIPALITY
REPORT OF THE CHIEF FINANCIAL OFFICER
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
1. <u>OPERATING RESULTS</u>		
Accumulated (deficit)/surplus at the beginning of the year	4 7 638 540	(19 069 156)
Current year surplus/(deficit)	(20 139 040)	33 387 262
Appropriation for the year	(37 010 885)	33 320 434
Accumulated (surplus)/deficit at the end of the year	<u>(9 511 385)</u>	<u>47,638,540</u>

Comment on current year surplus

2. TRUST FUNDS AND RESERVES

Trust funds at the end of the financial year amounted to	40 520 474	26,387,867
--	------------	------------

This indicates that all trust funds received were not utilised.

3. CAPITAL EXPENDITURE

Capital Expenditure during the year	139 683 595	0
Total Fixed Assets Acquired	139 683 595	0

ALFRED NZO DISTRICT MUNICIPALITY
REPORT OF THE CHIEF FINANCIAL OFFICER
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
4. <u>INVESTMENTS AND CASH</u>		
Call Deposits	72 537 504	12 583 323
Long-term Investment with Investec	13 675 287	13 804 544
Closing balance at financial year end	86 212 791	26 387 867
5. <u>LONG TERM DEBTORS</u>		
Long term debtors balance at the end of the financial year is:	760 565	719 156
This relates to car loans still paid off by employees.		
6. <u>ACCOUNTS RECEIVABLE</u>		
Accounts receivable balance at the end of the year is:	41 001 409	27 788 261
7. <u>LONG TERM LIABILITIES</u>		
The balance at year end is:	28 285 905	25 253 216

8. GOING CONCERN

The Alfred Nzo District Municipality has the financial backing of both National and Provincial Treasury Department and hence the risk of losing its status as a going concern is low.

9. MIG GRANT USAGE

During the current financial year, the Municipal Infrastructure Grant to the tune of R28 million was utilised for purposes other than it was intended for. Measures are in place to rectify this shortfall.

10. APPRECIATION

I would like to thank the Executive Mayor, Finance Political Head, Members of the Mayoral Committee Councillors, Municipal Manager, Department of Heads of Alfred Nzo District Municipality for the support that they have given to me during the financial year.

Chief Financial Officer

Date

ALFRED NZO DISTRICT MUNICIPALITY

ACCOUNTING POLICIES FOR THE YEAR ENDED

30 JUNE 2009

1. Basis of Preparation

The Annual Financial Statements are prepared in accordance with standards laid down by the Institute of Municipal Treasurers and Accountants (now known as IMFO) in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second Edition: January 1996).

In terms of General Notices 991 and 992 of 2005 issued in Government Gazette 28095, the Municipality should have prepared the Annual Financial Statements in terms of Statements of Generally Recognised Accounting Practices (GRAP).

The Annual Financial Statements are prepared on a historical basis. The following are the principal accounting policy directives by the district municipality which are consistent with those of the previous year, except if otherwise indicated.

1.1 Revenue Recognition

Revenue is recognised in the financial statements when measurable and available to finance operations and is matched with expenditure to comply with the accrual basis of accounting.

The Municipality recognises water and other services on usage based on the accrual basis of accounting.

Grants are recognised on a cash basis as received from Government Departments.

1.2 Property, Plant and Equipment

Property, Plant and Equipment is stated at historical cost or at valuation (based on the market price at the date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated useful life as determined by the council.

1.3 Depreciation

The balance shown against the heading “Loans Redeemed and Other Capital Receipts” in the note to the balance sheet is a tantamount to a provision for depreciation, however certain structural differences do exist. By way of this “Provision” assets are written down over their estimated useful life.

Apart from advances from the various council funds, assets may also be acquired through the following two sources of finance:

- Appropriation from income – Where the full cost of the asset forms an immediate and direct charge against the operating income, it is unnecessary to make an additional depreciation provision; and
- Grant or donation – The amount representing the value of such grant or donation is immediately credited to the “Loans Redeemed and Other Capital Receipts” account.

1.4 Financing of Property, Plant and Equipment

Fixed assets are financed from different sources, including loans, operating income, endowments and internal advances. Interest is raised as per the agreement for finance obtained.

2. Employee benefits

Defined Contribution Plan

Alfred Nzo District Municipality employees and Councillors contribute to a Provident Fund and Pension Fund respectively.

These funds are defined contribution plans in terms of the Pension Fund Act of 1965. Contributions to a defined contribution plan in respect of service in a particular period are recognised as an expense in that period.

3. Investments

Investments are stated at the lower of cost or market valuation and are written down only where there is a permanent impairment in value.

4. Provisions

Provisions are recognised when the District Municipality has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

5. Inventory

Consumable stores are stated at cost or net realizable value.

Cost of inventory comprises all cost of purchase and other cost incurred in bringing the inventory to its present location and condition.

**1.1.1 ALFRED NZO DISTRICT MUNICIPALITY
BALANCE SHEET AT 30 JUNE 2009**

	Note	2009	2008
		R	R
1.1.1.1 CAPITAL EMPLOYED			
FUNDS AND RESERVES		40 520 474	26 387 867
Trust Funds	1	40 520 474	26 387 867
ACCUMULATED SURPLUS/(DEFICIT)	13	(9 511 385)	47 638 540
LONG TERM LIABILITIES	2	27 513 163	24 591 037
TOTAL CAPITAL EMPLOYED		58 522 252	98 617 444
1.1.1.2 EMPLOYMENT OF CAPITAL			
FIXED ASSETS	3	1 219 989	-
LONG-TERM DEBTORS	5	152 113	-
INVESTMENTS	4	13 675 287	13 804 544
		15 047 389	13 804 544
NET CURRENT ASSETS/LIABILITIES		43 474 863	84 812 900
CURRENT ASSETS		128 189 191	101 076 280
Inventory	8	4 133 463	-
Debtors	6	35 183 294	27 788 261
Short Term Investments	4	72 537 504	12 583 323
Short-term portion of long-term debtors		608 452	719 156
Bank		15 725 478	59 985 540
Cash		1 000	-
CURRENT LIABILITIES		84 714 328	16 263 380
Provisions	7	5 630 878	2 809 703
Creditors	9	78 310 708	12 791 498

Short term portion of long term liabilities 2	772 742	662 179
TOTAL EMPLOYMENT OF CAPITAL	58 522 252	98 617 444

ALFRED NZO DISTRICT MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED

30 JUNE 2009

2008	2008	2008		2009	2009	2009	2009
Actual	Actual	Surplus/		Actual	Actual	Surplus/	Budget
Income	Expen- diture	(Deficit)		Income	Expen- Diture	(Deficit)	Surplus/ (Deficit)
R	R	R		R	R	R	R
108 209 610	74 822 349	33 387 262	RATES AND GENERAL SERVICES	83 931 817	111 141 005	(27 209 188)	41 600 387
108 209 610	74 822 349	33 387 262	Community Services	83 931 817	111 141 005	(27 209 188)	41 600 387
-	-	-	Subsidised Services	-	-	-	-
-	-	-	TRADING SERVICES	7 094 020	23 872	7 070 148	-
<u>108 209 610</u>	<u>74 822 349</u>	<u>33 387 262</u>	TOTAL	<u>91 025 837</u>	<u>111 164 877</u>	<u>(20 139 040)</u>	<u>41 600 387</u>
		33 320 434	Appropriations, for the year			(37 010 885)	
			(Refer to note 13)				
		<u>66 707 696</u>	Net surplus/(deficit) for the year			<u>(57 149 925)</u>	
		(19 069 156)	Accumulated surplus/(deficit) at beginning of the year			47 638 540	
		<u>47 638 540</u>	ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE YEAR			<u>(9 511 385)</u>	

ALFRED NZO DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR

ENDED 30 JUNE 2009

	Note	2009	2008
		R	R
CASH RETAINED FROM OPERATING ACTIVITIES			
Cash generated by operations	14	(32 350 875)	41 426 889
Investment income	12	3 345 191	-
Increase/(Decrease) in working capital	15	48 131 190	(19 155 208)
		<u>19 125 506</u>	<u>22 271 681</u>
Less: External Interest Paid	12	(2 301 548)	-
Cash available from operations		<u>16 823 958</u>	<u>22 271 681</u>
Cash Contributions from the Public and State		135 392 810	-
Appropriations			8 039 627
CASH UTILISED IN INVESTING ACTIVITIES			
Net Proceeds on Disposal of Fixed Assets		-	-
Proceeds from land sales		-	-
Capital expenditure		(139 683 596)	-
NET CASH FLOW		<u>12 533 172</u>	<u>30 311 308</u>
CASH EFFECTS OF FINANCING ACTIVITIES:			
(Increase)/Decrease in cash investments	16	(59 824 924)	3 671 131
(Increase)/Decrease in bank and cash on hand	17	44 259 063	-

Increase in long term liabilities	18	3 032 689	3 433 974
Decrease in Trust Funds		-	(49 694 466)
Decrease in long term debtors		-	1 230 135
NET CASH (UTILISED)		<u>(12 533 172)</u>	<u>(41 359 225)</u>

1.1.2 ALFRED NZO DISTRICT MUNICIPALITY

1.1.3 NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2009	2008
	R	R
1. TRUST FUNDS		
ANDM Plant Account	211 091	211 091
Bucket Eradication	467 965	42 736
Capital Projects	23 973	8 380
CDW	318 781	5 463
Council Allowance	30 898	30 898
Department of Transport	22 656	60 251
Disaster Management	1 326 136	1 537 353
DWAF Capital	3 054 293	73 213
DWAF Sanitation	281 221	65 560
HIV/Aids	88	9 262
IEC	3 686 847	3 672
Investec	13 798 480	12 490 841
Local Economic Development	219 646	120 383
MIG	15 392 254	10 557 979

Municipal Support Grant	3 701	3 374
MSP	354 667	2 591
Reserve Fund	877 072	877 072
Rural Housing Development	8 927	191 925
Sports and Recreation	8 137	8 505
Maluti Township	349 665	3 344
EQS Vote 2	12 311	12 311
EQS Vote 3	5 237	5 237
EQS Vote 4	30 283	30 283
EQS Vote 5	11 651	11 651
EQS Vote 6	14 253	14 253
EQS Vote 7	10 241	10 241
 (Refer to Appendix A for more detail)	 <u>40 520 474</u>	 <u>26 387 867</u>

2. LONG TERM LIABILITIES

Registered Stock	-	-
Long Term Loans	-	-
Annuity Loans	28 285 905	25 253 216
	<u>28 285 905</u>	<u>25 253 216</u>
Less: Current portion transferred to Current Liabilities	772 742	662 179
	<u>27 513 163</u>	<u>24 591 037</u>

Refer to Appendix B for more information on long term liabilities.

