



EDEN

DISTRICT MUNICIPALITY
UMASIPALA WESITHILI
DISTRICKSMUNISIPALITEIT

EDEN, A FUTURE EMPOWERED THROUGH EXCELLENCE



2011/12
ANNUAL REPORT

VISION

**Eden, a future
empowered
through excellence.**

Elements of the Vision

EDEN

Represents the entire jurisdiction of the district, including the seven B-municipalities, which are Hessequa, Mossel Bay, George, Knysna, Bitou, Oudtshoorn and Kannaland.

FUTURE

Changed environment, well-being of citizens, growth & development.

EMPOWERED

Training & development, education, economic growth, job creation, self reliance, enabling environment, mentorship, working together, facilitate.

EXCELLENCE

Service delivery, customer care, innovation, political stability, integrated planning.

MISSION

The Eden District Municipality as a category C-local authority strives, to deliver on our mandate through:

- Providing strategic leadership and coordination to B-municipalities in the district within our resources available;
- Executing integrated development planning in collaboration with sector departments and service organisations; and
- Upholding the principles of good governance in pursuit of excellence as a regional leader in local government.

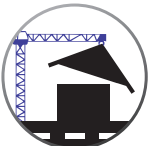
OUR STRATEGIC GOALS ARE:



Healthy and socially stable communities.



Build a capacitated workforce and communities.



Conduct regional bulk infrastructure planning & implement projects, roads maintenance and public transport; manage and develop council fixed assets.



Promote sustainable environmental management and public safety.



Promote good governance.



Ensure financial viability of the Eden District Municipality.



Grow the district economy.

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CHAPTER 1

EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY



Executive Mayor
Cllr Wessie van der Westhuizen

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

As the Executive Mayor of the Eden District Municipality, I am privileged and tremendously proud to present the Eden District Municipality's Annual Report for the 2011/2012 Financial Year.

A. VISION

The 2011/2012 Annual Report is unique in the sense that it marks the first full year of term of office of the newly elected district municipal council. For its five year term of office the new council aspires to deliver on its new Vision of "Eden a future empowered through excellence"

During the period under review the district municipality pledged to add more value to the achievement of its 2007/2008 – 2011/2012 strategic objectives articulated in our Integrated Development Plan (IDP): These strategic goals are:

1. Good governance through Institutional transformation, Inter- Governmental co-operation and public consultation to ensure accountability;
2. Develop an appropriate regional economy that ensures shared prosperity and sustainability;
3. Create an enabling social environment, that ensures safe, healthy and vibrant communities that participate actively in Eden;
4. Develop human and social capital by investing in women and youth development;
5. Ensure effective and affordable service and infrastructure delivery in Eden to meet the needs of the people;
6. Sustain Eden environment through resource conservation, good land use practices and people centred planning.

B. KEY POLICY DEVELOPMENTS

For implementation to successfully realise policy guidelines implementation strategies need to be in place. Apart from the existing plans or strategies, the Eden District Municipality followed a wide range of consultative processes to formulate the following policy directives during the 2011/12 financial year:

- A new five year strategic plan (IDP) for the period 2012/2013 to 2015/2016 financial year;

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- A reviewed Local Economic Development (LED) Strategy;
- A reviewed District Integrated Transport Plan (DITP);
- A Bulk Regional Water Supply Master Plan;
- A Concept Corporate Disaster Management Plan formulated;
- Annual Workplace Skills Plan;
- A Draft Eden Disability Strategy;
- An ICT Disaster Recovery Plan;
- A Risk Based Audit Plan; and
- A Turn Around Strategy.

C. KEY SERVICE DELIVERY IMPROVEMENTS

Local Government in South Africa is the sphere of government that is probably the most challenged with service delivery predicaments. But, despite the aforementioned, the Eden District Municipality were able to meet remarkable achievements in the 2011/2012, some of which included:

- The restructuring of its macro organizational structure;
- The adoption of a Municipal Turnaround Strategy of which implementation will continue in 2012/13;
- A continuation of its goal to implement cost-effective financial practices;
- The completion of a Shared Service Readiness Audit and administered various related shared services initiatives;
- The facilitation of a variety of marketing access opportunities for Tourism SMME's;
- The training of 30 previously disadvantaged individuals throughout the Garden Route and Klein Karoo in the catering and hospitality industry and assisting them with employment placement;
- The exhibition of crafts and art work of various crafters of the region at the 2012 Tourism Indaba held in Durban;
- The implementation of six Working For Water Projects basis on the EPWP principles;
- The provision of skills development training to approximately 136 SMME's;
- The hosting of a Waste Minimization Road show that also forms part of the formulation of a Waste Management Strategy;
- The hosting of the finals of the World Corporate Golf challenge;
- The provision of 90 hectares of land for community farming projects;
- The launching of a Nutritional Food Centre at Pacaltsdorp High School;
- In collaboration with the Kannaland Municipality provided sanitation facilities to people just outside the Calitzdorp area; and
- The attendance of the COP 17 Conference in Durban on 2011 Climate Change.

D. PUBLIC PARTICIPATION

It is true to argue that in order for service delivery to be certified as victorious, meaningful and constructive participation from all stakeholders is of outmost critical. As part of its quest to ensure meaningful participation in its planning processes, the Eden District Municipality utilized various intergovernmental platforms, public media structures and municipal – community dialogues. One considerable achievement was the hosting of a District Integrated Development Planning (IDP) Mini Summit in October 2011, which allowed for all the municipal partners in regional development

to come together as one and identify the burning district challenges and propose their tangible solutions. These stakeholder inputs were translated into the district's new 5 year IDP for 2012/16 adopted by Council on 30 May 2012. Others included the consultation with a wide range of stakeholders to review the municipality's Local Economic Development (LED) Strategy.

E. FUTURE ACTIONS

The incorporation of the Eden District's District Management Area in the George local municipality in May 2011 introduced a new era of governance for the municipality. This important shift will not only allow for the municipality to become more purpose driven, but will also enable it to focus all its energy on its role as the region's strategic enabler. The financial viability of the district municipality is a critical priority for council and the implementation of the Turnaround Strategy adopted in March 2012 will continue in all earnest in the months and years to come.

F. AGREEMENTS / PARTNERSHIPS

Without collaboration and the sharing of resources, the process of service delivery could be regarded as null and void. It is then for this reason that the Eden District Municipality expanded its capacity to support the notion of strategic collaboration and partnerships to enhance service delivery.

Some agreements and partnerships forged by the municipality include inter alia:

- The SANEC collateral which is an international agreement for tourism development;
- Service Delivery agreements with B – Municipalities within the district;
- Shared Services agreements with B – Municipalities within the district;
- The 131 agreements with national and provincial government departments for service delivery which was a result of Provincial IDP Indaba 2 of 2011;
- Private Public Partnership initiatives with SITA on the compilation of an ICT Disaster Recovery Policy and Plan;
- Skills partnerships with external role-players including tertiary institutions and the business sector; and
- Facilitate tourism marketing in the district by forming partnerships with Local Tourism Organisations (LTO's).

G. CONCLUSION

Local Government in South Africa is on all levels of its operations vulnerable to service delivery interruptions. The Eden District Municipality, unfortunately, also experienced lowlights over the passed five years. To support the aforementioned statement, 2007/2008 to 2011/2012 financial years were marked with a high incidence of service delivery hold-ups. These, however, were overruled by the Eden District and converted into, in some cases, remarkable successes. The key ingredient to this was the employment of timely and effective planning and implementation approaches and structures by the municipality and all its partners in development. As the Executive Mayor of the Eden District Municipality, I trust that this Annual Report will be strategically acknowledged without any prejudice and utilized by all spheres of government as their guideline to improved service delivery.

(Signed by:) _____

Executive Mayor
Wessie van der Westhuizen

T 1.0.1



Municipal Manager
Godfrey Louw

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

As the accounting officer of the Eden District Municipality, I am pleased to hereby present you with the Annual Report for the 2011/12 financial year.

This Annual Report aims to comply with the revised template issued by National Treasury in July 2012 and as a district municipality we will continue to endeavour to perfect the reporting as the year progresses.

In summary this Annual Report highlights the significant successes and challenges experienced during 2011/12 in the following areas:

A. PERFORMANCE ON THE FIVE YEAR INTEGRATED DEVELOPMENT PLAN (IDP) OF 2007/12

The Integrated Development Plan (IDP) is the principle strategic planning document of any municipality setting out the vision, mission, values and strategic goals to be achieved during a 5 year period. During the 2011/12 financial year council adopted the 4th and final review of the 2007/12 IDP. This final IDP review specifically reported on the successful achievement and/or non-achievement of the 5 year strategic goals set for the period 2007/12.

With the IDP for 2007/12 council committed to achieve the following six (6) strategic goals:

- Good governance through Institutional transformation, Inter- Governmental co-operation and public consultation to ensure accountability;
- Develop an appropriate regional economy that ensures shared prosperity and sustainability;
- Create an enabling social environment, that ensures safe, healthy and vibrant communities that participate actively in Eden;
- Develop human and social capital by investing in women and youth development;
- Ensure effective and affordable service and infrastructure delivery in Eden to meet the needs of the people;
- Sustain Eden environment through resource conservation, good land use practices and people centred planning;
- Despite financial and human resource constraints experienced I am pleased to report that as at the end of June 2012 more than 90% of the strategic initiatives set in the 2007/12 IDP were achieved. In the district's IDP review of 2011/12 we dedicated section 4.1 in Chapter 4 to reflect on our performance of the 2007/12 IDP;
- Strategic initiatives that could not be 100% completed by end June 2012 are in the minority and will receive continued attention in the 5 year IDP of 2012/17; and

- The attainment of the 5 year IDP goals of 2007/12 once again confirmed the importance of forging collaborative partnerships with government departments and other stakeholders to advance development in the pristine Eden district. Therefore in moving forward the district municipality aims to prioritize our efforts to strengthen and consolidate our partnerships.

B. FINANCIAL SUSTAINABILITY AND TURNAROUND STRATEGY

Eden DM is facing huge financial challenges with the result that Council resolved at its meeting on 30 March 2012 that the Municipal Manager and Executive Mayor should initiate a turnaround strategy to improve the financial position. A few key interventions and austerity measures were identified viz:

1. Revision of the Macro structure – reducing the number of Section 56/57 managers from 5 to 3;
2. Reducing the deficit on the 2012/2013 operating budget from R12 m to R358.00 surplus;
3. Reducing the annual salary increase from 5% to 3%;
4. Reducing the macro and micro structure with the core functions of district municipalities, as prescribed by sections 83 & 84 of the MSA of 1998;
5. Reducing personnel expenditure ratio from 56% to 50% for the 2012/2013 financial year;
6. Moratorium on the filling of vacancies, except where legal compliance is an inherent requirement;
7. No overseas travel;
8. Payment of 60% in the case of officials and 70% in the case of councillors in respect of trips outside the jurisdiction of the municipality;
9. Matching and placing of all available resources to ensure effective utilization of key personnel;
10. Revisiting of remuneration packages of section 56 managers;
11. Combine key positions on the middle and lower levels of the organisation to enhance efficiency;
12. Expedite the benefits that are accrued / associated with the shared services model;
13. Priority given to the refurbishment and replacement of capital equipment within the Fire Fighting section;
14. No spending of internal funding will take place on unfunded mandates;
15. Maximize the rental income from Eden's resorts and other properties;
16. Conduct productivity analysis to maximise productivity level and fit for purpose principle;
17. Develop a blue print for the management of strategic properties; and
18. Develop a 5 year maintenance plan for the replacement and maintenance of moveable assets.

Management of the financial sustainability of the organization is a long term goal, but were able to achieve notifiable financial gains in the short term to medium term of the 2011/12 financial year, through the adoption and initiation of the turnaround strategy. Cost saving measures and financial reform will continue in 2012/2013

C. GOVERNANCE

The aim in this municipality is to create an environment of accountability. Governance is regarded as one of the pillars in the accountability cycle and hence the introduction of Municipal Public Accounts Committee. This structure will ultimately exercise oversight of the Executive component in Council. The Audit Committee plays a pivotal role in enhancing accountability and good governance, in the day-to-day operations of the municipality.

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D. SHARED SERVICES

In this year of operation, Eden DM has continued to advance its mission of providing strategic leadership and coordination to B-municipalities in the district, executing integrated development planning in collaboration with sector departments and service organisations; upholding the principles of good governance in pursuit of excellence as a regional leader in local government.