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009 (continued)

	2009	2008
	R	R
3. FIXED ASSETS		
Fixed assets at the beginning of the year	266 037 016	266 037 015
Capital expenditure during the year	139 683 595	-
Less: Assets written off, transferred or disposed of - during the year	-	-
Total fixed assets	<u>405 720 611</u>	<u>266 037 015</u>
Less: Loans redeemed and other capital receipts	404 500 622	266 037 015
Net fixed assets	<u>1 219 989</u>	<u>-</u>

(Refer to Appendix C for more details on fixed assets)

4. INVESTMENTS

1.1.3.1.1.1 Listed

Listed	-	-
	<u>-</u>	<u>-</u>
Unlisted		
Long-term deposits	-	-
Total Long-term Investments	<u>13 675 287</u>	<u>13 804 544</u>
Total Short-term Investments	72 537 504	12 583 323
Total Investments	<u>86 212 791</u>	<u>26 387 867</u>
Market value of listed investments and management's valuation of unlisted investments		

	86 212 791	26 387 867
Listed Investments	-	-
Unlisted Investments	86 212 791	26 387 867

Investment income is brought to account when received or accrued.

No investments have been written off during the year.

Investment details as at 30 June:

First National Bank Short Term Investments	72 537 504	-
Investec Bank	13 675 287	-
	<u>86 212 791</u>	<u>-</u>

ALFRED NZO DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009 (continued)

	2009	2008
	R	R
5. LONG TERM DEBTORS		
Staff Loans	760 565	719 156
	<hr/>	<hr/>
	760 565	719 156
<u>Less:</u> Short-term portion of long-term debtors transferred to current assets	608 452	719 156
	<hr/>	<hr/>
	152 113	-
	<hr/>	<hr/>
6. DEBTORS		
South African Revenue Service (VAT)	26 441 136	27 788 261
Accrued Interest	14 986	-
Consumer Debtors	14 545 287	-
	<hr/>	<hr/>
	41 001 409	27 788 261
Less:Provision for bad debts	5 818 115	-
	<hr/>	<hr/>
	35 183 294	27 788 261
	<hr/>	<hr/>
No consumer debtors were written off in 2008/09.		

Consumer Debtors Ageing:

Current	577 094	-
30 Days	492 125	-
60 Days	590 158	-
90 Days	1 069 050	-
120 Days+	11 816 860	-
	<u>14 545 287</u>	<u>-</u>

7. PROVISIONS

Audit fees	2 675 988	-
Leave Pay	2 954 890	2 809 704
	<u>5 630 878</u>	<u>2 809 704</u>

8. INVENTORY

All materials purchases are charged out to the 4 133 463 department that they will be utilized in.

	<u>4 133 463</u>	<u>-</u>
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ALFRED NZO DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009(continued)

	2009	2008
	R	R
9. CREDITORS		
Trade Creditors	12 321 061	12 492 868
Accruals	-	298 630
Payments in Advance	56 609 668	-
Salaries	6 859 603	-
DBSA Loan	1 383 061	-
Other Creditors	1 137 315	-
	<u>78 310 708</u>	<u>12 791 498</u>

10. COUNCILLORS' AND SENIOR MANAGEMENT REMUNERATION

Councillors' Remuneration:

Mayor's Allowance	452 930	467 296
Speaker's Allowance	346 919	373 836
Executive Committee Members' Allowances	1 022 580	1 401 888
Councillors' Allowances	803 442	875 328
	<u>2 625 871</u>	<u>3 118 348</u>

Remuneration Senior Management:

Municipal Manager	346 173	627 463
Chief Financial Officer	510 779	577 764
Corporate Executive Manager: Community Services	318 576	381 801
Corporate Executive Manager: Engineering Services	648 192	628 146
Executive Manager: Corporate Services	636 203	571 627
Executive Manager: Development Centre	563 729	393 986
Manager: Integrated Development Planning	-	329 673
Manager: Project Unit	-	510 861
	<hr/>	<hr/>
	3 023 652	4 021 321

The above figures include the basic salaries and all the other benefits payable. Councillor allowances are within the upper limits as prescribed by the Public Office Bearers Act No. 20 of 1998.

11. AUDITORS' REMUNERATION

Audit fees - Current Year	2 675 988	-
- (Over)/Underprovision prior years	-	-
	<hr/>	<hr/>
	2 675 988	-

12. FINANCE TRANSACTIONS

Total external interest earned and paid:

Interest earned	3 345 191	-
Interest paid	2 301 548	-
	<hr/>	<hr/>

Capital Charges debited to operating account:

Interest:		
- External	2 301 548	-
Redemption:		
- External	787 741	-
	<hr/>	<hr/>
	3 089 289	-

ALFRED NZO DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009(continued)

	2009	2008
	R	R
13. APPROPRIATIONS		
Appropriation account:		
Accumulated Surplus at the beginning of the year	47 638 540	(19 069 156)
Operating surplus/(deficit) for the year	(20 139 040)	33 387 262
	<u>27 499 500</u>	<u>14 318 106</u>
Prior year adjustments:	(37 010 885)	33 320 434
Correction of prior year audit amounts	-	33 320 434
Adjustment Bank Balances	(11 014 193)	-
Prior Year Billing	8 051 984	-
Car Loans Adjustments	60 590	-
Prior Year Plant Hire	711 835	-
Prior Year Accruals	12 791 498	-
Adjustment Investments	(118 460)	-
Adjustment Salaries	(841 858)	-
Prior Year MIG	(27 058 000)	-
Prior Year Grant Funds	(16 068 315)	-
Prior Year Audit Fee	(3 518 003)	-
Sundries	(7 963)	-
Accumulated surplus at the end of the year	<u>(9 511 385)</u>	<u>47 638 540</u>
Operating Account:		
Capital Expenditure	2 283 056	-

Contributions to:

Audit Fee Provision

2 675 988 -

Leave Pay Provision

145 186 -

Bad Debts Provision

5 818 115 -

8 639 289 -

ALFRED NZO DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009 (continued)

	2009	2008
	R	R
14. CASH GENERATED BY OPERATIONS		
Surplus/(Deficit) for the year	(20 139 040)	33 387 262
Adjustments in respect of:		
Previous years' operating transactions	(37 010 885)	8 039 627
Appropriations charged against income	10 922 345	-
Capital Expenditure	2 283 056	-
Provisions and Reserves	8 639 289	-
Investment Income credited to the operating account	(3 345 191)	-
Capital Charges:		
Interest Paid:		
- External Loans	2 301 548	-
Redemption:		
- External Loans	787 741	-
Non-operating Expenditure:		
Expenditure charged against:		
- Provisions and Reserves	(123 490 948)	-
Non-operating Income:		
Income charged against:		
- Provisions and Reserves	137 623 555	-
	<u>(32 350 875)</u>	<u>41 426 889</u>
15. INCREASE/(DECREASE) IN WORKING CAPITAL		
(Increase) in Debtors	(13 254 557)	(4 868 571)
Increase/(Decrease) in Creditors	65 519 210	(14 580 486)
(Increase) in Inventory	(4 133 463)	293 848

48 131 190	(19 155 208)
------------	--------------

16. (INCREASE) IN CASH INVESTMENTS

Investments made	231 854 058	-
Investments realized	172 029 134	-
	(59 824 924)	-

ALFRED NZO DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009 (continued)

	2009	2008
	R	R
17. (INCREASE)/DECREASE IN CASH AND BANK		
Cash and bank balance at the beginning of the year	59 985 541	59 985 541
Less: Cash and bank balance at the end of the year	15 726 478	59 985 541
	<u>44 259 063</u>	<u>-</u>
Bank Account details as at 30 June:		
First National Bank - Cheque Account - Primary Bank Account	16 501 242	20 998 637
First National Bank - Cheque Account – Water Bank Account	161 648	274 158
First National Bank - Cheque Account – Project Bank Account	18 433	37 621 374
First National Bank - Cheque Account – Zone Centre Bank Account	123 519	1 057 438
Cash floats and advances	1 000	33 935
18. INCREASE IN LONG TERM LIABILITIES		
Loans Raised	3 717 642	3 954 871
Loans Repaid	684 953	-
	<u>3 032 689</u>	<u>3 954 871</u>

19. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS

There are nine possible claims against the Municipality totaling approximately R2 578 067. The only claim above R100 000 is for the non payment for services rendered and the possible claim is R1 914 259.

-

20. RETIREMENT/MEDICAL AID BENEFITS

Pension – Council Contributions	2 407 809	-
Medical Aid – Council Contributions	1 019 450	-

21. RELATED PARTIES

Nil

ALFRED NZO DISTRICT MUNICIPALITY
APPENDIX A
FUNDS, RESERVES AND PROVISIONS

	Balance at 01/07/08	Contributions during the Year	Interest investments	on Other income	Operating Expenditure during the year	Capital Expenditure during the year	Balan ce at 30/06 /09
TRUST FUNDS							
ANDM Plant Account	211 091	-	-	-	-	-	211 091
Bucket Eradication	42 736	-	-	425 229	-	-	467 965
Capital Projects	8 380	-	-	165 957	150 364	-	23 973
CDW	5 463	-	-	515 818	202 500	-	318 781
Council Allowance	30 898	-	-	-	-	-	30 898
Department of Transport	60 251	-	-	93 737	131 332	-	22 656
Disaster Management	1 537 353	-	-	1 117 438	1 328 655	-	1 326 136
DWAF Capital	73 213	-	-	4 917 603	1 936 523	-	3 054 293
DWAF Sanitation	65 560	-	-	610 826	395 165	-	281 221
HIV/Aids	9 262	-	-	-	9 174	-	88
IEC	3 672	-	-	3 971 111	287 936	-	3 686 847
Investec	12 490 841	-	1 307 639	-	-	-	13 798 480

Local Economic	120 383	-	-	14 162 330	14 063 067	-	219
Development							646
MIG	10 557 979	-	-	104 056	478 99 643 781	-	15 392 254
Municipal Support Grant	3 374	-	-	327	-	-	3 701
MSP	2 591	-	-	352 444	368	-	354 667
Reserve Fund	877 072	-	-	-	-	-	877 072
Rural Housing Development	191 925	-	-	4 888 070	5 071 068	-	8 927
Sports and Recreation	8 505	-	-	-	368	-	8 137
EQS Vote 1	3 344	-	-	616 969	270 648	-	349 665
EQS Vote 2	12 311	-	-	-	-	-	12 311
EQS Vote 3	5 237	-	-	-	-	-	5 237
EQS Vote 4	30 283	-	-	-	-	-	30 283
EQS Vote 5	11 651	-	-	-	-	-	11 651
EQS Vote 6	14 253	-	-	-	-	-	14 253
EQS Vote 7	10 241	-	-	-	-	-	10 241
(Refer Note 2)	26 387 869	-	1 307 639	136 915	315 123 949	490 -	40 520 474
PROVISIONS							
Audit Fees	-	2 675 988	-	-	-	-	2 675 988
Leave Pay	2 809 704	145 186	-	-	-	-	2 954