During the period of review the District has continued its shared services initiatives with B-municipalities by assisting Bitou Municipality with Fire services as well as assisting with the call centre in Mossel Bay through the shared services initiatives. Service Level Agreements based on monthly payments for services rendered are signed with these municipalities.

In collaboration with the Department of Local Government and GIZ the district shared services model is in the process of review.

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

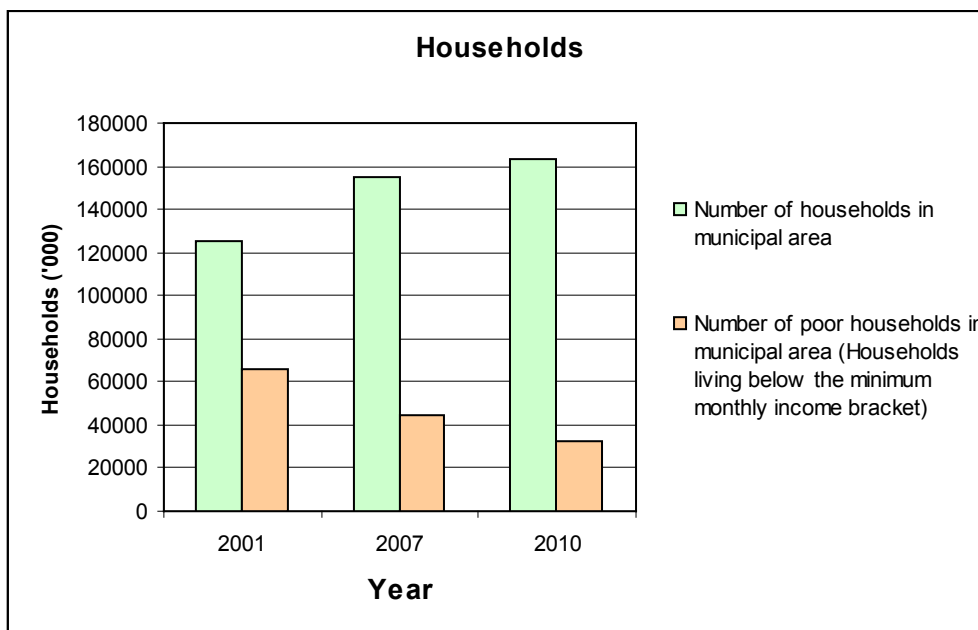
INTRODUCTION TO BACKGROUND DATA

The Eden District Municipality (DC04) is situated on the South – East coast of the Western Cape province. With an area coverage of approximately 23 319 km², the municipality could be regarded to as the third largest district municipality of the Western Cape. The Eden District Municipality consists of seven local B – Municipalities, which include Bitou, Knysna, Kannaland, Oudtshoorn, George, Mossel Bay and Hessequa.

Global Insight data estimates that in 2010, the Eden municipal area was the home to a diverse population of approximately 553 078 inhabitants. With more than 55 % of the total municipal population belonging to the age groups 0 – 34, it could furthermore be argued that the Eden district is composed of a relatively male dominated youthful population. This is, regardless of the fact that age categories 35 and above has shown a steady increase over the past ten years.

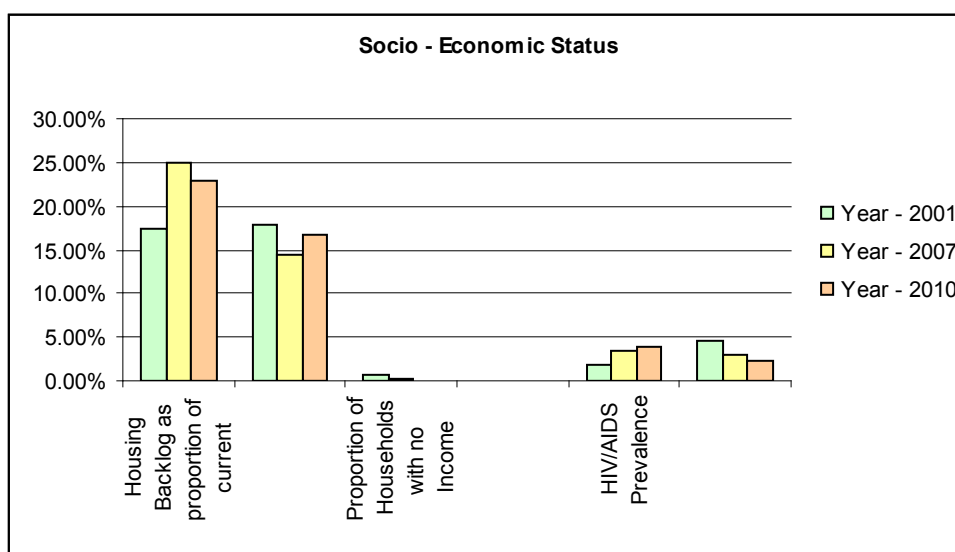
	2001			2007			2010		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 – 4	23317	23028	46345	24256	24063	48319	24912	24807	49720
Age: 5 – 9	23889	23139	47029	24868	23441	48309	25126	23493	48619
Age: 10 - 19	41505	40837	82342	46956	45516	92472	48682	46856	95538
Age: 20 - 29	35894	36772	72666	36600	37869	74469	37551	38753	76304
Age: 30 - 39	36995	37419	74414	42534	42068	84602	43405	42807	86212
Age: 40 - 49	26511	27964	54475	34927	35379	70306	38198	37830	76029
Age: 50 - 59	18283	20094	38377	23336	26262	49598	25685	29288	54973
Age: 60 - 69	13428	13708	27136	17175	17913	35088	19253	20332	39585
Age: 70+	8296	10547	18843	10466	13019	23485	11635	14464	26099

(Source: Global Insight, 2010)



Socio – Economic Status, Eden District						
Year	Housing Backlog as proportion of current demand (Formal Dwelling Backlog)	Unemployment Rate	Proportion of Households with no Income (People living on a monthly income of between 0 - 2400 rand)	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years (15+ with no schooling)
Year - 2001	17.5%	17.90%	0.6%	N/A	1.94%	4.6%
Year - 2007	25%	14.40%	0.25%	N/A	3.4%	3%
Year - 2010	23%	16.70%	0.1%	N/A	3.82%	2.3%

(Source: Global Insight, 2010)



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Although housing delivery is not regarded as a direct municipal function, B-municipalities situated within the Eden District Municipal jurisdiction are making fairly good progress in reducing their formal housing backlogs. By taking into consideration the total number of households residing within the district and comparing these figures with results shown by other district municipal areas, the Eden District Municipality managed to reduce the formal dwelling backlog from 25% in 2007 to a lower 23% in 2010. Despite the scarcity of land and financial resources George and Mossel Bay Municipality were two of the district's municipalities that added much value to the need of low cost housing.

Like other district municipalities, the Eden District Municipality is also faced with the challenge to reduce the level of unemployment which in turn also adds largely to the level of under development and poverty within the district. But, apart from the aforementioned, with a national unemployment estimate of 24, 7% and provincial estimate of 21, 3% in 2010, the Eden district boasted with a lower 16, 7% for the same period, with the district's unemployed African females, followed by Coloured females adding the larger part to this approximation. As a critical part in its quest to combat the level of unemployment and at the same time also the illiteracy levels within the district, the Eden District Municipality embarked on a wide range of work and skills development programmes. Inclusive to the aforementioned is the rolling out and implementation of learnership and bursary opportunities. To further add to the reduction of the district's estimated level of unemployment, the municipality during the 2011/12 financial year also conducted a review of its LED strategy and Expanded Public Works Programme (EPWP) strategy. This, through proper consultation with all the critical stakeholders involved, successful formulation and approval of such strategies will also contribute to creation of an economic platform that will allow for the identification of opportunities for exploitation to unlock more jobs.

The district's level of income is relatively high. This is provided by the only 166 of the total estimated number of all households that earn between the 0 – 4200 rand income bracket per month.

Another important challenge that could hamper all the corners of development within the Eden district municipal area is the increasing prevalence of the HIV/AIDS pandemic. With a prevalence of only 1,94 % within the district for the period 2001, the municipality has to battle an increasing HIV/AIDS prevalence, which in 2010 stood at an estimated 3,82%. As part of its action towards the combating of the pandemic, the Eden District Municipality formulated and launched its HIV/AIDS, STI and TB plan and successfully established a District Aids Council in June 2010.

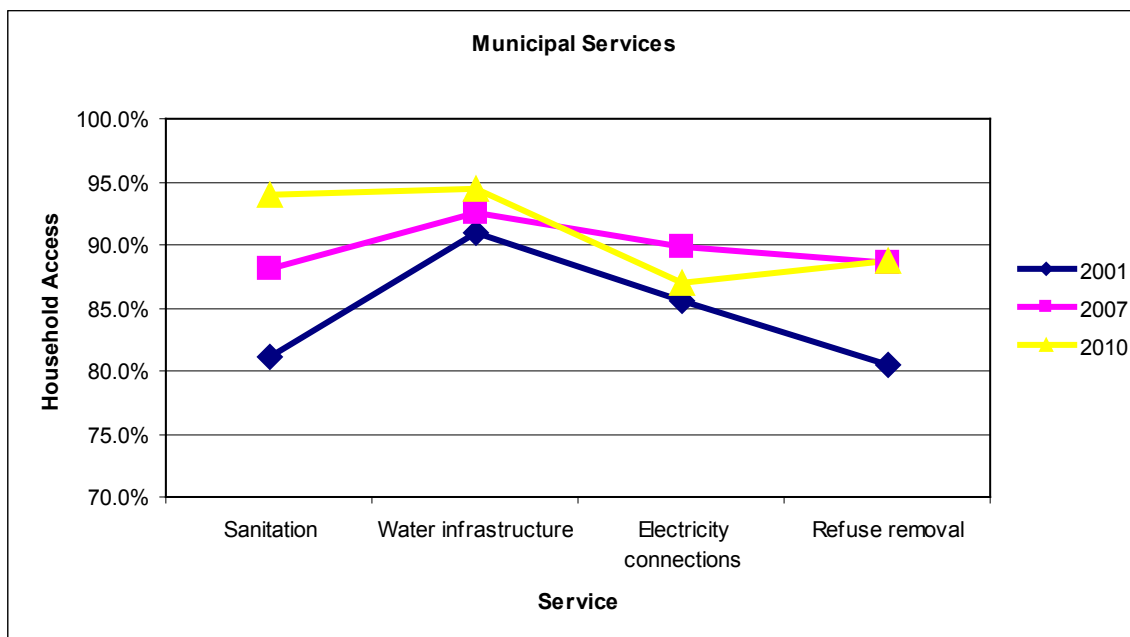
COMMENT ON BACKGROUND DATA:

NATURAL RESOURCES		
Major Natural Resource	Cover of municipal area	Relevance to Community
Shrubland and low Fynbos	63.4%	Sustainable Livelihoods
Cultivated: temporary - commercial dry land	13.7%	Sustainable Livelihoods
Thicket and bushland	8.1%	Sustainable Livelihoods
Forest	2.7%	Sustainable Livelihoods
Forest plantations	2.6%	Sustainable Livelihoods
Cultivated: temporary - commercial irrigated	2.6%	Sustainable Livelihoods

The Eden district is made up of a diverse and unique natural environment, which could be argued to be an immense sense of wealth creation. These include forests, rivers, agriculture and coastal natural resources. The conservation of the municipality's natural resources is thus of utmost importance to add to the well-being of its inhabitants and the creation of sustainable livelihoods. In its Spatial Development Framework (SDF) the municipality makes provision for a Natural Resource Framework and Settlement and Citizens Framework. Whilst the main objective of the Natural Resource Framework is to protect, enhance and sustainably utilize the municipal existing natural resource base, the Settlement and Citizens Framework aims to provide direction to the municipality and its B – Municipalities as to how to manage the driving forces of human settlement change. Additional to its SDF, the Eden District Municipality also managed to formulate an Integrated Environmental Management Policy and five related sector strategies, which include inter alia: The Eden Energy and Climate Change Strategy, The Eden Rivers Strategy, The Eden Coastal Zone and Estuaries Strategy, The Eden Biodiversity Strategy and The Eden Environmental Education Strategy.