2 809 704	2 821 174	-	-	-	-	5 630
						878

ALFRED NZO DISTRICT MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	Loan No.	Int. Rate	Redeemable	Balance at 01/07/08	at Received during the year	Redeemed or written off during the year	Balance at 30/06/09
Long Term Loans				R	R	R	R
Development Bank of SA (R12 026 793)	100971	11.47	31/03/2025	11 716 063	1 007 242(A)	116 335 96 993(A)	12 509 977
Development Bank of SA (R9 848 997)	102129	11.47	31/03/2025	13 462 593	2 187 638 522 762(A)	231 309 165 756(A)	15 775 928
Wesbank (R392 084)	85008027 305	10.94	01/12/2008	74 560	-	74 560	-
TOTAL				25 253 216	2 187 638 1 530 004(A)	422 204 262 749(A)	28 285 905

ALFRED NZO DISTRICT MUNICIPALITY

APPENDIX C

ANALYSIS OF FIXED ASSETS

Expenditure 2008	Service	Budget 2009	Balance at 01/07/08	Expenditure 2008	Redeemed transferred or written off during the year	Balance at 30/06/ 09
R		R	R	R	R	R
RATES AND GENERAL SERVICES						
	COMMUNITY SERVICES	175 172 400	265 976 308	131 631 762	-	397 608 071
-	Speaker	-	121 165	-	-	121 165
-	Mayor	-	31 528 021	35 185	-	31 563 206
-	Municipal Manager	-	266 597	1 070 504	-	1 337 101
-	Pimms	2 635 000	110 167	-	-	110 167
-	Disaster Management	2 045 000	7 437 253	29 970	-	7 467 223
-	Financial Services	4 013 260	512 343	-	-	512 343
-	Roads and street works	16 837 516	-	-	-	-
-	Infrastructure Development	108 583 100	211 326 246	128 367 561	-	339 693 807
-	Security	-	-	-	-	-
-	Economic Development and Spatial Planning	6 612 000	13 817 163	641 188	-	14 458 351
-	Corporate Services and Human Resources	1 343 400	356 381	854 248	-	1 210 629
-	Social Development	33 103 124	149 460	96 990	-	246 450
-	Communication	-	-	-	-	-
-	Information Technology	-	351 513	536 116	-	887 629
	SUBSIDISED SERVICES	-	60 707	-	-	60 707
-	Internal Auditor	-	60 707	-	-	60 707
	TRADING SERVICES	6 539 000	-	8 051 833	-	8 051 833
-	Water	6 539 000	-	8 051 833	-	8 051 833

-	TOTAL FIXED ASSETS	181 711 400	266 037 016	139 683 595	-	405 720 611
	LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		266 037 016	138 463 606	-	404 500 622
	Contributions from Revenue		-	2 283 056	-	2 283 056
	Loans Redeemed		-	787 741	-	787 741
	Grants and Subsidies		266 037 016	135 392 809	-	401 429 825
	NET FIXED ASSETS		-	1 219 989	-	1 219 989

1.1.3.2

ALFRED NZO DISTRICT MUNICIPALITY

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2009

Actual 2008 R		Actual 2009 R	Budget 2009 R
	INCOME		
107 158 734	Grants and Subsidies	80 463 069	97 810 000
-	Water and Sewerage Service Charges	7 094 020	11 812 285
-	Interest on Investments	2 037 552	2 300 000
1 050 876	Other Income	1 431 196	177 079
<u>108 209 610</u>		<u>91 025 837</u>	<u>112 099 364</u>
	EXPENDITURE		
42 137 100	Salaries, wages and allowances	62 679 562	52 863 102
30 496 989	General Expenses	33 806 630	14 104 717
1 232 349	Repairs and Maintenance	667 050	1 260 178
-	Capital Charges	3 089 290	-
888 655	Contributions to Fixed Assets	2 283 056	1 633 512
67 255	Contributions	8 639 289	637 468
<u>74 822 349</u>		<u>111 164 877</u>	<u>70 498</u>
	1.1.3.2.1		

ALFRED NZO DISTRICT MUNICIPALITY
APPENDIX E
DETAILED INCOME STATEMENT FOR THE YEAR ENDED

1.1.3.3

30 JUNE 2009

2008	2008	2008		2009	2009	2009	2009
Actual	Actual	Surplus/ Income		Actual	Actual	Surplus/ Income	Budget Surplus/ Income
	Expenditure	(Deficit)		Income	Expenditure	(Deficit)	(Deficit)
R	R	R		R	R	R	R
108 209 610	74 273 239	32 838 152	RATES AND GENERAL SERVICES	83 931 817	111 141 005	(27 209 188)	41 600 387
108 209 610	74 273 239	32 838 152	COMMUNITY SERVICES	83 931 817	111 141 005	(27 209 188)	41 600 387
-	462 138	(462 138)	Speaker	-	1 989 394	(1 989 394)	(2 265 801)
-	3 756 427	(3 756 427)	Mayor	-	6 988 645	(6 988 645)	(20 962 528)
-	552 679	(552 679)	Municipal Manager	-	130 018	(130 018)	-
-	91 626	(91 626)	PIMMS	-	32 701	(32 701)	-
-	237 843	(237 843)	Internal Auditor	-	554 841	(554 841)	-
-	1 186 125	(1 186 125)	Information Technology	-	755 360	(755 360)	-
-	1 579 187	(1 579 187)	Disaster Management	-	228 634	(228 634)	-
-	20 000	(20 000)	Special Programs Unit	-	-	-	-
-	47 842 547	(47 842 547)	Human Resources	-	38 214 697	(38 214 697)	(6 119 876)
108 209 610	17 221 214	90 988 396	Finance	83 931 817	24 969 481	58 962 336	98 100 813
-	342 879	(342 879)	Infrastructure Development	-	20 298 158	(20 298 158)	(18 020 766)
-	351 069	(351 069)	Economic Development	-	10 045 632	(10 045 632)	(4 192 441)
-	524 956	(524 956)	Community Services	-	6 435 482	(6 435 482)	(4 939 014)
-	104 549	(104 549)	ATTIC	-	32 887	(32 887)	-
-	-	-	PMU	-	465 075	(465 075)	-
-	549 110	(549 110)	TRADING SERVICES	7 094 020	23 872	7 070 148	-
-	549 110	(549 110)	Water	7 094 020	23 872	7 070 148	-
108 209 610	74 822 349	33 387 262	TOTAL	91 025 837	111 164 877	(20 139 040)	41 600 387
		33 320 434	Appropriations for this year (refer to note 13)			(37 010 885)	
		66 707 696	Net surplus/(deficit) for the year			(57 149 925)	
		(19 069 156)	Opening Accumulated surplus/(deficit)			47 638 540	

47 638 540

Accumulated Surplus/(Deficit)

(9 511 385)

1.1.3.4

1.1.3.5 ALFRED NZO DISTRICT MUNICIPALITY

1.1.3.6 APPENDIX F

1.1.3.7 STATISTICAL INFORMATION

	2009	2008	2007
POPULATION (APPROXIMATE):			
Umzimvubu Local Municipality		197 550	197 550
Matatiele Local Municipality		211 165	211 165
		408 715	408 715
AREA:			
Umzimvubu Local Municipality	5 298	5 298	5 298
Matatiele Local Municipality	1 417	1 417	-
	6 715	6 715	5 298
NUMBER OF PERMANENT EMPLOYEES		212	163

4.2 Budget to actual comparison

OFFICE OF THE EXECUTIVE MAYOR: VOTE 1

		Annual Budget	Monthly Budgeted	Actual Cumulative	Cumulative Variance	Remaining Budget
SALARIES, WAGES & ALLOWANCES						
1-100-1000	Salaries	15,242,135	1,270,178	3,792,597	-3,792,597	11,449,538
1-100-1003	Backpay		0		0	0
1-100-1004	Standby		0		0	0
1-100-1005	Shifts		0		0	0
1-100-1001	Overtime		0		0	0
1-100-1002	Bonuses	1,135,794	94,650		0	1,135,794
1-100-1013	Allowance: Vehicle	246,000	20,500		0	246,000
1-100-1006	Allowance: Housing	106,815	8,901		0	106,815
1-100-1008	Allowance: Cellphone		0	23,763	-23,763	-23,763
1-100-1009	Allowances: Rental		0		0	0
1-100-1009	Contr: Medical Aid	227,827	18,986		0	227,827
1-100-1010	Contr: Pension Fund	546,785	45,565		0	546,785
1-100-1011	Contr: UIF	175,221	14,602		0	175,221
1-100-1012	Levy: SDL	175,221	14,602		0	175,221
	TOTAL	17,855,798	1,487,983	3,816,360	-3,816,360	14,039,438
GENERAL EXPENSES						
1-100-2000	Advertisement		0	122,620	-122,620	-122,620
1-100-2004	Books	1,676	140	5,700	-5,700	-4,024
1-100-2010	Conferences & Exhibitions	8,380	698	36,589	-36,589	-28,209
1-100-2024	Fuel & Oil	56,984	4,749	5,300	-5,300	51,684
1-100-2020	Catering	37,710	3,143	148,272	-148,272	-110,562
1-100-2041	Membership Fees	5,447	454	351,400	-351,400	-345,953
1-100-2042	News Paper & Periodicals	4,190	349		0	4,190
	Security Fees			59,300	-59,300	-59,300
1-100-2022	Special Events	16,760	1,397	4,200	-4,200	12,560
1-100-2050	Subsistence & Travelling	83,800	6,983	1,797,895	-1,797,895	-1,714,095
1-100-2052	Hire of	86,482	7,207		0	86,482

	Transport: External					
1-100-2040	Mayoral Discretionary Fund	309,222	25,769	32,053	-32,053	277,170
1-100-2051	Sundries		0		0	0
	TOTAL	610,651	50,888	2,563,328	-2,563,328	-1,952,677
PROVISIONS						
1-100-5003	Bad Debts		0		0	0
1-100-5000	Depreciation		0		0	0
1-100-5001	Leave	97,578	8,132		0	97,578
1-100-5002	Long Service Bonus		0		0	0
	TOTAL	97,578	8,132	0	0	97,578
REPAIRS AND MAINTENANCE						
1-100-4003	Furniture & Fittings	9,218	768	5,033	-5,033	4,185
1-100-3000	Computer Accessories		0	3,166	-3,166	-3,166
	TOTAL	9,218	768	8,200	-8,200	1,019
CONTRIBUTIONS TO CAPITAL OUTLAY						
1-100-4004	Vehicles	251,400	20,950	10,151	-10,151	241,249
1-100-4003	Furniture & Office Equipment	4,190	349	250	-250	3,940
1-100-4002	General Equipment		0	158	-158	-158
1-100-4001	Computer Equipment	16,760	1,397		0	16,760
	TOTAL	272,350	22,696	10,559	-10,559	261,791
	GRAND TOTAL	18,845,595	1,570,466	6,398,447	-6,398,447	12,447,148