1.3.SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION



Global Insight Data depicts that the district’s percentages of household access to basic municipal services is progressively increasing throughout the region. This is confirmed by the mere fact that an estimated more than 85% of all households residing within the Eden district have access to all basic municipal services prescribed by legislation. Since the amalgamation of the Eden District Management Area (DMA) with George Municipality in 2011, the municipality is no longer directly involved in basic service delivery, but continues as the strategic partner with its B-Municipalities to contribute towards creating an enabling environment for growth in the district. Various service delivery Master Plans were formulated by the Eden District Municipality for the region. Some of which include a Bulk Water Master Plan, District Sanitation Master Plan, Storm Water Master Plan, Air Quality Management Plan, District Integrated Transport Plan, Disaster Management and an Integrated Waste Management Master Plan.

1.4 FINANCIAL HEALTH OVERVIEW

The 2011/12 budget was tabled and approved by Council on 21 April 2011 and the adjustment budget approved in January 2012 as prescribed in legislation.

An unqualified audit report was received for the 2010/11 financial year. The majority of year-end procedures were finalised at 30 June 2012 for the creditors section. All section 71 and 72 reports were submitted on deadline as prescribed by legislation. A credit control and debt management policy was implemented to ensure the recovery of outstanding debt. The GRAP compliant annual financial statement was timeously submitted by 31 August.

The existing Supply Chain Management (SCM) policy was revised and implemented. In the 2011/12 financial year, a contract management system was also implemented in order to eliminate irregular expenditure as identified by the Auditor General. All creditor payments are made within 30 days after receipt of invoice/statement and GRV’s as required by the MFMA. Optimal interests are generated on investments and salary payments are made by the 25th of each month.

An adequate asset management system is in place but the revision of the current cash management processes and procedures needs to be addressed in the coming financial year. The financial services render a great support services to other internal departments.

The financial viability of the District Municipality is a challenge and sound financial reforms and practices will remain a priority in the medium to long term.

CHAPTER 1

FINANCIAL OVERVIEW - 2011/12

			R' 000
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	124 952	149 850	249 306
Taxes, Levies and tariffs			
Other	51 968	29 167	25 368
Sub Total	176 920	179 017	274 674
Less Expenditure	186 599	177 404	273 098
Discontinuing Operations			-99 783
Net Total*	-9 679	1 613	-98 207
* Note: surplus/(defecit)			T1.4.2

COMMENT ON FINANCIAL OVERVIEW - 2011/12 T1.4.2:

COMMENTS T1.4.2

The reason for the increase in the revenue and expenditure is the inclusion of R120.7m income of the Roads agency function that must be included with the compilation of the consolidated annual financial statements.

OPERATING RATIOS FOR 2011/12

Detail	%
Employee Cost	34%
Repairs & Maintenance	1%
Finance Charges & Depreciation	2%
	T1.4.3

COMMENT ON OPERATING RATIOS T1.4.3:

COMMENTS T1.4.3:

1. Employee related costs Ratio:

The ratio for employee related cost is distorted as R120,6m with regards Roads agency fee expenditure which is included when we perform the consolidation of the amounts into Eden's financial statements. If the consolidation is excluded the ratio is in actual fact 54%, which is above the norm of 35 - 40%. A turnaround strategy was adopted by council in May 2012. The macrostructure has been reduced from five managers to three managers and the microstructure is being revisited.

2. Repairs and maintenance Ratio

The norm for repairs and maintenance is in the region of 20%. The majority of the infrastructure assets has been

CHAPTER 1

transferred to George municipality from 1 July 2011 with the DMA transfer. District Municipalities norm will be lower than the norm as traditionally the majority of maintenance is spent on infrastructure maintenance.

3. Finance cost and depreciation Ratio:

No new external funding was taken up in 2011/2012. The finance cost is minimal, the total outstanding long term liabilities as at 30 June 2012 is R3m.

The depreciation cost decreased with R1.5m from 2010/2011 to 2022/2012 and the main reason for the decrease is the transfer of R103m assets to George Municipality with the transfer of the DMA to George Municipality from 1 July 2011.

TOTAL CAPITAL EXPENDITURE: YEAR -1 TO YEAR 1			
			R'000
Detail	Year 2009/10	Year 2010/11	Year 2011/12
Original Budget	45 094	41 226	19 000
Adjustment Budget	22 422	28 804	13 870
Actual	22 422	15 738	669

T1.4.4

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

A new macro structure was develop and approved by Council on 30 May 2012. This was done to support the efforts and initiatives to enhance the district municipality's financial sustainability and efficient service delivery to the municipality. On 30 May 2012, Council adopted the new 2012/2017 Integrated Development Plan (IDP) and along with it a new vision and mission.

The new vision of Eden District Municipality is as follow: "Eden a future empowered through excellence" and Eden's Mission: "Eden DM as a category C municipality strives, to deliver on our mandate through:

- Providing strategic leadership and coordination to B-municipalities in the district within our resources available;
- Executing integrated development planning in collaboration with sector departments and service organisations; and
- Upholding the principles of good governance in pursuit of excellence as a regional leader in local government.

A Turnaround Strategy (TAS) in view of Council's prevailing financial position was developed and approved by Council on 30 May 2012.

As at 30 June 2012, 651 permanent officials are employed who individually and collectively contribute to the achievement of Eden's objectives.

1.6 AUDITOR GENERAL REPORT

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON EDEN DISTRICT MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Eden District Municipality set out on pages 11 to 98, which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2011 (Act No 6 of 2011) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eden District Municipality as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

8. With reference to note 39 to the financial statements is a defendant in a number of lawsuits and claims by staff that have not been finalised. The maximum potential liability is estimated at R69 173 532. The ultimate outcome of these lawsuits and claims could not be determined at year-end.

Restatement of corresponding figures

9. As disclosed in note 30 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of errors discovered during 30 June 2012 in the financial statements of Eden District Municipality at, and for the year ended, 30 June 2011.

Material Impairments

10. As disclosed in notes 19 and 20, the municipality raised a provision of doubtful debts of R3 935 341 (74,9%) for exchange receivables and R16 379 275 (89,5%) for non-exchange receivables.

Material losses

14. As disclosed in note 19 bad debts written off of R12 792 599 due to debt owed to the municipality assessed as no longer recoverable.

Additional matter

15. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

16. The supplementary information set out on pages 98 to 101 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

18. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 17 to 39 of the annual report.
19. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information (FMPPi)*.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

20. The material finding is as follows concerning the reliability of the information.

Reliability of information

21. The *FMPPi* requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. A total of 78% of the actual reported indicators relevant to the Community Services were not accurate when compared to source information. This was due to a lack of monitoring by senior management.

Compliance with laws and regulations

22. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Procurement and contract management

23. Sufficient appropriate audit evidence could not be obtained that bid adjudication was always done by committees which were composed in accordance with SCM regulation 29(2).
24. Awards were made to providers who are persons in service of other state institutions or whose directors are persons in service of other state institutions, in contravention of SCM regulations 44.

Expenditure management

25. The accounting officer did not take effective steps to prevent irregular expenditure, as required by section 62(1)(d) of the Municipal Finance Management Act

Internal control

26. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

27. The accounting officer did not take adequate steps to mitigate the risk of non compliance in the supply chain unit by evaluating the supply chain practices of the municipality against the requirements of the legislation.

28. The accounting officer did not perform adequate monitoring processes to ensure that the performance reported in the annual performance report could be verified or agrees to the supporting documentation.

Financial and performance management

29. Control measures put in place to achieve compliance with supply chain processes were not adhered to by officials resulting in non compliance with the supply chain management regulations.

30. Management did not adequately perform their responsibilities when reporting performance, this resulted in the performance report being unreliable as reported in paragraph 17 of this report.

31. Management did not adequately perform their responsibilities when reporting performance information. This resulted in the performance report being unreliable as reported in paragraph 21 of this report.

Auditor-General

Cape Town

30 November 2012



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

SECTION 6: CONCLUSION

95. The matters communicated throughout this report relate to the three fundamentals of internal control which should be addressed to achieve sustained clean administration. The AGSA staff remains committed to assisting in the process of identifying and communicating good practices to improve governance and accountability, so as to build public confidence in government's ability to account for public resources in a transparent manner.

Yours sincerely



Sharonne Adams
Deputy Business Executive: Western Cape

30 November 2012

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Distribution:
Accounting Officer
CFO
Audit committee
Head of internal audit

CHAPTER 2

GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Corporate Services ensures that Council, the Executive Mayoral Committee, Portfolio Committees and other standing committees meet regularly in accordance with the pre-approved schedule of meetings.

The Section also arranges special meetings, as and when required to do so. Agendas were compiled, produced and distributed in respect of all meetings to the councillors concerned. Minutes of all proceedings were recorded and safely kept for record purposes and for future reference.

During the year under review, the following number of meetings were held:

Type of meeting	Number	Agendas Distributed
Council	5	55 agendas per meeting for councillors, media and officials = 275
Special Council	6	55 agendas per meeting for councillors, media and officials = 330
Executive Mayoral Committee	11	50 agendas per meeting for councillors including members of the Audit Committee and officials = 550
Finance Service Committee	8	46 agendas per meeting for 30 councillors and officials = 368
Corporate Services Committee	9	52 agendas per meeting for 30 councillors and officials = 384
Community Services Committee	8	48 agendas per meeting for 30 councillors and officials = 270
Infrastructure Services Committee	8	46 agendas per meeting for 30 councillors and officials = 368
Strategic Planning Committee	5	46 agendas per meeting for 30 councillors and officials = 320
Economic Development and Planning	6	50 agendas per meeting for 30 councillors and officials = 300
Governance Committee	4	15 agendas per meeting for 7 councillors and officials = 60
Occupational Health & Safety Committee	3	25 agendas per meeting for 3 councillors, SAMWU, IMATU and officials = 75
Training & Development Forum	5	20 agendas per meeting for 3 councillors, SAMWU, IMATU and officials = 100
Local Labour Forum	5	30 agendas per meeting for 7 councillors, 7 SAMWU and 3 IMATU representatives and officials = 150
District Assessment Committee (Land Affairs)	4	40 agendas per meeting for members and officials of E.D.M. and Department Land Affairs = agendas send electronically to 59 e-mail addresses

CHAPTER 2

Audit Committee	5	15 agendas per meeting for 4 members and officials = 75
Oversight Committee	6	15 agendas per meeting for 8 councillors and officials = 90
TOTAL OF MEETINGS HELD AND AGENDAS DISTRIBUTED	98	3913

The renewal of motor vehicle licences of the fleet

A total of 102 licenses were renewed from 1 July 2010 until 30 June 2011.

2.1 POLITICAL GOVERNANCE

POLITICAL STRUCTURE



MAYOR
Executive Mayor,
Cllr Wessie van der
Westhuizen



SPEAKER
Doris Nayler



DEPUTY MAYOR
Executive Deputy Mayor,
Cllr Lionel Esau

CHIEF WHIPS



CHIEF WHIP
JA Gerber(DA)



CHIEF WHIP
Cllr P van der Hoven (ANC)

PORTFOLIO CHAIRPERSONS



Chairperson:
Community Services
Councillor Annelise Olivier



Chairperson:
Financial Services
Councillor Johann
Koegelenberg



Chairperson:
Strategic Services
Councillor Henry Mc Combi



Chairperson:
Corporate Services
Councillor Tertius Simmers



Chairperson:
**Local Economic
Development**
Councillor John Maxim



Chairperson:
Infrastructure Services
Councillor Johan du Toit



Chairperson:
**Poverty Alleviation & Rural
Development**
Councillor Sharon May

CHAPTER 2

2011/2016 TERM - COUNCIL



Cllr D Abrahams
African National Congress



Cllr NC Booisen
Democratic Alliance



Cllr N Bityi
African National Congress



Cllr J du Toit
ACDP



Cllr S de Vries
African National Congress



Cllr LBC Esau
Democratic Alliance



Cllr M Fielies
African National Congress



Cllr H Floors
Democratic Alliance



Cllr JA Gerber
Democratic Alliance



Cllr ME Gombo
African National Congress



Cllr JG Janse van Rensburg
Democratic Alliance



Cllr R Johannes
Democratic Alliance



Cllr JJA Koegelenberg
Democratic Alliance



Cllr P Luiters
African National Congress



Cllr J Maxim
COPE



Cllr SF May
Democratic Alliance

CHAPTER 2

2011/2016 TERM - COUNCIL



Cllr NP Ngemntu
Democratic Alliance



Cllr S Mbandezi
African National Congress



Cllr HJ McCombi
Democratic Alliance



Cllr W Meshoa
ICOSA



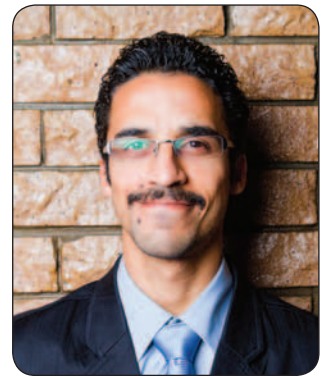
Cllr LL Mvimbi
African National Congress