MUNICIPAL COUNCIL: VOTE2

		Annual Budget	Monthly Budgeted	Actual Cumulative	Cumulative Variance	Remaining Budget
SALARIES, WAGES & ALLOWANCES						
1-200-1000	Salaries	1,813,671	151,139	1,614,926	-1,614,926	198,745
1-200-1003	Backpay		0		0	0
1-200-1004	Standby		0		0	0
1-200-1005	Shifts		0		0	0
1-200-1007	Overtime		0		0	0
1-200-1002	Bonuses	14,473	1,206		0	14,473
1-200-1006	Allowances: Vehicles		0		0	0
1-200-1013	Allowances: Housing	3,504	292		0	3,504
1-200-1008	Allowances: Cellphone		0	6,181	-6,181	-6,181
1-200-1009	Allowance: Rental		0		0	0
1-200-1009	Contr: Medical Aid	12,621	1,052		0	12,621
1-200-1010	Contr: Pension Fund	25,761	2,147		0	25,761
1-200-1011	Contr: UIF	18,707	1,559		0	18,707
1-200-1012	Levy: SDL	18,707	1,559		0	18,707
	TOTAL	1,907,444	158,954	1,621,107	-1,621,107	286,337
GENERAL EXPENSES						
1-200-2000	Advertisemen t		0		0	0
1-100-2016	Open Day	83,800	6,983	2,100	-2,100	81,700
1-200-2010	Conferences & Exhibitions	8,380	698		0	8,380
1-200-2004	Books	838	70		0	838
1-200-2020	Catering	50,280	4,190	41,220	-41,220	9,060
1-200-2041	Membership Fees	6,704	559		0	6,704
1-200-2024	Newspaper & Periodicals	2,095	175		0	2,095
1-200-2050	Subsistance & travelling	41,163	3,430	304,966	-304,966	-263,803
1-200-2051	Sundries	1,676	140	800	-800	876
	TOTAL	194,936	16,245	349,086	-349,086	-154,150
PROVISIONS						
1-200-5003	Bad Debts		0		0	0

1-200-5000	De[preciation		0		0	0
1-200-5001	Leave Gratuity	10,842	904		0	10,842
1-200-5002	Long service bonus		0		0	0
	TOTAL	10,842	904	0	0	10,842
REPAIRS AND MAINTENANCE						
1-100-4003	Furniture & Fittings	1,676	140		0	1,676
1-200-3000	Computer Accessories	1,257	105		0	1,257
	TOTAL	2,933	244	0	0	2,933
CONTRIBUTIONS TO CAPITAL OUTLAY						
1-200-4003	Furniture & Office Equipment	29,711	2,476		0	29,711
1-200-4002	General Equipment	1,777	148		0	1,777
1-200-4001	Computer Hardware	13,408	1,117		0	13,408
	TOTAL	44,896	3,741	0	0	44,896
	GRAND TOTAL	2,161,051	180,088	1,970,193	-1,970,193	190,858

**OFFICE OF THE
ACCOUNTING OFFICER:
VOTE3**

		Annual Budget	Monthly Budgeted	Actual Cumulative	Cumulative Variance	Remaining Budget
SALARIES, WAGES & ALLOWANCES						
1-300-1000	Salaries	2,060,331	171,694		0	2,060,331
1-300-1003	Backpay		0			
1-300-1004	Standby		0			
1-300-1005	Shifts		0			
1-300-1002	Bonuses	181,602	15,134		0	181,602
1-300-1006	Allowances: Housing	21,024	1,752		0	21,024
1-300-1013	Allowances: Vehicles	229,862	19,155		0	229,862
1-300-1008	Allowances: Cellphone		0		0	0
1-300-1014	Allowances: Acting		0		0	
1-300-1009	Allowance: Rental		0		0	
1-300-1009	Contr: Medical Aid	65,930	5,494		0	65,930
1-300-1010	Contr: Pension	133,495	11,125		0	133,495
1-300-1011	Contr: UIF	26,949	2,246		0	26,949
1-300-1001	Overtime		0		0	0
1-300-1012	Levy: SDL	26,949	2,246			
	TOTAL	2,746,142	228,845	0	0	2,719,193
GENERAL EXPENSES						
1-300-2000	Advertisemen t	15,084	1,257	9,722	-9,722	5,362
1-300-2002	Audit Fees	263,060	21,922	3,600,425	-3,600,425	-3,337,365
1-300-2003	Allowance: Audit Committee	41,900	3,492		0	41,900
1-300-2004	Books	6,704	559		0	6,704
1-300-2010	Conferences & Exhibitions	67,040	5,587	6,545	-6,545	60,495
1-300-2020	Catering	88,275	7,356	20,935	-20,935	67,340
1-300-2013	Consultancy & Professional Fees	435,760	36,313	75,443	-75,443	360,317
1-300-2036	Legal Fees	424,028	35,336	16,225	-16,225	407,803
1-300-2041	Membership Fees	7,123	594		0	7,123
1-300-2024	Newspaper & Periodicals	13,827	1,152		0	13,827

1-300-2050	Subsistance & travelling	460,558	38,380	93,386	-93,386	367,172
1-3002051	Sundries	18,368	1,531	75	-75	18,293
1-300-2222	Protective Clothing	12,570	1,048		0	12,570
	TOTAL	1,854,297	154,525	3,822,756	-3,822,756	-1,968,459
	PROVISIONS					
1-300-5003	Bad Debts		0		0	0
1-300-5000	Depreciation		0		0	0
1-300-5001	Leave Gratuity	97,577	8,131		0	97,577
1-300-5002	Long Service Bonus	5,742	479		0	5,742
	TOTAL	103,319.00	8,609.92	-	-	103,319.00
	REPAIRS AND MAINTENANCE					
1-100-4003	Furniture & Fittings	9,696	808		0	9,696
1-200-3000	Computer Accessories	50,280	4,190		0	50,280
	TOTAL	59,976	4,998	0	0	59,976
	CONTRIBUTIONS TO CAPITAL OUTLAY				0	
1-300-4003	Furniture & Office Equipment	83,139	6,928		0	83,139
1-300-4002	General Equipment	10,601	883	3,100	0	7,501
1-300-4001	Computer Hardware	135,138	11,262		0	135,138
	TOTAL	228878	19073	3100	0	225778
	GRAND TOTAL	4,992,612	416,051	3,825,856	-3,822,756	1,139,807

BUDGET & TREASURY OFFICE: VOTE 4

		Annual Budget	Monthly Budgeted	Actual Cumulative	Remaining Budget
SALARIES, WAGES & ALLOWANCES					
1-400-1000	Salaries	4,452,267	371,022	4,703,905	-251,638
1-400-1003	Backpay		0		
1-400-1004	Standby		0		
1-400-1005	Shifts		0		
1-400-1002	Bonuses	333,043	27,754		333,043
1-400-1001	Overtime		0		0
1-400-1006	Allowances: Housing	37,955	3,163		37,955
1-400-1013	Allowances: Vehicles	129,298	10,775		129,298
1-400-1008	Allowances: Cellphone		0	7,801	-7,801
1-400-1009	Allowances: Rental		0	102,284	
1-400-1009	Contr: Medical aid	162,541	13,545		162,541
1-400-1010	Contr: Pension	319,430	26,619		319,430
1-400-1011	Contr: UIF	54,409	4,534		54,409
1-400-1012	Levy: SDL	54,409	4,534		54,409
	TOTAL	5,543,352	461,946	4,813,990	831,646
GENERAL EXPENSES					
1-400-2000	Advertisemen t	117,320	9,777	49,368	67,952
1-400-2003	Bank & Finance Charges	117,320	9,777	2,806,175	-2,688,855
1-400-2004	Books		0	18,923	-18,923
1-400-2020	Catering	25,140	2,095	26,109	-969
	Computer Hire			13,974	-13,974
1-400-2010	Conference & Exhibitions	33,520	2,793	90,956	-57,436
1-400-2013	Consultancy & Proffesional Fees	142,460	11,872	2,281,234	-2,138,774
1-400-2019	Electricity	167,600	13,967	250,903	-83,303
1-400-2005	Insurance	1,753,002	146,084	352,583	1,400,419
1-400-2024	Budget outreach	209,500	17,458		209,500
1-400-2037	Licence: Vehicle	108,940	9,078	27,522	81,418
1-400-2015	MCA: Rates & Taxes	67,040	5,587		67,040
1-400-2041	Membership Fees	4,190	349	27,914	-23,724
1-400-2024	Newspaper & Periodicals	2,514	210		2,514

1-400-2046	Printing & Stationery	429,056	35,755	924,870	-495,814
	Revenue Enhancement			3,637	-3,637
1-400-2050	Subsistance & Travelling	66,422	5,535	84,221	-17,799
1-400-2051	Sundries	4,190	349	3,100	1,090
	Suspense			3,292,106	-3,292,106
	TOTAL	3,248,214	270,685	10,253,593	-7,005,379
PROVISIONS					
1-400-5003	Bad Debts	68,716	5,726	5,818,115	-5,749,399
1-400-5000	Depreciation	167,600	13,967		167,600
1-400-5001	Gratuity Leave	43,368	3,614		43,368
1-400-5002	Long Service Bonus	38,587	3,216		38,587
	TOTAL	318,271	26,523	5,818,115	-5,499,844
REPAIRS AND MAINTENANCE					
	Motor Vehicle			4,478	-4,478
1-400-4003	Furniture & Fittings		0		0
1-400-3000	Computer Accessories	14,246	1,187		14,246
	TOTAL	14,246	1,187	0	14,246
CONTRIBUTIONS TO CAPITAL OUTLAY					
1-400-4003	Furniture & Office Equipment	83,800	6,983		83,800
1-400-4002	General Equipment		0	25,147	-25,147
1-400-4001	Computer Hardware	75,420	6,285	55,587	19,833
	TOTAL	159,220	13,268	80,734	78,486
	GRAND TOTAL	9,283,303	773,609	20,966,432	-11,580,845

**TECHNICAL SERVICES:
VOTE5**

		Annual Budget	Monthly Budgeted	Actual Cummulative	Remaining Budget
SALARIES,WAGES & ALLOWANCES					
1-500-1000	Salaries	12,514,480	1,042,873	16,576,868	-4,062,388
1-500-1003	Backpay		0		0
1-500-1004	Standby		0		0
1-500-1005	Shifts		0		0
1-500-1002	Bonuses	1,123,064	93,589		1,123,064
1-500-1006	Allowances: Housing	197,738	16,478		197,738
1-500-1013	Allowances: Vehicles	402,259	33,522		402,259
1-500-1008	Allowances: Cellphone		0		0
1-500-1009	Allowances: Rental		0		0
1-500-1009	Contr: Medical Aid	493,793	41,149		493,793
1-500-1010	Contr: Pension	894,802	74,567		894,802
1-500-1011	Contr: UIF	156,575	13,048	1,754	154,821
1-500-1001	Overtime		0		0
1-500-1012	Levy: SDL	156,575	13,048		156,575
	TOTAL	15,939,286	1,328,274	16,578,623	-639,337
GENERAL EXPENSES					
1-500-2000	Advertisement	24,383	2,032		24,383
1-500-2004	Books	45,919	3,827		45,919
1-500-2010	Conferences & Exhibitions	174,085	14,507	1,873	172,212
1-500-2001	Computer Programmes	41,615	3,468		41,615
1-500-2013	Consultancy & Professional Fees	203,000	16,917		203,000
1-500-2020	Catering	77,826	6,486	71,131	6,695
1-500-2023	First Aid Materials	87,696	7,308	7,417	80,279
1-500-2019	Electricity	114,106	9,509	500	113,606
1-500-2008	Hire: Computer Facilities	7,613	634		7,613
1-500-2032	Insurance	193,265	16,105		193,265
1-500-2036	Legal Fees	50,750	4,229		50,750
1-500-2041	Membership Fees	21,082	1,757		21,082
1-500-2024	Laboratory Analysis	77,616	6,468		77,616
1-500-2039	Material & Stores	84,528	7,044		84,528
1-500-2024	Newspaper &	24,967	2,081		24,967

	Periodicals				
1-500-2016	Plants & Prints	11,165	930		11,165
1-500-2050	Subsistance & Travelling	423,732	35,311	670,982	-247,250
1-500-2051	Sundries	141,712	11,809		141,712
1-500-2052	Road Signage	35,932	2,994		35,932
1-500-2007	Cleaning Material	197,925	16,494		197,925
	TOTAL	2,038,917	169,910	751,903	1,287,014
PROVISIONS					
1-500-5002	Bad Debts		0		0
1-500-5000	Depreciation		0		0
1-500-5001	Leave	124,450	10,371		124,450
1-500-5003	Long Service Bonus	154,214	12,851		154,214
	TOTAL	278,664	23,222	0	278,664
REPAIRS AND MAINTENANCE					
1-500-4001	Computer Equipment	56,840	4,737		56,840
1-500-4003	Furniture & Fittings	21,138	1,762		21,138
1-500-3000	Computer Accessories	41,438	3,453		41,438
1-500-4005	Maintenance Buildings: Major Works	167,475	13,956		167,475
1-500-4006	Maintenance Buildings: Minor Works	91,350	7,613		91,350
	TOTAL	378,241	31,520	0	378,241
CONTRIBUTIONS TO CAPITAL OUTLAY					
1-500-4003	Furniture & Office Equipment	208,247	17,354		208,247
1-500-4002	General Equipment	213,525	17,794		213,525
1-500-4001	Computer Hardware	90,865	7,572		90,865
	TOTAL	512,637	42,720	0	512,637
	GRAND TOTAL	19,147,745	1,595,645	17,330,526	1,817,219

COMMUNITY SERVICES: VOTE**6**

		Annual Budget	Monthly Budgeted	Actual Cumulative	Remaining Budget
SALARIES, WAGES & ALLOWANCES					
1-600-1000	Salaries	3,128,533	260,711	5,149,492	-2,020,959
1-600-1003	Backpay		0		0
1-600-1004	Standby		0		0
1-600-1005	Shifts		0		0
1-600-1002	Bonuses	274,443	22,870		274,443
1-600-1001	Overtime		0		0
1-600-1006	Allowances: Housing	61,131	5,094		61,131
1-600-1013	Allowances: Vehicle	574,656	47,888		574,656
1-600-1008	Allowances: Cellphone		0	47,672	-47,672
1-600-1009	Allowances: Rental		0		0
1-600-1009	Contr: Medical Aid	182,749	15,229		182,749
1-600-1010	Contr: Pension	266,901	22,242		266,901
1-600-1011	Contr: UIF	44,947	3,746		44,947
1-600-1012	Levy: SDL	44,947	3,746		44,947
	TOTAL	4,578,307	381,526	5,197,164	-618,857
GENERAL EXPENSES					
1-600-2001	Aids Awareness	33,520	2,793		33,520
1-600-2004	Books	2,514	210		2,514
1-600-2010	Conferences & Exhibitions		0	7,224	-7,224
1-600-2020	Catering	37,710	3,143	30,694	7,016
	Consultancy & Professional Fees			424,995	-424,995
1-600-2041	Membership Fees	4,190	349		4,190
1-600-2028	Marketing & Publication	29,330	2,444	32,994	-3,664
1-600-2222	Protective Clothing	67,040	5,587		67,040
1-600-2024	Newspaper & Periodicals	3,771	314		3,771
1-600-2050	Subsistance & Travelling	184,561	15,380	155,342	29,219
1-600-2051	Sundries/ Petty cash	5,866	489		5,866
1-600-2019	Electricity	67,040	5,587	8,284	58,756
1-600-2015	MCA: Rates & Taxes	2,933	244		2,933

	TOTAL	438,475	36,540	659,532	-221,057
PROVISIONS					
1-600-5003	Bad Debts		0		0
1-600-5003	Depreciation		0		0
1-600-5001	Leave Gratuity	10,842	904		10,842
1-600-5002	Long Service Bonus	25,279	2,107		25,279
	TOTAL	36,121	3,010	0	36,121
REPAIRS AND MAINTENANCE					
1-600-4003	Furniture & Fittings	3,184	265		3,184
1-600-3000	Computer Accessories	10,894	908		10,894
	TOTAL	14,078	1,173	0	14,078
CONTRIBUTIONS TO CAPITAL OUTLAY					
1-600-4002	General Equipment	4,190	349	3,625	565
1-600-4003	Furniture & Office Equipment	69,879	5,823	2,979	66,900
1-600-4001	Computer Hardware	38,087	3,174	21,889	16,198
	TOTAL	112,156	9,346	28,493	83,663
	GRAND TOTAL	5,179,137	431,595	5,885,189	-706,052

**CORPORATE
SERVICES: VOTE 7**

		Annual Budget	Monthly Budgeted	Cumulative Budget	Actual Cumulative	Cumulative Variance	Remaining Budget
SALARIES, WAGES & ALLOWANCES							
1-700-1000	Salaries	3,617,578	301,465	1,205,859	20,616,978	-19,411,119	-16,999,400
1-700-1003	Backpay		0	0		0	0
1-700-1004	Standby		0	0		0	0
1-700-1005	Shifts		0	0		0	0
1-700-1004	Casual Labour		0	0	8,000	-8,000	-8,000
1-700-1002	Bonuses	232,327	19,361	77,442		77,442	232,327
1-700-1006	Allowance s: Housing	33,694	2,808	11,231	109,152	-97,921	-75,458
1-700-1008	Allowance s: Cellphone		0	0	13,336	-13,336	-13,336
1-700-1013	Allowance s: Motor Vehicle	57,466	4,789	19,155		19,155	57,466
1-700-1009	Allowance s: Rental		0	0		0	0
1-700-1014	Allowance s: Acting		0	0		0	0
1-700-1009	Contr: Medical Aid	95,835	7,986	31,945	1,019,450	-987,505	-923,615
1-700-1010	Contr: Pension	171,581	14,298	57,194	2,407,809	-2,350,616	-2,236,228
1-700-1011	Contr: UIF	42,146	3,512	14,049	272,744	-258,695	-230,598
1-700-1001	Overtime		0	0		0	0
1-700-1012	Levy: SDL	42,146	3,512	14,049	149,869	-135,821	-107,723
	TOTAL	4,292,773	357,731	1,430,924	24,597,340	-23,166,415	-20,304,567
GENERAL EXPENSES							
1-700-2004	Books	12,570	1,048	4,190	129,308	-125,118	-116,738
1-700-2010	Conferenc es & Exhibition s	41,900	3,492	13,967		13,967	41,900
1-700-2001	Computer Programm es	100,560	8,380	33,520		33,520	100,560
1-700-2020	Catering	41,900	3,492	13,967	171,981	-158,015	-130,081
1-700-2013	Consultan cy & Proffessio		0	0	278,886	-278,886	-278,886

	nal Fees						
1-700-2014	Cleaning Material	335,200	27,933	111,733	768,227	-656,493	-433,027
1-700-2027	OHS	293,300	24,442	97,767		97,767	293,300
1-700-2031	Insurance: Workman's Compensation	138,270	11,523	46,090	264,772	-218,682	-126,502
1-700-2041	Members hip Fees	8,380	698	2,793	37,460	-34,667	-29,080
1-700-2024	Newspaper & Periodicals	2,095	175	698		698	2,095
1-700-2045	Post & Telecommunication	778,657	64,888	259,552	4,175,365	-3,915,812	-3,396,708
1-700-2024	Fuel & Oil	301,420	25,118	100,473	867,910	-767,436	-566,490
1-700-2222	Protective Clothing	276,540	23,045	92,180	913,768	-821,588	-637,228
1-700-2147	Recruitment: Advert.	41,900	3,492	13,967	50,144	-36,177	-8,244
1-700-2148	Recruitment: Hotel Accommodation	50,280	4,190	16,760	61,050	-44,290	-10,770
1-700-2149	Travel & Accommodation: Candidate	41,900	3,492	13,967	65,061	-51,094	-23,161
1-700-2150	Relocation : Candidate	41,900	3,492	13,967	1,461,018	-1,447,052	-1,419,118
1-700-2050	Susistance & Travelling	104,457	8,705	34,819	78,175	-43,356	26,282
1-700-2051	Sundries	23,464	1,955	7,821	3,515	4,306	19,949
1-700-2052	Training: External	140,132	11,678	46,711	1,388,012	-1,341,301	-1,247,880
	TOTAL	2,774,825	231,235	924,942	10,714,651	-9,789,709	-7,939,826
	PROVISIONS						
1-700-5003	Bad Debts		0	0		0	0
1-700-5000	Depreciation		0	0		0	0
1-700-5001	Gratuity Leave	32,526	2,711	10,842		10,842	32,526
1-700-5002	Long Service Bonus	25,584	2,132	8,528		8,528	25,584

	TOTAL	58,110	4,843	19,370	0	19,370	58,110
REPAIRS AND MAINTENANCE							
1-700-3004	Motor Vehicle: Maintenance	305,870	25,489	101,957	180,662	-78,706	125,208
1-700-4003	Furniture & Fittings	63,688	5,307	21,229	1,360	19,869	62,328
1-700-3000	Computer Accessories	8,380	698	2,793	43,106	-40,313	-34,726
1-700-3001	Leasing-Photocopiers	335,200	27,933	111,733		111,733	335,200
	TOTAL	713,138	59,428	237,713	225,128	12,584	488,010
CONTRIBUTIONS TO CAPITAL OUTLAY							
1-700-4001	Vehicles	167,600	13,967	55,867	223,100	-167,234	-55,500
1-700-4003	Furniture & Office Equipment	41,900	3,492	13,967	8,821	5,146	33,079
1-700-4002	General Equipment	41,900	3,492	13,967	129,721	-115,754	-87,821
1-700-4001	Computer Hardware	78,772	6,564	26,257	95,502	-69,244	-16,730
	Computer Software				413,612	-413,612	-413,612
	Maintenance Contract				6,202	-6,202	-6,202
	TOTAL	330,172	27,514	110,057	457,143	-347,086	-126,971
	GRAND TOTAL	8,169,018	680,751	2,723,006	35,994,262	-33,271,256	-27,825,244