Cllr GC Niehaus
Democratic Alliance



Cllr AR Olivier
Democratic Alliance



Cllr T Simmers
Democratic Alliance



Cllr LN Qupe
Democratic Alliance



Cllr CMA Skietekat
Democratic Alliance



Cllr MN Tanda
African National Congress



Cllr T Teyisi
African National Congress



Cllr P van der Hoven
African National Congress



Cllr D van Rensburg
ACDP



Cllr V van der Westhuizen
Democratic Alliance



Cllr D Xego
African National Congress

EDEN DISTRICT MUNICIPALITY - SECTION 80 COMMITTEES: AS AT 5 MARCH 2012

	TANDO	BONISILE	REHANA	REHANA	TANDO	REHANA	TANDO
PARTIES	COMMUNITY SERVICES	INFRASTRUCTURE SERVICES	FINANCIAL SERVICES	CORPORATE SERVICES	STRATEGIC SERVICES	LOCAL ECONOMIC DEVELOPMENT SERVICES	POVERTY ALLEVIATION & RURAL DEV
CHAIR	AR OLIVIER	J Du TOIT	JJA KOEGELEBERG	TA SIMMERS	HJ MCCOMBI	J MAXIM	SF MAY
DA	GC Niehaus	JJA Koegelenberg	JG Janse van Rensburg	NP Ngermtu	LBC Esau	HJ McCombi	H Floors
	LN Qupe	H Floors	JJ Gerber	JJ Gerber	NP Ngermtu	NC Booisen	AR Olivier
	T Simmers	NC Booisen	SF May		GC Niehaus	AR Olivier	R Johannes
ANC	ME Gombo	P van der Hoven	D Xego	T Teyisi	LL Mvimbi	S de Vries	N Bityi
	MN Tanda	D Abrahams	P van der Hoven	S Mbandezi	P van der Hoven	M Fielies	P van der Hoven
COPE	J Maxim						
ICOSA				Vacant			W Meshoa
ACDP			D van Rensburg	D van Rensburg			
TOTAL	7	7	7	8	7	7	8

COUNCILLORS

2011/2016 TERM - COUNCIL

2011

PARTY	PR	PART	30-Jun	14-Jul	10, 22 & 26 Aug	SEPT: NO MEETING	28-Oct	28-Nov	DEC: NO MEETING	TOTAL
			ANC	✓	NM Tanda	NM Tanda	NM Tanda			NM Tanda
ANC	✓	S de Vries	S de Vries (absent)	S de Vries (absent on 22/8 and 26/8)			S de Vries	S de Vries (absent)		7
ANC	✓	M Fielies	M Fielies	M Fielies			M Fielies	M Fielies		7
ANC	✓	NA Bityi	NA Bityi	NA Bityi (absent on 26/8)			NA Bityi	NA Bityi (absent)		7
ANC	✓	D Xego	D Xego	D Xego			D Xego	D Xego		7
ANC	✓	P Luiters	P Luiters	P Luiters			P Luiters (absent)	P Luiters (absent)		7
DA	✓	HJ McCombi	HJ McCombi	HJ McCombi			HJ McCombi	HJ McCombi		7
DA	✓	H Floors	H Floors	H Floors			H Floors	H Floors		7
DA	✓	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg (absent on 26/8)			JJA Koegelenberg	JJA Koegelenberg		7
DA	✓	TA Simmers	TA Simmers	TA Simmers			TA Simmers (absent)	TA Simmers		7
DA	✓	NP Ngemntu	NP Ngemntu	NP Ngemntu			NP Ngemntu	NP Ngemntu		7
DA	✓	CM Skietekat	CM Skietekat	CM Skietekat			CM Skietekat	CM Skietekat		7
DA	✓	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg			JG Janse van Rensburg	JG Janse van Rensburg		7

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DA	✓	SF May	SF May	SF May	SF May	SF May	SF May	SF May	SF May	7
ICOSA	✓	VM Donson	VM Donson	VM Donson				Donson replaced by Clir BDD Linden	BDD Linden	7
George Mun.	✓	J du Toit	J du Toit	J du Toit				J du Toit	J du Toit	7
George Mun.	✓	T Teyisi	T Teyisi	T Teyisi				T Teyisi	T Teyisi	7
George Mun.	✓	HJ Jones	LBC Esau elected by IEC on 8 July 2011	LBC Esau	LBC Esau			LBC Esau	LBC Esau	7
George Mun.	✓	GC Niehaus	GC Niehaus	GC Niehaus				GC Niehaus	GC Niehaus	7
George Mun.	✓	LN Qupe	LN Qupe	LN Qupe				LN Qupe	LN Qupe	7
George Mun.	✓	P van der Hoven	P van der Hoven	P van der Hoven				P van der Hoven	P van der Hoven	7
Hessequa	✓	R Johannes	R Johannes	R Johannes(absent without leave on 22/8)				R Johannes	R Johannes	7
Hessequa	✓	D Abrahams	D Abraham	D Abrahams				D Abraham	D Abraham	7
Kannaland	✓	WP Meshoa	WP Meshoa	WP Meshoa(absent 22/8)(without leave on 26/8)				WP Meshoa	WP Meshoa	7
Knysna	✓	M Gombo	M Gombo	M Gombo				M Gombo	M Gombo	7
Knysna	✓	T Nayler	T Nayler	T Nayler				T Nayler	T Nayler	7
Mosselbay	✓	JJ Gerber - (absent)	JJ Gerber	JJ Gerber				JJ Gerber	JJ Gerber	7
Mosselbay	✓	NC Booisen	NC Booisen	NC Booisen				NC Booisen	NC Booisen	7
Mosselbay	✓	D van Rensburg	D van Rensburg	D van Rensburg				D van Rensburg	D van Rensburg	7

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DA	✓	H Floors	H Floors	H Floors	H Floors	H Floors	H Floors	H Floors	H Floors	H Floors
DA		JJA Koegelenberg	JJA Koegelenberg (sick leave)	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg
DA	✓	TA Simmers	TA Simmers	TA Simmers(absent)	TA Simmers	TA Simmers	TA Simmers	TA Simmers	TA Simmers	TA Simmers
DA	✓	NP Ngemntu	NP Ngemntu	NP Ngemntu	NP Ngemntu	NP Ngemntu	NP Ngemntu	NP Ngemntu	NP Ngemntu	NP Ngemntu
DA	✓	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat
DA	✓	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg
DA	✓	SF May	SF May	SF May	SF May	SF May	SF May	SF May	SF May	SF May
ICOSA	✓	BDD Linden	BDD Linden	BDD Linden(absent)	BDD Linden	BDD Linden	BDD Linden	BDD Linden	BDD Linden	BDD Linden
George Mun.		J du Toit	J du Toit	J du Toit	J du Toit	J du Toit	J du Toit	J du Toit	J du Toit	J du Toit
George Mun.		T Teyisi	T Teyisi	T Teyisi(absent)	T Teyisi	T Teyisi	T Teyisi	T Teyisi	T Teyisi	T Teyisi
George Mun.		LBC Esau	LBC Esau	LBC Esau	LBC Esau	LBC Esau	LBC Esau	LBC Esau	LBC Esau	LBC Esau
George Mun.		GC Niehaus	GC Niehaus	GC Niehaus	GC Niehaus	GC Niehaus	GC Niehaus	GC Niehaus	GC Niehaus	GC Niehaus
George Mun.	✓	LN Qupe	LN Qupe	LN Qupe	LN Qupe	LN Qupe	LN Qupe	LN Qupe	LN Qupe	LN Qupe
George Mun.	✓	P van der Hoven	P van der Hoven(absent)	P van der Hoven	P van der Hoven	P van der Hoven	P van der Hoven	P van der Hoven	P van der Hoven	P van der Hoven
Hessequa		R Johannes	R Johannes	R Johannes	R Johannes	R Johannes	R Johannes	R Johannes	R Johannes	R Johannes
Hessequa	✓	D Abraham	D Abraham	D Abraham	D Abraham	D Abraham	D Abraham	D Abraham	D Abraham	D Abraham

Kannaland		✓	WP Meshoa	WP Meshoa(absent)	WP Meshoa	WP Meshoa	WP Meshoa	WP Meshoa	WP Meshoa	WP Meshoa
Knysna		✓	M Gombo	M Gombo	M Gombo	M Gombo	M Gombo	M Gombo	M Gombo	M Gombo
Knysna		✓	T Naylor	T Naylor	T Naylor	T Naylor	T Naylor	T Naylor	T Naylor	T Naylor
Mosselbay		✓	JJ Gerber	JJ Gerber	JJ Gerber	JJ Gerber	JJ Gerber	JJ Gerber	JJ Gerber	JJ Gerber
Mosselbay		✓	NC Booisen	NC Booisen	NC Booisen	NC Booisen	NC Booisen	NC Booisen	NC Booisen	NC Booisen
Mosselbay		✓	D van Rensburg	D van Rensburg	D van Rensburg	D van Rensburg	D van Rensburg	D van Rensburg	D van Rensburg	D van Rensburg
Mosselbay		✓	SS Mbandezi	SS Mbandezi	SS Mbandezi	SS Mbandezi	SS Mbandezi	SS Mbandezi	SS Mbandezi	SS Mbandezi
Oudtshoorn		✓	J Harmse	J Harmse(without leave)	J Harmse	J Harmse	J Harmse	J Harmse	J Harmse	J Harmse
Oudtshoorn		✓	J Maxim	J Maxim	J Maxim	J Maxim	J Maxim	J Maxim	J Maxim	J Maxim
Oudtshoorn		✓	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen
Bitou		✓	LL Mvimbi	Resign as cllr on 1/7/12 as cllr		LL Mvimbi				
Bitou		✓		JWG Brummer appointed by IEC on 12/7/12	Brummer: Cessation of DA membership as of 31/7/2012	JWG Brummer	JWG Brummer	JWG Brummer	JWG Brummer	JWG Brummer

POLITICAL DECISION-TAKING

All decisions were implemented during the 2011/12 financial year.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Chapter 3 of the Constitution of South Africa provides that the three spheres of government are distinctive, interdependent and interrelated. The principles that underlie the relations between the spheres are that of co-operative government and intergovernmental relations (IGR). In terms hereof, each sphere must, among other things:

- respect the constitutional status, institutions, and powers and functions of government in the other spheres;
- exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere;
- co-operate with one another in mutual trust and good faith by:
 - assisting and supporting one another;
 - consulting one another on matters of common interest;
 - co-ordinating their actions and legislation with one another; and
 - adhering to agreed procedures.

The purpose of this guideline document is to support the creation and operation of national, provincial and local intergovernmental structures.

2.2 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Eden district Municipality (Eden DM) as a category C – local authority strives to deliver on its mandate, and the benefits of attending national forums is to ensure that the mission of Eden DM in providing strategic leadership and coordination to B Municipalities in the district, and upholding the principles of good governance in pursuit of excellence as a regional leader in local government is achieved.

Name of the Meeting	Responsible of Person	Sphere of Government
Tourism Indaba (exhibition)	Ms Fathima Hassain - Whatney Ms Amagene Pietersen	National

South African Institute for Environmental Health	Mrs Emmy Douglas	National
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PROVINCIAL INTERGOVERNMENTAL STRUCTURE

T2.2.2

Intergovernmental Relations in South African context concern the interaction of different spheres of government. The Constitution declares that government is comprised of National, Provincial and Local Spheres of government which are distinctive, interdependent and interrelated. These platforms are used as building blocks in the creation of a developmental state through district wide collective planning amongst all municipalities.