4.3 Grants and transfers' spending

Grant details			Amount received and spent each quarter											
Project name	Donor name	BF amount	1/04/ to 30/06		01/07 to 30/09		01/10 to 30/12		01/01 to 30/03		01/04 to 30/06		Total	
			Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent

4.6 Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget			
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget			
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Total actual trade creditors as a percentage of total actual revenue			
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget			

		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction			
6	Percentage of MIG budget appropriately spent			
7	Percentage of MSIG budget appropriately spent			

Chapter 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

5.1 Overview of the Executive and Council functions and achievements;

The following structures are in place and are mainly responsible for the areas mentioned in the adjacent column:

STRUCTURE	KEY AREAS OF RESPONSIBILITY
Council	<ul style="list-style-type: none"> ○ Meets at least once a quarter; ○ Deals with non-delegated functions in line with the Systems Act; ○ Considers the report and recommendations by the mayoral committee <p>The council held a total of 10 meetings where 5 meetings were Ordinary meeting and the other 5 meetings were special meetings.</p>
Mayoral committee	<ul style="list-style-type: none"> ○ Meets fortnightly; ○ Considers reports and recommendations by the section 80 committees; ○ Is the principal committee of the council charged with providing necessary direction to the municipality in between council meeting <p>The Mayoral committee held a total of 20 meetings during the year under review.</p>
Corporate Services Standing Committee	<p>This committee convenes monthly and oversees the following matters:</p> <ul style="list-style-type: none"> ○ Human resources; ○ General administration; ○ Legal services <p>The committee held a total of 9 meetings during the year under review.</p>
Budget and Treasury Standing Committee	<p>The committee also meets monthly and is responsible for matters relating to:</p> <ul style="list-style-type: none"> ○ Budget; ○ Expenditure; ○ Income;

	<ul style="list-style-type: none"> ○ Supply chain management; ○ Information and communication technology <p>The committee held a total of 5 meetings during the year under review.</p>
Engineering Services	<p>The standing committee convenes monthly and assumes responsibility for matters relating to the following:</p> <ul style="list-style-type: none"> ○ Water services; ○ Water services provision; ○ Infrastructure provisioning <p>The committee held a total of 6 meetings during the year under review.</p>
Development Planning and Economic Development	<p>This committee also convenes monthly and is responsible for the following functions in the main:</p> <ul style="list-style-type: none"> ○ Planning and development of all projects and programmes. ○ Integrated Development Plan. ○ Local Economic Development ○ Environmental Management Plan ○ Tourism development <p>The committee held a total of 4 meetings during the year under review.</p>
Community Development Services	<p>This committee also convenes monthly and is responsible for the following functions in the main:</p> <ul style="list-style-type: none"> ○ Fire and Rescue Services ○ Disaster Risk Management. ○ Municipal Health Services <p>The committee held a total of 6 meetings during the year under review.</p>

5.2 Public participation and consultation;

For the financial year under, mayoral imbizos were conducted by the municipality in soliciting inputs from the public relating to the integrated development plan. The matters raised by the communities during these mayoral imbizos have been encapsulated in the ultimate integrated development plan of the municipality;

Extensive public hearings were held with the communities of the municipality in getting the necessary reflections on the formulation of these important programmes *inter alia* IDP, budget process and by-laws; and

The municipality has drafted customer satisfaction surveys and plans are afoot to put up suggestion/ comments boxes in all municipal offices/ sites in allowing a culture wherein the public will provide essential feedback regarding the level of service delivery.

5.3 Communication strategy

The district municipality managed to prepare and adopted its Communication strategy. The process entailed involvement of the Office of the Premier, Department of Local Government and Traditional Affairs, GCIS and all district managers within the district of Alfred Nzo where inputs were submitted by the said stakeholders.

The district Communication Strategy was adopted by council in January 2009. Communication Unit currently has two officials, the Media Liaison Officer and assistant Media Liaison Officer, who are full involved on communication activities within the district. Besides the shortage of staff, the budget for communication was limited. None availability of Equipment also hindered.

5.4 Intergovernmental Relations

The district municipality did not develop a new IGR framework during the year under review since the framework was developed late the previous financial year and according to the district that was still valid. The district continued using the same IGR structures formulated the previous year however some challenges such as lack of attendance by government departments, instability within the district in the form of Municipal Manager's position were experienced. The district municipality then managed to hold a total of four meetings and most of those meetings were due to the preparation for National Elections and preparation of reports for Provincial EXCO visits.

The district municipality formed partnerships with Austrian Development Agency and Osterhsund Local Municipality of Sweden. The partnership arrangement with Austrian Development Agency meant to intensify the culture of public participation in government matters, culture of

accountability by the municipality as well as communication with the communities on issues affecting them.

The Osterhsund partnership was to assist the municipality on job shadowing, LED programmes, skills development and waste or environmental management. This partnership saw a total of three youth attended training in Sweden on log-house making using wood, five local people trained on cheese making, a total of two workshops held between two parties on job shadowing and relationships on political and administration function.

These partnerships proved successful as some monies were channelled through by these partnerships towards the activities as listed above.

5.5 Legal matters

5.5.1 Setting up of Legal Units

The Municipality has Legal Services manned by two officials to wit Manager Legal Services and Legal Admin Officer. Some of the services are outsourced and the following firms were used during the year under review: Makaula Zilwa & Company; Woodhead Bigby & Irving; Mdledle Incorp; Nyezi Attorneys and RA Matubatuba Attorneys.

5.5.2 Management of litigation

1. Case Load Management with specific reference to:

a. Favourable cases

Case name	Recovery (yes/No)	Reasons for non recovery
ANDM vs MP civils	No	Matter still pending
ANDM vs Enacu	No	Case still pending
ANDM vs Mlungisi Gila	Partial	The matter is on execution stage
ANDM vs L.L Williams	No	Debtor serving life imprisonment
ANDM vs Chirwa	Partial	The matter is on execution stage
ANDM vs T. Thompson	No	The matter is on execution stage
ANDM vs N. Gqola	Partial	The matter is on execution stage
ANDM vs N. Mshengu	Partial	The matter is on execution stage
ANDM vs N. Msebi	Partial	The matter is on execution stage
ANDM vs D. Lusawana	No	The matter is on execution stage
ANDM vs M.M Ndudane	Partial	The matter is on execution stage
ANDM vs V. Silonyane	No	The matter is on execution stage
ANDM vs Z. Malusi	No	The matter is on execution stage

b. Unfavourable cases

The district municipality did not experience unfavourable cases during the year under review.

2. Case age analysis,

Case name	Nature of the case	Date of commencement	Cases of 2 years or below	Cases beyond 2 years	Reasons for extensive duration
Cape Joint Retirement vs ANDM	Claim for pension contributions	8 July 2008	Below 2 years		Withdrawn
Moeketsi Joseph Phirimane And ANDM	Claim for services rendered	30 th September 2008	Below 2 years		Pleadings not yet closed.
Affinity vs ANDM	Contractual claim	2008	Below 2 years		Pleadings closed awaiting trial date
Dept of Labour vs ANDM	Failure to comply	2008	Below 2 years		Matter still pending
Whilpros vs ANDM	application		Below 2 years		Matter still pending
Jack Zulu vs ANDM	Contractual claim	2007		yes	Awaiting trial date
Makaziwe Marketing cc vs ANDM	Contractual claim	2007		Yes	Awaiting trial date
Ernest Zellhuber vs ANDM	Delictual	2005		Yes	-Awaiting trial date -Discovered documents
ANDM vs Ernest Zellhuber	Contractual claim	2005		Yes	-Pleading stage. -awaiting discovery
ANDM vs M. Luphindo	Contractual claim	2007		Yes	Matter still pending
ANDM vs L. Mapholoba	Contractual claim	2005		Yes	Matter still pending

3. Default judgements

The municipality did not experience default judgements during the year under review.

4. Prevention mechanisms of current litigations:

The legal services unit ensures that the Municipality complies with Legislation, Regulations and Municipal Policies. The unit further ensures that the Municipality does not enter into contracts that might expose the Municipality to litigation. The unit also managed to negotiate settlement of disputes without the necessity of litigation.

5. Criminal matters emanating from corruption and fraud

- a) The case involving misuse of the Municipality's petrol cards.
- b) The case involving fraud and forgery within Budget Treasury Department.
- c) Case involving fraud and corruption within the Technical Services Department.

5.5.3 Management of Legal Risks

The municipality managed to prepare and get the Fraud prevention plan adopted by Council during the year under review. The municipality further ensured that its procurement processes were in accordance with the Supply Chain Management Policy which was adopted by Council the previous year.

PART 3- FUNCTIONAL AREAS REPORTING AND ANNEXURE

A: FUNCTIONAL AREA SERVICE DELIVERY REPORTING

1. General information (population statistics)

ALFRED NZO DISTRICT MUNICIPALITY GENERAL INFORMATION

Reporting Level	Detail	Total	
Overview:	Provide a general overview of municipality: this may include a short narrative of issues peculiar to the municipality and issues specific to the financial year being reported		
Information:	<Provide statistical information on (as a minimum):>		
	Geography:		
1	Geographical area in square kilometres Note: Indicate source of information	6858	
		<i>District Spatial Development Framework, 2008</i>	
	Demography:		
2	Total population Note: Indicate source of information	479 394	
		<i>Community survey, 2007</i>	
3	Indigent Population Note: Indicate source of information and define basis of indigent policy including definition of indigent	<total>	
4	Total number of voters	<total>	
5	Aged breakdown: - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Note: Indicate source of information	31263 72868 171397 203870	
		<i>Community survey, 2007</i>	
6	Household income: - over R3,499 per month - between R2,500 and R3,499 per month - between R1,100 and R2,499 per month - under R1,100 per month Note: Indicate source of information	11518 5132 30401 29875	
		<i>Community survey, 2007</i>	