Forum/ Meeting Attended	Responsible Person	Sphere of Government
SCM & Moveable Assets Forum	Mr T Mpuru	Provincial
SCM & Moveable Assets Forum	Ms D Raubenheimer Mr T Mpuru	Provincial
Western Cape Air Quality Officers Forum	Mr J. Schoeman Mr D. Baartman	Provincial
Eden Air Quality Officers Forum	Mr J. Schoeman Mr D. Baartman	Provincial
Annual Air Quality Lekgotla	Mr J. Schoeman Mr D. Baartman	Provincial
Steering Committee Provincial Spatial Development Framework	Mr H Hill	Provincial
Land Use Steering Committee	Mr H Hill	Provincial
Provincial Coastal Committee	Mr V Gibbs-Halls	Provincial
Garden Route Initiative – Eden's Environmental Committee	Mr V Gibbs-Halls	Provincial
Gouritz Cluster Biosphere Reserve	Mr V Gibbs-Halls	Provincial
SanParks Stewardship Forum	Mr V Gibbs-Halls	Provincial
Blue Flag Forums	Mr V Gibbs-Halls	Provincial
24 Conservancies	Mr V Gibbs-Halls	Provincial
Keurbooms Estuary Forum Groot Brak estuary Forum Klein Brak Estuary Forum Gouritz Estuary Forum Goukou Estuary Forum Duiwenhoks Estuary Forum Breede River Estuary Forum	Mr V Gibbs-Halls	Provincial
Provincial Public Participation & Communicators Forum	Ms K Masiza	Provincial

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Western Cape Municipal Managers Forum	Mr G Louw	Provincial
LG MTECH Engagement	Mr G Louw	Provincial
Premier's Coordinating Forum	Mr G Louw	Provincial
Municipal Risk Management Forum	Mr G Louw	Provincial
Ministers and Mayoral Forum Min May Tech	Eden DM, Executive Mayor Cllr W van der Westhuizen and Municipal Manager, Mr G Louw	Provincial
Shared Services	Ms T Holtzhausen	Provincial
Provincial IDP Managers Forum	Ms R Louw, Mr R Davids	Provincial
IDP Indaba 1 and 2	Ms R Louw, Senior Manager	Provincial
Provincial HR Technical Forum	Mr G le Roux	Provincial
Quarterly CAE Forum & Quarterly Risk Management Forums	Miss N Dlengezele	Provincial
Southern Cape Karoo Environmental Health Forum	Mr H Herwels and Environmental Health Practitioners	Provincial
Western Cape Municipal Health working group	Mr J Compion, and Ms E Douglas	Provincial
South African Institute for Environmental Health	Ms E Douglas	National and Provincial
Wesgro Tourism Meeting	Ms F Hassain Watney	Provincial
Dept of Economic Development Tourism Meeting	Ms F Hassain - Watney	Provincial
Provincial Local Economic Development Forum	Ms N Raubenheimer	Provincial
Regional Chamber of Commerce	Ms F Hassain- Watney	Provincial
SALGA – HR Task Workgroup	Mr G le Roux	Provincial
SALGA Practitioner Forum	Mr G le Roux	Provincial
Institute for Municipal Personnel Practitioner Meeting	Ms L Janse van Rensburg	Provincial

DISTRICT INTERGOVERNMENTAL STRUCTURES

T2.2.4

According to the Constitution of the Republic of South Africa, Act NO. 108 of 1996, Section 41(2) an Act of Parliament must establish or provide structures and institutions to promote and facilitate Intergovernmental Relations and provide for appropriate mechanisms and procedures to facilitate settlement of Intergovernmental disputes.

As a district municipality, the responsibility of the Unit is to create platforms to enhance effective communication systems between various stakeholders for the benefit of the organization and most importantly for the community of the Eden district.

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The functional IGR district forum meetings during the year, and Communications is responsible for the secretariat functions of the District Coordinating forum, Municipal Managers Forum and District Public Participation and Communicators Forum.

FUNCTIONAL EDEN IGR FORUMS

Name of the Forum	Purpose of the Forum	Composition	Frequency of the meetings
IDP Managers Forum	Platform to engage on the IDP process of the district & local b' municipalities in the district; share best practices on IDP. Aim for alignment between the IDP of District & B-Municipalities	IDP Managers Assistant IDP Offices Relevant Stakeholders	Quarterly
LED Managers Forum	Platform for Economic Development Practitioners to discuss best practices for the implementation of LED project and programs to stimulate the local economy.	LED Managers SEDA, REDDOOR, and Relevant Stakeholders	Bi-Monthly
District Communicators & Public Participation Forum	Platform for local communications in the region to discuss plans, strategies and best practices for public participation and communications	Public Participation Official Communications Officers GCIS DPLG – Public Participation Directorate	Quarterly
District Coordinating Forum (Mayoral Forum)	To identify and implement programs aimed at realizing one of the key objectives of local government, i.e to deepen local democracy	Mayors, Municipal Managers and Provincials Departments (when requested)	Bi-Monthly
Eden Municipal Managers Forum	To discuss matters of Municipal Interests	Municipal Managers, and Provincial Departments	Bi-Monthly
Eden District Youth Council	Discuss district –wide issues	Civil society structures Youth Coordinators	Bi-Monthly
Integrated Communications and Technology (ICT) Forum	To discuss and strategize issues with regard to IT	Local Municipalities IT Specialists and administrators	Bi-Monthly
Public Transport Technical Steering Committee	To discuss Integrated Public Transport related issues regionally	District and Local Municipalities and Relevant Provincial Department	As requested
Eden Waste Management Forum	To discuss matters related to waste management	Provincial Waste Managers Regional Waste Managers Environmental Officers	Bi-Monthly

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Eden Disaster Management Forum	To discuss the regional disaster management related issues	District and local municipalities Head of Departments Provincial and local Head of Departments in Government	On - Request
Regional Tourism Organisation	To plan for the impact upon, improve and monitor tourism development	Tourism portfolio Councillors Tourism Officials Technical Committee Members (LTO Members)	Bi-Monthly
Legal Advisors Forum	To discuss legal matters in the district	District and Local Municipalities Legal Advisors	Bi-Monthly
Eden District AIDS Council	To discuss issues related HIV/ AIDS pandemic and creating awareness on issues that affect Youth in the district	District and Local Municipalities officials and relevant stake holders	Bi-Monthly
Eden/ Central Karoo HR Forum	To discuss Corporate issues	District and local Municipalities HR Managers and Labour Relations Officers	Bi-Monthly
Regional Skills development facilitators forum	Coordinate skills development initiatives in the region	Skills Development Facilitators Representatives from both unions	Quarterly
Labour Relations Forum	To address and determine best practices and uniform approach	Regional Labour Relations Officers	Bi-Monthly
Occupational Health and Safety Forum	To discuss Health and Safety issues, and consultation with employees representations	Councilors Executive Managers Health & Safety sub-committees reps Union reps	Quarterly
Chief Financial Officers Forum	Provincial and National Department provide update on any financial related issues.	CFO'S Designated Persons	Quarterly
Environmental Health Forum	Discuss KPI's , development and share experiences	District & Local Health Practitioners Law enforcement Officers	Quarterly
District Speakers Forum	To identify and implement programs.	District Speaker Local Municipalities Speakers	Not active

Copies of the minutes are kept on record and noted at the Municipal Managers Forum meeting.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.3 PUBLIC MEETINGS COMMUNICATION, PARTICIPATION AND FORUMS

PUBLIC MEETINGS							
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
District IDP mini-summit: Identification of Eden critical developmental concerns. Planning for the next five year cycle of the IDP, 2012/17	11-Oct-2011	16 Councillors (including the Executive Mayor and Speaker of Eden DM)	Approximately 40 (including Municipal Manager and Executive Managers)	180 Stakeholders from all sectors (Including Eden Representatives)	Environmental pollution and waste minimization, air quality monitoring, water quality monitoring, renewable energy, food security, HIV/Aids, life skills training, education and training, facilities for the elderly, domestic violence, alcohol abuse and SMME development.	Yes (Noted in 2012 - 2017 IDP)	District IDP Mini Summit was structured in a question and answer session. Draft IDP served the purpose of a feedback document. 4 May 2012 session was utilised to discuss feedback.
Eden IDP Engagement with Sector Departments	22-Nov-2011	11 Councillors (Including the Executive Mayor, Deputy Mayor and Speaker of Eden DM)	7 Senior Managers (Including Municipal Manager of Eden District)	22 Stakeholders representing all three spheres of government	Shared Services, Assistance with the development of Revenue Enhancing Strategies, Closing of Red Doors, Qualification criteria for Growth Fund, Assistance with the diversification of economic sectors, Unblocking Government Red Tape, Restrictions associated with the rezoning of agricultural land, Assistance with the capacity building in all B-Municipalities in Eden region, The deterioration of the road network in district, Provincial LED Forum should play a vital role in terms of alignment with strategic partners, Clarity on National Marketing strategy, Sharing of intelligence and ICT, Assistance to create network of national tourism bodies to cross market tourism offerings, Establish aftercare facilities, Reutilization of Thusong centres - currently not optimally used, Roll-out of HAST plan,	Yes (Noted in 2012 - 2017 IDP)	Engagement aimed to register the critical regional development needs for consideration in the budgets of the sector departments for the next financial year/s. B-municipalities were also represented.

Coordination of N12 road closures (various meetings)	01-Aug-12	5 Councillors	5 Municipal Administrators	30 -40 Community members in each meetings,		Yes	JOC Report
Coordination of Outeniqua Pass closure (various meetings)	Sep-11	3 Councillors	7 Municipal Administrators	20 - 30 Community members in each meetings		Yes	JOC Report
Avian influenza stakeholder meetins (various meetings)						Yes	JOC Report
Regional Chamber Forum	25-Jul-11	none	3 Administrators	14 Stakeholders		Yes	
Klein karoo Agri	11-Sep-12	none	2 Administrators	2 Stakeholders		Yes	
Hoekwil Ratepayers	19-Jul-12	none	1 Administrator	22 Stakeholders		Yes	in process
Uniondale Agriculture	28 July 202	none	2 Administrators	6 Stakeholders		Yes	in process

2.4 IDP PARTICIPATION AND ALIGNMENT

During the period under review the Eden District municipality conducted the drafting of a new 5 year Integrated Development Plan (IDP) for 2012/2017. The new 5 year IDP coincides with the term of office of the new Council inaugurated in June 2011. The District's new 5 year IDP will be effective from 1 July 2012 up to 30 June 2017. The IDP will be reviewed annually with the 5 year cycle.

The IDP, Budget and performance management system of a municipality is required to be seamlessly integrated.

The 2012/17 IDP process of the Eden DM was initiated with the adoption of the District IDP Framework plan and IDP and budget process plan on 26 August 2011 by Council. The mechanisms and institutional arrangements used to manage the IDP process included:

- The internal IDP task team;
- Structured stakeholder engagements (District IDP mini-summit, Joint district and B-municipalities engagement, District IDP alignment session with B-municipalities, District public consultation session on draft IDP & Budget)
- District IGR Forums (Municipal Managers Forum (MMF), District Coordinating Forum (DCF); Regional IDP Managers Forum).

The table below evaluates the 2012/2017 IDP of the Eden District with the legislative requirements of the Municipal Systems Act and the Municipal Finance Management Act.

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Only input and outcome
Does the IDP have priorities, objectives, KPI's, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	No
Does the budget align directly to the KPI's in the Strategic Plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T2.4.1

In the development of its new 5 year IDP for 2012/17 the district municipality aimed to achieve better alignment between the IDP and performance management with the setting of multi- year performance indicators and targets

2.5 COMMUNICATION

2.5.1 INTRODUCTION

The Communications Unit holds the core function to manage, coordinate and render the following services pertaining to communication and public relations:

- Media liaison;
- Maintaining of the historical files, stock photographs and snippets;
- Graphic Design services;
- Photography;
- Advertising;
- Coordination of a Weekly Events Calendar;
- Issuing of an internal Staff Newsletter;
- Issuing of a district IGR Newsletter;
- Content creation including: speechwriting, copywriting, proofreading, translation; and
- Administering of Eden's corporate website: www.edendm.co.za and the District Information portal: www.edengateway.co.za

Assistance from the Unit ensured that targets were met and that projects and programmes were rolled-out that are in line with the Key Performance Areas of the various internal Departments. The Unit also plays a vital coordinating role between the Western Cape Provincial Government, Local Municipalities in the Eden district and the organisation.