2. Finance and Administration function's performance

Function:	Finance and Administration
Sub Function:	Finance

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .		
Description of the Activity:	<p>The function of finance within the municipality is administered as follows and includes:</p> <p><List administration of each function here: this should detail what is offered, and how it is offered to the community></p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><List here></p> <p>The strategic objectives of this function are to:</p> <p><List here></p> <p>The key issues for 200X/0Y are:</p> <p><List here></p>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	<p>Debtor billings: number and value of monthly billings:</p> <p>Function - <list function here eg: water, electricity etc></p> <p>- Number and amount billed each month across debtors by function (eg: water, electricity etc) and by category: Government, Business, Residents and Indigents</p> <p>Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (eg: water, electricity etc) and by category</p>		R (000s)
		<total>	<total>
		<number>	<value>
2	<p>Debtor collections: value of amount received and interest:</p> <p>Function - <list function here eg: water, electricity etc></p> <p>- Value received from monthly billings each month and interest from the previous month across debtors by function (eg: water, electricity etc) and by category: Government, Business, Residents and Indigents</p> <p>Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function and by category</p>	R (000s)	R (000s)
		<total>	<total>
		<received>	<interest>
3	<p>Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:</p> <p>Function - <list function here eg: water, electricity etc></p> <p>- Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (eg: water, electricity etc) and category</p> <p>Note: create a suitable table to reflect debts outstanding over 30, 60, 90 and 120 plus days across debtors by function and category</p>	R (000s)	
		<total>	
4	<p>Write off of debts: number and value of debts written off:</p> <p>- Total debts written off each month across debtors by function (eg: water, electricity etc) and category</p> <p>Note: create a suitable table to reflect write offs each month across debtors by function and category</p>		R (000s)
		<number>	<value>

5	Property rates (Residential):		
	- Number and value of properties rated	N/A	N/A
	- Number and value of properties not rated	N/A	N/A
	- Number and value of rate exemptions	N/A	N/A
	- Rates collectible for the current year	N/A	N/A
	Reporting Level	Detail	Total
6	Property rates (Commercial):		R (000s)
	- Number and value of properties rated	N/A	N/A
	- Number and value of properties not rated	N/A	N/A
	- Number and value of rate exemptions	N/A	N/A
	- Rates collectible for the current year	N/A	N/A
8	Property valuation:		
	- Year of last valuation	N/A	
	- Regularity of valuation	N/A	
9	Indigent Policy:		
	- Quantity (number of households affected)	<total>	
	- Quantum (total value across municipality)	<value>	
10	Creditor Payments:	R (000s)	
	<List creditors here>	<value>	<age>
	Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days		
11	Credit Rating:	R (000s)	
	<List credit rating details here>	<value>	<date>
	List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated		
12	External Loans:	R (000s)	R (000s)
	- Total loans received and paid during the year	<received>	<paid>
	Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table.		
13	Delayed and Default Payments:		
	<List delayed and default payments here>	<value>	<date>
	List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature		
	Note: This information need not be reported here if reported as notes to the accounts.		

3. Planning and Development function's performance

Function:	Planning and Development		
Sub Function:	Economic Development		
Reporting Level	Detail	Total	
Overview:	Includes all activities associated with economic development initiatives		
Description of the Activity:	The function of economic planning / development within the municipality is administered as follows and includes:		
	<List administration of each function here: this should detail what is offered, and how it is offered to the community>		
	These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:		
	<List here>		
	The strategic objectives of this function are to:		
	<List here>		
	The key issues for 200X/0Y are:		
	<List here>		
Analysis of the Function:	1 <Provide statistical information on (as a minimum):>		
	Number and cost to employer of all economic development personnel:		R (000s)
	- Professional (Directors / Managers)	<total>	<cost>
	- Non-professional (Clerical / Administrative)	<total>	<cost>
	2 - Temporary	<total>	<cost>
	- Contract	<total>	<cost>
	3 Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
	Detail and cost of incentives for business investment:		R (000s)
	4 <list details>		<cost>
	Note: list incentives by project, with total actual cost to municipality for year		
	5 Detail and cost of other urban renewal strategies:	N/A	R (000s)
	<list details>		<cost>
	Note: list strategies by project, with total actual cost to municipality for year		
	6 Detail and cost of other rural development strategies:	N/A	R (000s)
	<list details>		<cost>
	Note: list strategies by project, with total actual cost to municipality for year		
	6 Number of people employed through job creation schemes:		
- Short-term employment	<number>		
- Long-term employment	<number>		

	Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives		
	Number and cost to employer of all Building Inspectors employed:		<i>R (000s)</i>
	- Number of Building Inspectors	<number>	<value>
	- Temporary		
	- Contract		
	Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package		
	Details of building plans:		
	- Number of building plans approved	<number>	
	- Value of building plans approved	<value>	
Reporting Level	Detail	Total	
	Note: Figures should be aggregated over year to include building plan approvals only		
7	Type and number of grants and subsidies received:		<i>R (000s)</i>
	<list each grant or subsidy separately>	<total>	<value>
	Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		

4. Community and social services function's performance

Function:	Community Development Services
Sub Function:	All inclusive

Reporting Level	Detail	Total	
		Current	Target
Overview:	Includes all activities associated with Community Development and Institutional Social Development, amongst other functions include MHS: preventive measures with regard to environmental induced diseases, Fire Services and Disaster Risk Management		
Description of the Activity:	The function of Community Development within the municipality is administered as follows and includes:		
Disaster Management:	<p>Responsible Disaster risk Management and prompt response. Facilitate scientific risk assessment process, promote community awareness & capacity building, facilitate disaster response, recovery and rehabilitation programs – providing social emergency relief</p> <ul style="list-style-type: none"> Community awareness programmes conducted Wards in which community awareness was conducted with more than 100 venues used in the process, to accommodate more than 100 000 people as beneficiaries of this program No policies were reviewed in this year of reporting due to budgetary challenges 	100 48	50 48
Fire & Rescue Services	<p>The mandate of the unit include; prevent the outbreak or spread of fire, fighting or extinguishing fires, protection of life or property, against fire or other or other life threatening danger, the rescue of life from fire or other danger, subject to the provision of health act, rendering of ambulance services.</p> <p>Achievements: In the year under review, the ff were achieved:</p> <ul style="list-style-type: none"> Employment of volunteers to assist with the shifts and assist in job creation by paying them a stipend Responded to structural fires, motor vehicle accidents and other general incidents Fire safety activities were conducted within the district Basic fire fighting workshop conducted in the areas of Umzimvubu & Matatiele Inspection of fireworks permit conducted in most areas affected by this within the Alfred Nzo District Routine inspection conducted in some areas including government departments Other achievement include handing over of Mt Frere Disaster Management and Fire & Rescue services centre, promulgation of fire by-laws 	30 100 80 02 10	28 00 100 02 15

Social Facilitation	<p>The programmes which were undertaken in the year under review include: Poverty alleviation, Community development, Sport Development, Library programme coordination</p> <ul style="list-style-type: none"> • Established project steering committees in the projects of the municipality • Conduct training and capacity building in the appointed PSC's • Mentoring of PSC'S in the work they undertake in all project established • Conduct baseline information in all projects established • Provide status reports and challenges therein with the affected departments implementing • Visit zone centres and assist with their effective functioning • Conduct Baseline health and hygiene in all Zone centres for the PSC • Facilitate Crime prevention meetings with SAPS and Safety and Liaison • Coordinate Library visit to zone centres by dept of DSRAC 	20	30
		07	07
		02	07
Thusong Centre	<p><i>The centre is responsible to provide services closer to the people, it locally based and coordinates through the established structure, provision of services by various dept i.e. SASSA, Soc development, Home Affairs, SAPS. Post office</i></p> <ul style="list-style-type: none"> • No of services provided by various departments within the center • No of people attended at the centres (Home Affairs-issuing of ID) birth certificates and distribution of identity documents and marriage certificates issued at the centre • SASSA old age grants, foster grants and food parcels to needy communities • Social workers consult clients at the centre has improved tremendously • Certification of documents by SAPS has increased at the centre • No of clients attended to by DOH has increased 	170	100

Municipal Health Services			
Water quality Monitoring	Drinking water samples (there was a threat of water borne outbreak diseases)	420	400
Food safety control	Issuing of COA's to formal businesses	75	75
	issuing of COA's to informal businesses	100	100
	Number of businesses adhering to HACCP standards	50	50
	Bacteriological samples	100	100
Health and Hygiene	Health and Hygiene awareness's done using PHAST Methodology	60	45
Health Surveillance of premises. Evaluation of buildings including none food businesses	This task is always performed with a lot of challenges regarding the business owners who do not prefer the activity to be undertaken as such in their premises	100	100
Prevention and control of communicable diseases. Assessment and investigation of communicable diseases.		20	20

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Water quality Monitoring	Drinking water samples (there was a threat of water borne outbreak diseases)	493	400
		183	200
Food safety control	Issuing of COAs to formal businesses	42	75
	issuing of COAs to informal businesses	86	100
	Number of businesses adhering to HACCP standards	57	50
	Bacteriological samples	88	100
Health and Hygiene	Health and Hygiene awareness's done using PHAST	59	45

	Methodology		
Health Surveillance of premises. Evaluation of buildings including non food businesses		497	100
Prevention and control of communicable diseases. Assessment and investigation of communicable diseases.		89	20

Function:	ATICC
Sub Function:	

Reporting Level	Detail	Total	Cost
Overview:	This function includes all the activities associated with the provision of HIV & AIDS information and trainings in the district, which falls under the competence of the district, ECAC and PDoH. The municipality also coordinates issues relating to the youth, gender, disability and children.		
Description of the Activity:	<p>The function for the provision of ATICC is to provide effective, accessible, affordable and culturally appropriate HIV & AIDS and STI Training Information and counseling service to the ANDM Community health clinics within the municipality is administered as follows and includes:</p> <p><i>1. Empowerment of people through training, awareness campaigns, workshops and booklets on HIV & AIDS and STI.</i></p> <p><i>2. To improve care and support services for easy accessibility to both affected and infected.</i></p> <p><i>2. To reduce the new STI infection rate by providing and promoting correct use of condoms and to encourage early detection and syndromic management of STI.</i></p> <p><i>3. To attract and encourage CBOs in fighting against HIV and AIDS by establishing support groups, offer HCBC Voluntary services and income generating projects. all these are performed in partnership with PDOH and local NGOs.</i></p> <p>These services extend to include the coordination of these services with other district stakeholders and civil society and government departments and supporting the Moral Regeneration Movements (MRM).</p> <p>The municipality has a mandate to: <i>Establish DAC as an HIV & AIDS coordinating structure. Capacity building on HIV & AIDS and STI Programme of Health Care Workers, stakeholders and community at large.</i></p>		

	<p><i>To reduce the HIV & AIDS positivity rate and give support to the affected and infected. Facilitate the integration and mainstreaming of the designated groups into the mainstream of municipality. Establish and implement the HIV and AIDS in the workplace</i></p> <p>The key issues for 2008/09 are:</p> <p><i>Capacity Building on HIV & AIDS and STI, Care and Support Strengthening of support groups. Support funding of HIV & AIDS NGOs / CBOs.</i></p>		
Analysis of the Function:	<p>Analysis of the Function of ATICC is tabled below</p> <ul style="list-style-type: none"> -Awareness campaign Capacity Building on HIV& AIDS -ATICC Staff members trained. - Health Care facilities with HIV & AIDS Information and Services. -Doctors & Pharmacist training coordination - Care and Support of PLWHA - Support groups established - Support groups strengthened. - NGO'S provided with financial support. Disability - Disability forum - Disability policy development - Commemoration of institutionalized days - Employment Equity -Awareness on disability Youth Programme -District Youth Council meetings -Commemoration of institutionalized days-Celebrations of June 16 Gender programme - Commemoration of national events 	<p>34</p> <p>2</p> <p>-</p> <p>95%</p> <p>3</p> <p>14</p> <p>6</p> <p>8</p> <p>-</p> <p></p> <p>4</p> <p>1</p> <p>2</p> <p>-</p> <p>5</p> <p>2</p> <p>1</p> <p></p> <p>12</p> <p>5</p>	<p>480</p> <p>500</p> <p>-</p> <p>PDOH</p> <p>RTC</p> <p>96 000</p> <p></p> <p>120 000</p> <p></p> <p></p> <p></p> <p></p> <p>100 000</p> <p></p> <p></p> <p>100 000</p> <p>200 000</p>

Reporting Level	- Workshop on Women's Rights		
	-District AIDS Council support programme	9	150 000
	2 ATICC Conditional Grant received: <list each grant or subsidy separately>	1	R 2 438 000
	Conditional grant received from PDoH in 2008 /09		2 438
3	Total operating cost of ATICC function:		

Performance Objective	Key Performance Indicator	Planned performance Target	Actual Achievement as at 30 June 2009	Reasons for underperformance	Corrective measures
Disability					
Skills Development	No of trained people with disability	2%	4 ANDM and 20 with Govt dept	Complex on the disability sector	Social model
Awareness Campaign	No of awareness campaigns conducted.	5	5	-	-
Policy Development	No of policies developed for and adopted by the council.	1	0	Financial Constraints	For next financial year

<p>Gender</p> <p>Women economic empowerment campaigns</p> <p>Unite women from different sectors.</p> <p>Organize Elderly people</p>	<p>No of programmes for women economic empowerment.</p> <p>No of sessions</p> <p>No of sessions</p>	<p>6</p> <p>1</p> <p>7</p>	<p>5</p> <p>1</p> <p>6</p>	<p>Challenge in coordination with in the district.</p> <p>-</p> <p>Poor integration of programmes.</p>	
<p>Youth Development</p> <p>District youth council</p>	<p>Strengthen the well functioning youth council</p>	<p>1</p>	<p>0</p>	<p>Lack commitment from the youth</p>	<p>With hold support</p>
<p>Children's Right Programme</p>	<p>No of programmes facilitated</p>	<p>4</p>	<p>3</p>	<p>Budgetary constraints</p>	<p>Budget for next financial year</p>
<p>Education and awareness</p>	<p>No of awareness campaigns conducted</p>	<p>38</p>	<p>24</p>	<p>Budget problem.</p>	<p>Process, to get another car</p>
<p>Capacity building</p>	<p>To meet provincial targets.</p> <p>No of trained municipal structures and interest groups</p>	<p>STI-32</p> <p>VCT -18</p> <p>PMTCT-16</p> <p>5 per local municipality</p>	<p>-</p> <p>2</p>	<p>Failure of the PDoH to transfer training funds.</p>	<p>The challenge was reported to municipal manager and FCO by the director.</p> <p>Communicated with the PDoH</p>

DAC/LAC Support & secretariat	No of meetings held.	4	6	Planning to develop the strategic document.	
	Revival of a DAC Strategic document.	1	0	-	
Care and Support to PLWA	No of support groups established.	24	8	Little budget for the programme	Next financial year
	No of strengthened support groups	12	6		
Commemoration of institutionalized days/events	No of events commemorated	6	4	Financial constraints	Improve budget allocation for the events.

5. Waste water management

Function:	Waste Water Management
Sub Function:	Sewerage etc

Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	<p>The sewerage functions of the municipality are administered as follows and include:</p> <ul style="list-style-type: none"> Operating and maintaining the new WWTW in Mt Frere as well as the new sewerage reticulation system. Removal of night soil in Mt Frere Operating and maintaining new WWTW in Mt Ayliff as well as sewerage reticulation system Regular pumping out of conservancy tanks in Maluti Operating and maintaining WWTW in Matatiele as well as the sewerage reticulation system Pumping out conservancy tanks in Cedarville and Maluti Township <p><i><List administration of each function here: this should detail what is offered, and how it is offered to the community></i></p> <p>These services extend to include <i><function/area></i>, but do not take account of <i><function/area></i> which resides within the jurisdiction of <i><national/provincial/other private sector></i> government. The municipality has a mandate to:</p> <p><i>Operate and maintain all sewerage and waste water treatment systems throughout the District</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Ensure a safe and unpolluted area, free from diseases associated with poor hygiene</i></p> <p>The key issues for 2005/06 are:</p> <p><i>Extending basic sanitation (VIP) to all households throughout the rural areas of the District</i></p>		
Analysis of the Function:	<p><i><Provide statistical information on (as a minimum):></i></p> <p>1 Number and cost to employer of all personnel associated with sewerage functions:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>		<i>R (000s)</i>
		<i><total></i>	<i><cost></i>
		<i><total></i>	<i><cost></i>
		<i><total></i>	<i><cost></i>
		<i><total></i>	<i><cost></i>
		<i><total></i>	<i><cost></i>
		<i><total></i>	<i><cost></i>

2	Number of households with sewerage services, and type and cost of service:		<i>R (000s)</i>
	- Flush toilet (connected to sewerage system)	4408	1260944
	- Flush toilet (with septic tank)	<total>	<cost>
	- Chemical toilet	<total>	<cost>
	- Pit latrine with ventilation	<total>	<cost>
	- Pit latrine without ventilation	<total>	<cost>
	- Bucket latrine	<total>	<cost>
	- No toilet provision	<total>	<cost>
	Note: if other types of services are available, please provide details		
3	Anticipated expansion of sewerage:		<i>R (000s)</i>
	- Flush/chemical toilet	<total>	<cost>
	- Pit latrine	<total>	<cost>
	- Bucket latrine	<total>	<cost>
	- No toilet provision	<total>	<cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
4	Free Basic Service Provision:		
	- Quantity (number of households affected)	<total>	
	- Quantum (value to each household)	<value>	
	Reporting Level	Detail	Total
			Cost
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
5	Total operating cost of sewerage function		<i>R (000s)</i>

6. Water distribution function's performance

Function:	Water
Sub Function:	Water Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the WSA function, bulk purchase, source development and distribution of water		
Description of the Activity:	<p>The WSA function, water purchase and distribution functions of the municipality are administered as follows and include:</p> <p>The WSA function is managed and administered from the office of the Municipal Manager.</p> <p>Bulk purchases of raw water are done for Kwa Bacha and Maluti regional schemes from DWAF</p> <p>Operation and maintenance of the schemes above. A combination of billed house connections and RDP stand pipes provided.</p> <p>Provision and distribution of water in Mt Frere, Mt Ayliff, Maluti, Matatiele and Cedarville towns</p> <p>Provision and distribution of water in rural areas by means of 100 rudimentary stand alone rural water schemes at RDP standards</p> <p><i><List administration of each function here: this should detail what is offered, and how it is offered to the community></i></p> <p>These services extend to include free basic water and billed house connections. The municipality has a mandate to:</p> <p><i>Act as Water Services Authority for the District.</i></p> <p><i>To act as Water Services Provider for the District</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To ensure access to potable water for all communities within the District</i></p> <p><i>To eradicate the backlog of access to potable water</i></p> <p><i>To monitor the quality of water provided</i></p> <p><i>To maintain the infrastructure for water provision</i></p> <p><i>To optimise bulk water storage (dams etc)and extraction with the aim of utilising it as a catalyst to economic development</i></p> <p>The key issues for 2008/09 are:</p> <p><i>Developing a WSDP</i></p> <p><i>Developing and implementing water related policies and by-laws</i></p> <p><i>Increasing access to potable water for rural communities</i></p>		
1	<p><i><Provide statistical information on (as a minimum):></i></p> <p>- Number and cost to employer of all personnel associated with the water distribution function:</p>	120	To be provided by HR

2	Percentage of total water usage per month <Insert table showing monthly water usage > Note: this will therefore highlight percentage of total water stock used per month	<volume>	<volume>
3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer - Category 1 <insert here> - Category 2 <insert here> - Category 3 <insert here> - Category 4 <insert here>	1788 ML <volume> <volume> <volume>	R (000s) <cost> <cost> <cost> <cost>
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer: - Category 1 <insert here> (total number of households) - Category 2 <insert here> (total number of households) - Category 3 <insert here> (total number of households) - Category 4 <insert here> (total number of households)	0 0 0 0	R (000s) 0 0 0 0
5	Total year-to-date water losses in kilolitres and rand <detail total>	<volume>	R (000s) <cost>
	Reporting Level	Total	Cost
6	Number of households with water service, and type and cost of service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: if other types of services are available, please provide details	4408 <total> 63959 11492	R (000s) 4334505 <cost> 12125658
7	Number and cost of new connections: <detail total>	<number>	R (000s) <cost>
8	Number and cost of disconnections and reconnections: <detail total>	<number>	R (000s) <cost>
9	Number and total value of water projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	<total> <total>	R (000s) <cost>
10	Anticipated expansion of water service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 1898200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	<total> <total> <total> <total> <total> <total> <total>	R (000s) <cost> <cost> <cost> <cost> <cost> <cost>
11	Estimated backlog in number (and cost to provide) water connection: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling	<total> <total> 33642	R (000s) <cost> <cost> <cost>

	<ul style="list-style-type: none"> - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank <p>Note: total number should appear in IDP, and cost in future budgeted capital housing programmes</p>	<p><total></p> <p><total></p> <p><total></p> <p><total></p>	<p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p>
12	<p>Free Basic Service Provision:</p> <ul style="list-style-type: none"> - Quantity (number of households affected) - Quantum (value to each household) <p>Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.</p>	<p>75451</p> <p><value></p>	
13	<p>Type and number of grants and subsidies received:</p> <p><list each grant or subsidy separately></p> <p>Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.</p>	<p><total></p>	<p>R (000s)</p> <p><value></p>
14	Total operating cost of water distribution function		16460163

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<List at least five key performance areas relative to the above function as articulated in the budget here>	<p>Operation and maintenance of the schemes above. A combination of billed house connections and RDP stand pipes provided.</p> <p>Provision and distribution of water in Mt Frere, Mt Ayliff, Maluti, Matatiele and Cedarville towns</p> <p>Provision and distribution of water in rural areas by means of 100 rudimentary stand alone rural water schemes at RDP standards</p>		

ANNEXURES

ANNEXURE 1

AUDITOR GENERAL REPORT

ANNEXURE 2

PLAN OF ACTION TO ADDRESS FINDINGS BY AUDITOR GENERAL

ANNEXURE 3

AUDIT COMMITTEE REPORT

ANNEXURE 4

PROOF OF PUBLIC PARTICIPATION