2.5.2 STAFF COMPONENT

The Communications Unit consists of the following staff:

- 1 x Manager: Communications
- 1 x Senior Communications Officer: IGR & Public Participation
- 2 x Communications Officer: Content Creation
- 1 x Graphic/Web Designer & Photographer

2.5.3 FUNCTIONS

2.5.3.1 MEDIA LIAISON

Professional media relations are essential to any government body and the main purpose thereof is to ultimately get the message and information out to the community of the Eden district.

Constant liaison by the Communications Unit also ensured that proper coverage of events that took place within the organisation and in the district, were given.

The following in terms of media liaison was done during the year:

- Press Releases / Media Advisories

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- News Feeds through Eden’s website 35
- Press Conferences arranged: 4
- Articles 62

The Unit sends articles on a daily basis to the newspapers, radios stations, etc. as soon as the event(s) are covered, the article compiled and approved by the Manager: Communications. Depending of the type of news that is fed, the media company will decide themselves to publish the article or not.

2.5.3.2 MAINTAINING OF THE HISTORICAL FILES, PHOTOGRAPHS AND MEDIA SNIPPETS.

Hard- and digital copies of daily news snippets including photographs are kept and stored in the archives of the Communications Unit.

These copies were collected during the year as soon as it became available and were made accessible to all officers in the Unit. All the snippets were also distributed to councillors and officials at the end of every week via electronic mail.

The type of news snippets that are stored, are news items relevant to the organisation, including news items of the local municipalities in the Eden district, advertisements e.g. notices, tenders and vacancies, as well as marketing and tourism material of the Eden district.

2.5.3.3 GRAPHIC DESIGN SERVICES

The Communications Unit completed a large number of art/design work during the year, namely: banners, posters, flyers, newsletters, corporate signage, invitations, programmes, specialised web banners, advertorials as well as tourism marketing material, etc.

The following design work was done (Refer to:):

Activity	Number/Frequency
Advertisements	6
Advertorials	1
Banners and X-Frames	9
Booklets	4
Certificates	17 Occasions
CD Covers	5
Flyers	7
Headers	12
Interactive CD's	1
Invitations	14
Logo's	6
Tourism Stands (Indaba)	3
Map designs	1
Name Tags	7 Occasions
Programmes	7
Posters	31
Signage	7
Facebook Banners and Pages	3

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2.5.3.4 PHOTOGRAPHY SERVICES

The following type of photography assistance was rendered during the year:

- Aerial Photographs;
- Formal and informal corporate events ;
- Photographs of newly appointed councillors;
- Staff photographs for website uploads; and
- Photographs for Tourism marketing.

2.5.3.5 ADVERTISING SERVICES

The Communications Unit as keeper of the corporate branding function of the organisation, all vacancies, notices, tenders and advertorials that were received from the Internal Departments to be published in newspapers and on Eden District Municipality's website, were proofread, translated, set and approved by the Acting Manager: Communications for publishing.

2.5.3.6 COORDINATING OF THE WEEKLY EVENTS CALENDAR

Information of weekly planned events was obtained from the secretaries of the various Departments on a weekly basis and were listed on the weekly events calendar. The calendar is disseminated via electronic mail to all staff and councillors of the organization and was published on Eden District Municipality's website every week. Unless no events were received from the Secretaries for a certain week, no calendar were compiled for such a week.

All logistical arrangements could have only take place after such events were communicated to the Communications Unit. It also ensured effective planning of the Communications Unit's weekly planning.

2.6.3.7 PRODUCTION OF THE INTERNAL STAFF NEWSLETTER

Month

- September 2011
- October 2011
- January 2012

Information was obtained from the various Internal Departments and were written in article format, proofread or translated by the Unit. Telephonic interviews at certain occasion are also necessary in order to get the exact facts.

2.6.3.8 PRODUCTION OF THE DISTRICT IGR NEWSLETTER

Edition	Month	Copies distributed
8	July - August	30 000
9	September - December	15 000
10	January - May	15 000

translated. Internal Departments send articles to be included which is relevant for the community to be aware of.

Telephonic interviews at certain occasion are also necessary in order to get the exact facts.

The newsletters were distributed at lower income residential areas in the district and a certain number were kept in the archives for future reference. The Communications Unit were responsible for the distribution of these newsletters.

2.5.3.9 CONTENT CREATION INCLUDING, COPYWRITING, PROOFREADING, TRANSLATION

Content creation forms part of various other functions within the Unit, writing for print and broadcasting media, the website, internal staff newsletter and the district IGR Newsletter. The Content Creators in the Unit attended the events, obtained information from internal departments and the B-Municipalities in the district for the writing of such content.

All information are proofread and in certain cases translated, depending on the need of the audience that is targeted, e.g. if an article is published and the community that the article is intended for, is Afrikaans literate - the article will be written in that specific language and a short summary in another language will also be inserted (this only applies to the IGR and Staff newsletters).

COMPONENT D: CORPORATE GOVERNANCE

PERFORMANCE HIGHLIGHTS PER DIRECTORATE/FUNCTIONAL AREA

2.6 RISK MANAGEMENT

The municipality's audit function continuously audit the performance reports received for organisational key performance indicators (KPI'S) and project progress. As required by regulation the IA produces the audit report on a quarterly basis which is submitted to the Municipal Manager and the Audit and Performance Audit Committee (APAC).

Auditing is necessary to prevent:

- Inconsistencies in performance management or methodology of data collection.
- Incorrect processing and poor documentation of performance management.
- Biased information collection and reporting by those whose image is at stake in the performance management process.

The regulation specifies that any auditing must include assessment of:

- Functionality of the municipality's performance management system.
- The compliance of the system with the legislation.
- Extent to which performance measurements are reliable in measuring the performance of the municipality.

ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management is a process, affected by an entity's Accounting Officer, management and other personnel, applied in strategy setting and across the entity, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives

The need for local government to implement effective ERM systems are clearly described in the following extract from the MFMA, Section 62(1)(c)(i) that the general responsibilities of the Accounting Officer are as follows::

1. That the accounting officer for a municipality
 - (a) Must ensure that the municipality, has and maintains
 - (i) Effective, efficient and transparent system of financial and risk management and internal control

In addition National Treasury Regulation 3.2.1 also makes it clear as to what needs to be done in terms of risk management implementation as follows:

The accounting officer must ensure that a risk assessment is conducted regularly to identify emerging risk of the institution. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit unit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the institution.

The information below is a summary of all the highlights of activities that were undertaken during the financial year

In recognising the need for more coherent and consistent approach to risk management, EDM started developing a formal Enterprise Risk Management (ERM) framework in 2010/2011 that aims to ensure that risk could impede the achievement of objectives if they are managed better and mitigated earlier, thereby improve the district municipality's ability to carry out its mission and achieve its goals.

The ERM committee consist of the Municipal Manager, the Executive Managers, and senior representative from each department (nominated risk champions). The committee's role is to guide senior management's attention which contributes to a more informed decision making process. The committee communicates serious risks to senior management attention, which contributes to more informed decision making process. The committee met four times during 2011/2012 financial year. ERM committee has a rolling work plan detailing activities to be carried out during the year.

The ERM year under review saw the review of the ERM policy, the establishment and the functioning of the ERM committee, the involvement of the Internal Audit unit in monitoring and giving assurance that, the controls in place are being mitigated, the oversight role that have been demonstrated by the Audit & Performance Audit Committee in ensuring that high risk are being mitigated, the nomination & appointment of the risk champions in each department in raising awareness and knowledge sharing in risk management.

The municipality has prepared an Annual Risk Assessment Plan with a regular review and update as necessary. This plan was designed by a service provider who has introduced a risk management framework that identifies and assessing risk covering all areas of the municipal activities.

The objective of corporate governance is to encourage municipalities to adhere to principles espoused in the King III Report on the corporate governance (King III) given its promotion of an advance level of institutional conduct. Similarly, the basic principles of the service delivery (Batho Pele, 1997) clearly articulate the need for prudent risk management and internal audit to underpin the achievements of the municipal objectives.

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Going forward the municipality risk unit with the assistance of the risk champions will identify and manage internal and external risks that are facing EDM. The Municipal Manager, the senior manager, risk champions, the Internal Audit unit and the Audit Committee will continue to participate in efforts to minimise the uncertainty of events which have the potential to undermine the achievement of the IDP objectives in the most effective, efficient and economical manner.

CHALLENGES PER DIRECTORATE/FUNCTIONAL AREA

Performance Information remains a challenge in terms of management providing sufficient appropriate audit evidence in their POE files on a quarterly basis to Performance unit and updating their actual results with corrective measures if targets weren't met on Ignite system however, the highlights will be that, the KPI's of the municipality have been revised in order for the line managers to own and understand the information required when preparing their POE files and also in terms of compliance with the required legislation we had an effective Internal Audit Unit where we have reported quarterly on Performance Information and we had a functioning Performance Audit Committee that will also report to council on the results of the Performance of the municipality.

Performance Challenges per directorate/functional area

2.7 INTERNAL AUDIT

Section 165 of the Municipal Finance Management Act, No. 56 of 2003, prescribes that each municipality must have an internal audit unit.

The Internal Audit unit is responsible for the following:

- (a) Preparing a Risk Based Audit Plan for each financial year & Internal Audit Program for each financial year
- (b) Advising the Municipal Manager and reporting to the Audit & Performance Audit committee on the following:
 - The implementation of the audit plan;
 - Internal audit;
 - Internal controls;
 - Accounting procedures and practices
 - Risk and risk management;
 - Performance management;
 - Loss control;
 - Compliance with the Municipal Finance Management Act No 56 of 2003; the annual Division of Revenue Act and any other applicable legislation.
- (c) Perform any other such duties as may be assigned to the unit by the Municipal Manager. The municipality may determine that it is cost effective to outsource the auditing function.

THE ROLE OF INTERNAL AUDIT AT EDEN DM CAN BE SUMMARISED AS FOLLOWS:

Internal audit monitors the risk management process of the Eden DM and make such recommendation as considered necessary to Management and the Audit Committee.

Internal Audit adopted a risk based, integrated audit approach, which supports the risk management approach of Eden DM.

A three year risk audit based plan was drafted for the district in April 2011. The Internal Audit unit monitors whether controls are in place to mitigate the risks identified in the plan. A new 3 year plan will be drafted in the 2014/15 financial year.

Assistance to B-municipalities

At this stage, the Eden internal audit unit has limited staffing capacity to assist B-municipalities with their internal audit function on a regular basis.

Composition of the Audit and Performance Audit Committee (APAC)

The APAC is an independent advisory body to the municipal council and this committee was established by council to assist it with execution of its mandate. The APAC comprises of four (4) members and both the internal and external auditors had unrestricted access to the Audit Committee. The roles of the APAC are set out in section 166 of the MFMA.

INTERNAL AUDIT RELATED CONSTRAINTS / CHALLENGES

(1) To ensure that the Internal Audit division is fully capacitated in terms of:

- Warm bodies
- Certification of staff and professional development.

(2) We are striving to cover the full mandate of the Internal Audit within the municipality by ensuring that we are providing an independent, objective assurance and consulting service beyond internal auditing assurance service, to assist management in meeting its objectives that is designed to add value and improve the municipality's operations.

(3) We are also striving to assist the Municipal Manager and council by providing an independent evaluation on the reliability and integrity of financial and operational information before being submitted to the Auditor General.

(4) Being able to extend the Internal Audit to the district as a regional facilitator through the shared services.

(5) We had a functioning and effective Internal Audit unit and we have exceeded our legislated deadline of reporting to the Audit and Performance Audit Committee (APAC) for the year. The management developed action plans to address the issues identified in the previous years and in our Internal Audit Reports and the municipality is working towards achieving operational clean audit report.

PERFORMANCE MANAGEMENT INFORMATION

The status of the performance management function in Eden DM is as follows:

Performance Information remains a challenge in terms of management providing sufficient appropriate audit evidence in their POE files on a quarterly basis to Performance unit and updating their actual results with corrective measures if targets weren't met on Ignite system however, the highlights will be that, the KPI's of the municipality have been revised in order for the line managers to own and understand the information required when preparing their POE files and also in terms of compliance with the required legislation we had an effective Internal Audit Unit where we have reported quarterly on Performance Information and we had a functioning Performance Audit Committee that will also report to council on the results of the Performance of the municipality.

2.8 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The role of the Internal Audit in the municipality is to assist the Municipal Manager and the Council to meet their objectives and to discharge their responsibilities by providing an independent evaluation of the adequacy and effectiveness of Eden District Municipality's network of risk management. In 2009, Council approved the establishment of an Enterprise Risk Management Unit to ensure the efficient and effective practice of risk management as well as to comply with the relevant legislature. A Risk Management policy was drafted in June 2010 and will hopefully be approved and adopted by Council in the next financial year.

National Treasury Regulation 3.2.1 stipulate clear instructions as what needs to be done in terms of risk management implementation; "The accounting officer must ensure that a risk assessment is conducted regularly to identify emerging risks of the institution. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the institution."

Internal Audit department execute quarterly internal audits in order to add value and improve the organisations operations. A 3 year risk management implementation plan with risk management activities has been planned for the 2011/12 financial year. Audits was carry out as set in the implementation plan.

An external audit committee was appointed in 2010 and was fully functional in the 2010/11 financial year. Quarterly meetings was held and reports / was submitted to them for review and further consideration.

A newly amended Supply Chain Policy was also compiled in order to comply with National legislation. This SCM policy will address gaps that were found in the previous one.

A resolution was adopted by Eden Council to implement an Anti-Fraud Strategy in October 2009. The development and compilation of a Anti-Corruption Hotline was an initiative initiated for the 2010/2011 financial year. To ensure effective implementation of the Anti-Fraud Strategy of Eden DM, an informal tender were placed in the media for the establishment of an Anti-Fraud Helpline for the Eden DM and the Region with closing date 16 May 2012. The aim is to provide an opportunity and mechanism to all employees and members of the community within Eden DM to report incidents of fraud, misconduct and/or corruption. The appointment of the Service Provider is in process and will be concluded soon.

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2.9 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Eden District Municipality's Supply Chain Management Policy and Procedures have undergone a thorough process of review by the Municipal Manager and the extended management team. The policy although modeled around the recommended Supply Chain Management Policy by Treasury, management continued to customize the

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process around unique circumstances of Eden District Municipality and ensured that the Policy and processes are geared towards Eden's entity's specific environment. Eden District Municipality utilised the expertise of Western Cape Provincial Treasury to review the municipality's policy and process and ensured that the recommendations of Treasury that are relevant to our environment are adopted into the policy.

With the current turbulent times in the economy, Eden District Municipality finds itself under considerable financial constraints that have seen a number of projects undertaken by the municipality reduced in 2011/12 financial year. Several projects had to be cancelled as budget allocations were insufficient to meet the options presented by the service providers in the tender proposals. Tough times have seen various measures being undertaken to ensure value for money and cost effectiveness being attained; as a result we have come to see a greater application of strategic sourcing coming into effect. The announcement by the Minister of Finance of the Republic in establishing a standard price listing for goods and services for public services would bode well for public services and rid the market of highly inflated prices by middleman and "tenderpreneurs".

However the challenge remains in the unwillingness of service providers to register on the Supply Chain Management Database for reasons such as; the compulsory onerous documentation that has to be completed by the service providers, providing all the relevant information and declarations such as Valid Tax certificates.

Several formal complaints have reached the municipalities from disgruntled service providers informing the Municipality that they will not provide any more quotations in the future as it yields no value to their business. Suppliers still fail to understand that providing quotations to the municipalities does not entitle them to rendering goods and services to municipalities, an only providing quality goods and service at competitive pricing will give them the edge over their competitors.

A Supplier Open Day was planned during the 2011/2012 financial year by Provincial Treasury in collaboration with the Municipalities in the districts for 11 September 2012, which created a platform where greater synergy was established between Public Service Procurement System and the greater business community in the district. Relevant role players were present to engage with the service providers and enlighten them of the type of services that are out there which could greatly assist them in the running of their entities. The target group comprised of all industries and this platform resolved a lot of issues that used to exist in procurement.

Through continuous development and capacitation of the Supply Chain Unit Management, we trust that the Supply Chain Unit will be able to play its role and contribute towards Council achieving the key milestones set for 2015 of being a level 3 capacity Municipality. We endear ourselves entirely to the objectives of council and have come to embrace the new vision and mission of Council.

Eden, a future empowered through excellence.

Council is working towards greater synergy with the broader business community in the region and trust that in this process the greater community of Eden District Municipality will see tangible benefits derived from Eden Council's presence in the region.

CHAPTER 2

2.10 WEBSITES

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Two websites are currently administrated by the Communication Unit, namely: the Eden corporate website (www.edendm.co.za), as well as the district information portal.

The communication unit strive to place all relevant information on the corporate website as required in terms of the Municipal Systems Act (MSA) and Municipal Finance Management Act (MFMA). In order to achieve Eden's vision: "Eden a future empowered through excellence" the website is use as a tool to disclose information to the public and external users about decisions taken, council's finances and activities.

Currently Eden's website meets the requirements as set out in section 75 of the MFMA. However, there is still room for improvement. To address this, a revised corporate website is in the process of being developed and will be up and running in the next financial year. This website will be more functional and user friendly.

No progress was made in placing computers in accessible locations for public access.

CHAPTER 3

OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is prescribed by chapter of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players.” This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a performance management framework that was approved by Council in April 2007 and a Performance Management Policy that was adopted by Council in April 2007.

ORGANISATIONAL PERFORMANCE

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was submitted by the end of June but only approved by the Mayor on the **13th of October 2011** and the information was loaded on an electronic web based system.
- The web based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the **10th** of every month for the previous month’s performance.
- Additionally, the performance system administrator reminded all departments on a **weekly** basis to update their actual performance on the web based system.
- The actual results against monthly targets set, are discussed in the one on one session with the MM and Executive Managers to determine early warning indicators and discuss corrective measures if needed.
- The first quarterly report was submitted to Council on the 28 October 2011 (Agenda item DC 110/10/11) and the second quarterly report formed part of the section 72 report in terms of the Municipal Finance management Act, which was submitted to the Mayor on (25/01/2012, served before Council on 27/01/2012, DC 184/01/12). The third quarter report was submitted to council on 30/05/2012 (Agenda item DC 250/05/12).
- The Quarterly SDBIP performance reports are also submitted to the Performance Audit Committee. The quarterly reports were submitted to the committee on (19 August 2011), (14 November 2011, (22 February 2012) and (12 June 2012).
- Internal Audit performed a statutory compliance review which included revision of the information contained in the budget / SDBIP and reviewed IDP and reported thereon. In addition, a compliance review was performed on the submission of the budget / SDBIP and performance agreements of managers reporting directly to the Municipal Manager to ensure compliance to the relevant legislative requirements. Furthermore, a review of the 4th quarter performance proof of evidence against signed-off key performance indicators for 2010/11, were performed. The 1st and 2nd quarter performance of 2011/2012 is currently been reviewed.

INDIVIDUAL PERFORMANCE MANAGEMENT

MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2011/12 financial year were signed during July 2011 or 29 July 2011) as prescribed.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2010/11 financial year (1 January 2011 to 30 June 2011) took place on (October, various dates due to availability) and the mid-year performance of 2011/12 (1 July 2011 to 31 December 2011) took place on (27 February 2012, due to availability).

The appraisals were performed by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor
- Portfolio Chairperson
- Municipal Manager
- Chairperson of the Audit Committee
- Municipal manager from other municipality

OTHER MUNICIPAL PERSONNEL

The municipality is in process of implementing individual performance management to lower level staff in annual phases.

THE IDP AND THE BUDGET

The IDP was reviewed for 2011/12 and the budget for 2011/12 was approved by Council on **21 April 2011**. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

The strategy map below illustrates the strategic link of the focus areas of the municipality with the National Key Performance Areas. The National Key Performance Areas is aligned with the strategic objectives that were identified in the 2011/12 reviewed IDP. The strategic objectives are linked to the outcomes for 2011/12.

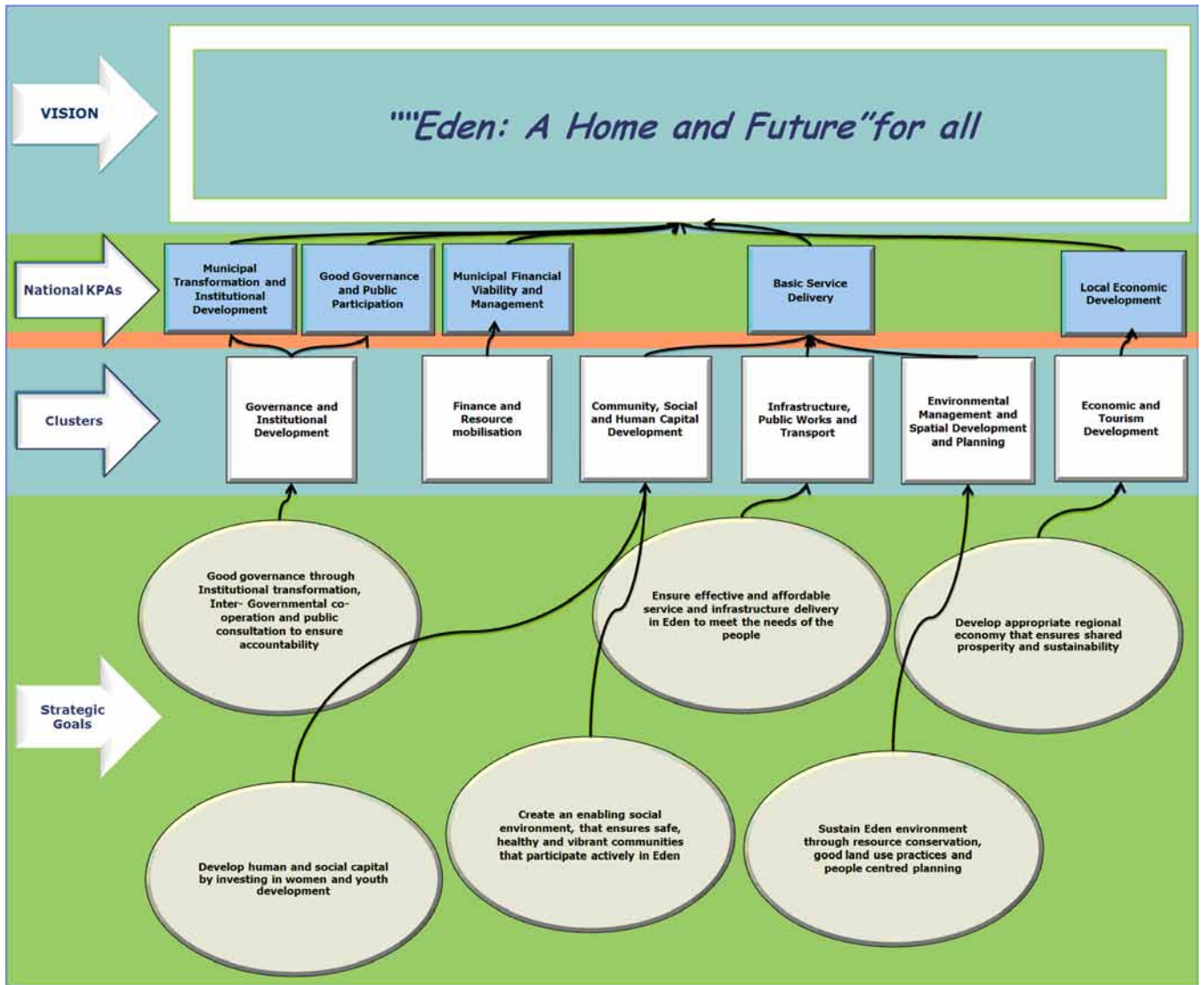


Figure 1: Strategy Map

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2011/12 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore, includes an overview on achievement in 2011/12 compared to actual performance in 2010/11.

3.1 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LAYER)

OVERALL PERFORMANCE

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements).

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the 5 National Key Performance Areas (KPA) linked to the Municipal KPA's and IDP (strategic) objectives.

The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi's) of the SDBIP is measured:

Category	Color	Explanation
KPI's Not Yet Measured	Grey	KPIs with no targets or actuals in the selected period.
KPI's Not Met	Red	0% \geq Actual/Target < 75%
KPI's Almost Met	Yellow	75% \geq Actual/Target < 100%
KPI's Met	Green	Actual/Target = 100%
KPI's Well Met	Dark Green	100% > Actual/Target < 150%
KPI's Extremely Well Met	Dark Blue	Actual/Target \geq 150%

Figure 2: SDBIP Measurement Categories

The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the table and graph below:

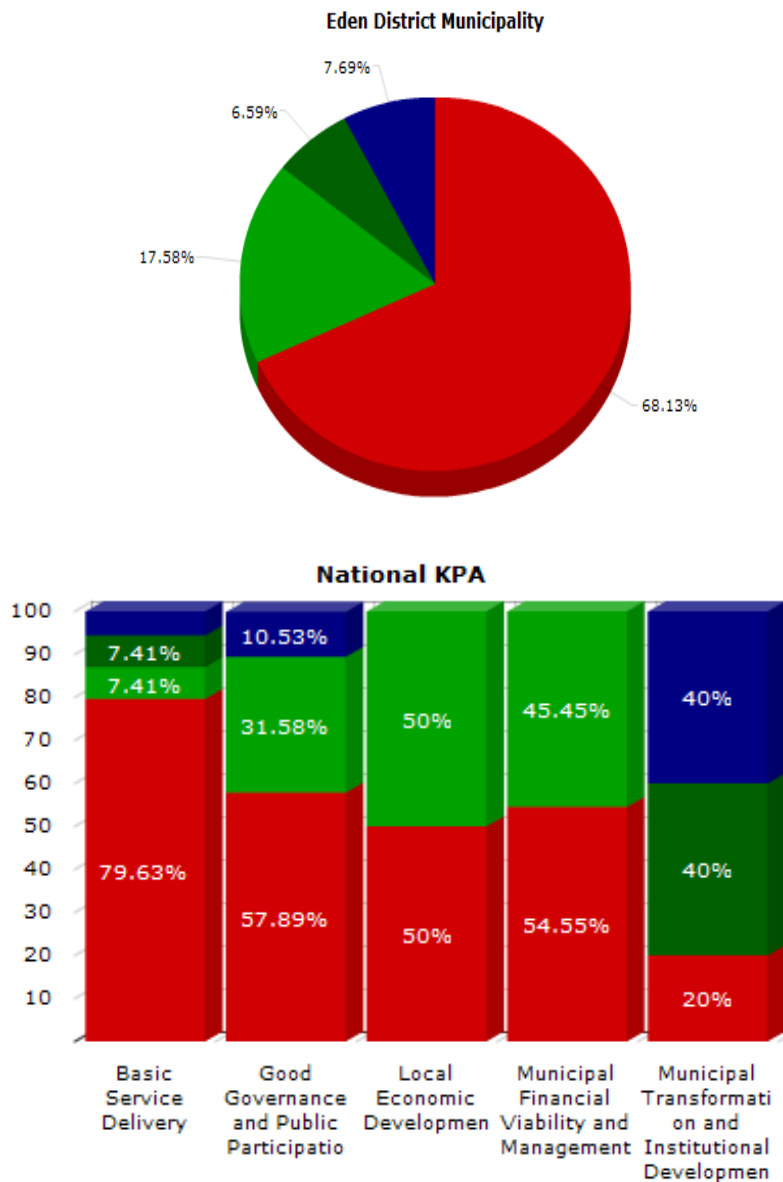
Directorates	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met
Basic Service Delivery	54	3	4	4	0	43
Good Governance and Public Participation	19	2	0	6	0	11
Local Economic Development	2	0	0	1	0	1

CHAPTER 3

Directorates	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met
Municipal Financial Viability and Management	11	0	0	5	0	6
Municipal Transformation and Institutional Development	5	2	2	0	0	1
Eden District Municipality	91	7	6	16	0	62

Graph 1: *Top Layer SDBIP Performance per National KPA*

The graph below displays the overall performance per National Key Performance Areas for 2011/12:



Graph 1: *Overall Strategic performance per National KPA*

CHAPTER 3

ACTUAL STRATEGIC PERFORMANCE AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED

TOP LAYER SDBIP - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The National Key Performance Area Good Governance and Public Participation are linked to the Municipal Key Performance Area namely *Governance and Institutional Development*. The IDP Objective that is linked to Good Governance and Public Participation is: “*Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability*”

Ref	KPI	Unit of measurement	Wards	Actual performance 2010/ 11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets					Actual			
					Q1	Q2	Q3	Q4	Annual				
TL37	Implementation of the Employment Equity Act measured by the number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	No of people employed in the three highest levels of management	All	New performance indicator for 2011/12. No comparatives available	0	0	0	2	2	1	R	1 Person appointed as Fire Chief (Coloured Male). Target wrongly set. No employees appointed above Trade 13	
TL41	Annual report and oversight report of council submitted before the end of March	Report submitted to Council	All	100%, Submitted in March 2011	0%	0%	100%	0%	100%	0%	R	Annual report and oversight reports were adopted by Council on 30 March 2012, (DC 220/03/12)	
TL39	Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	All	3	1	1	1	1	4	9	B	n/a	
TL40	Effective functioning of the committee system measured by the number of committee meetings per committee per quarter	No of sec 79 committee meetings per committee per quarter	All	7	1	1	1	1	4	19	B	n/a	

CHAPTER 3

Ref	KPI	Unit of measurement	Wards	Actual performance 2010/ 11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets								
					Q1	Q2	Q3	Q4	Annual				
TL51	The adjustment budget is approved by Council by the legislative deadline	Approval of adjustments budget before the end of February	All	100%, January 2010	0	0	1	0	1	0	R	Adjustment budget was approved by council January 2012, SDBIP was not updated	
TL50	The main budget is approved by Council by the legislative deadline	Approval of Main budget before the end of May	All	Not updated on SDBIP 10/11 but was approved in April 2010	0	0	0	1	1	1	G	Not applicable	
TL42	Revise by-laws to ensure effective and up to date by-laws	No of By-laws revised annually	All	100%	0	0	0	1	1	1	G	n/a	
TL60	Functional performance audit committee measured by the number of meetings per annum	No of meetings held per quarter	All	4	1	1	1	1	4	2	R	Internal auditor: The Audit Committee is fully functional. Five Audit Committee meetings were held during the year under review, namely: 19 August 2011 14 November 2011 22 February 2012 22 March 2012 12 June 2012	
TL79	No of Section 57 performance agreements signed by the end of July	No of performance agreements signed	All	6	5	0	0	0	5	5	G	n/a	
TL72	The SDBIP is approved by the Mayor within 28 days after the budget has been approved	SDBIP approved before the end of June	All	Not updated on SDBIP 10/11	0	0	0	1	1	1	G	n/a	
TL61	Appropriate planning of internal audit activities in terms of an approved revised risk based audit plan	Plan revised by the end of June 2012	All	100%	0	0	0	1	1	1	G	n/a	
TL59	The municipality comply with all the relevant legislation	0 findings in the audit report on non-compliance with laws and regulations	All	0	0	0	0	0	0	0	G	n/a	

CHAPTER 3

Ref	KPI	Unit of measurement	Wards	Actual performance 2010/ 11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets								
					Q1	Q2	Q3	Q4	Annual				
TL71	Integrated development planning measured by the alignment of the municipal spending with IDP	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	All	71%	0%	0%	0%	80%	80%	0%	R	The Acting Manager Strategic Services' contract was terminated on 31 March 2012. Restructuring was in process during the time and all these functions were moved to the Acting Manager Support Services. MM appointed the AMSS who will address the outcome of this KPI Financial source: Eden DM monthly IYM summary 2010/11	
TL74	Determine the potential regional shared services required with the completion of the readiness audit by the end of December	Final report on the potential services identified	All	1	0	1	0	0	1	0	R	Discussed at MMF Meeting 13 April and formal request to Province to support Eden DM with Legal Services and ICT, Discussions with Provincial Department and GIZ regarding outcome of report, Discussions with Ignite to implement ICT, Legal and Risk Management Shared Services for Region	
TL77	Enhancement of integrated planning in the district by developing a district IDP framework by end of August 2011	Framework developed by the end of August 2011	All	100%	100%	0%	0%	0%	100%	0%	R	IDP Framework plan was adopted by Council on 24 August 2010 (DC 288/08/10)	

CHAPTER 3

Ref	KPI	Unit of measurement	Wards	Actual performance 2010/ 11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets								
					Q1	Q2	Q3	Q4	Annual				
TL73	Establish shared services partnerships before the end of June 2012	Commitment of partnership towards establishment of shared services	All	90%	0%	0%	0%	100%	100%	0%	R	GIS, Call Centre, Collaborator, Renewal of Call Centre SLA between Eden and Mossel Bay for 2011/2012. Discussions with Knysna regarding Call Centre Shared Services. Meeting to be scheduled with Knysna to finalise SLA in September 2012. The GIS contract is in process to be signed	
TL75	Facilitate and coordinate shared services in the district for the financial year	No of initiatives shared	All	4	0	2	0	2	4	0	R	GIS SLA signed by 6 B Municipalities. GIS SLA to be finalised with ESRI South Africa, Discussions with Provincial Department in process to finalise SLA by September 2012	
TL76	Facilitation of IGR in the district measured by the number of MMF and DCF meetings held	No of meetings per forum per quarter	All	6	2	2	2	2	8	0	R	Two meetings were postponed due to unforeseen circumstances- DCF of 24 Aug 2010 and MMF of 3 June 2011	
TL78	Improve communication within the district with the issue of quarterly newsletters	No of newsletters distributed	All	6	1	1	1	1	4	0	R	Target exceeded	

Graph 2: Top Layer SDBIP – Good Governance and Public Participation

CHAPTER 3

TOP LAYER SDBIP - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The National Key Performance Area Municipal Transformation and Institutional Development are linked to the Municipal Key Performance Area namely *Governance and Institutional Development*. The IDP Objective that is linked to Municipal Transformation and Institutional Development is: “*Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability*”

Ref	KPI	Unit of Measure-ment	Wards	Actual performance 2010/ 11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets					Actual			
					Q1	Q2	Q3	Q4	Annual				
TL43	% Vacancy level as % of approved organogram to create an effective institution with sustainable capacity	% Vacancy level	All	18%	0%	0%	0%	15%	15%	9.20%	B	n/a	
TL46	Implementation of skills development plan with targeted skills development	No of personnel actually trained/ No of personnel identified for training	All	80% (609 personnel)	0%	0%	0%	80%	80%	100%	G2	n/a	
TL38	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	100% of legal target of 1% of municipal budget	0%	0%	0%	100%	100%	24.70%	R	14 - Advanced Computer Training 3 - Mechanical Learnership 1 - LED Learnership NQF 5 44 - OHS Legal Liability Training 31 - Minimum Competency Level Training 3 - LGAAC Training 9 - LGAC Training 55 - Basic Life Skills 20 - Transformational Leadership 15 - LAW Enforcement Officer Training	
TL44	Effective labour relations by facilitating regular LLF meetings per annum	No of meetings of the LLF per annum	All	10	1	1	1	1	4	5	G2	n/a	
TL45	Revise identified HR policies by the end of June to ensure compliant and up to date HR policies	No of policies revised	All	100%	0	0	0	1	1	10	B	n/a	

Graph 3: : Top Layer SDBIP – Municipal Transformation and Institutional Development

CHAPTER 3

TOP LAYER SDBIP - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The National Key Performance Area Municipal Financial Viability and Management are linked to the Municipal Key Performance Area namely *Finance and Resource Mobilization*. There is no IDP Objective that is linked to Municipal Financial Viability

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Performance of 2011/12							Corrective measures for targets not achieved
					Targets					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
TL49	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	All	This was deleted as this is for B municipalities	0	0	0	1.2	1.2	0	R	This was deleted as this is for B municipalities
TL47	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt coverage ((Total operating revenue- operating grants received)/ debt service payments due within the year)	All	This was deleted as this is for B municipalities	0%	0%	0%	12%	12%	0%	R	This was deleted as this is for B municipalities
TL48	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	This was deleted as this is for B municipalities	0	0	0	9	9	0	R	N/A. Consumer debtors transferred to George municipality
TL54	Approved financial statements submitted by 31 August	Approved financial statements submitted	All	100%, 28 September 2011	100%	0%	0%	0%	100%	0%	R	Busy with AFS, must only be submitted 31 Aug 2012

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Performance of 2011/12							Corrective measures for targets not achieved	
					Targets					Actual			
					Q1	Q2	Q3	Q4	Annual				
TL52	Compliance with GRAP 16, 17 & 102 to ensure effective asset management	0 findings in the audit report on non-compliance	All	0	0	0	0	0	0	0	0	G	Consultants, PWC Baud, Meyer & Otto in Partnership with Mubesko, were contracted in assist in the EDM in the compliance of Directive 4 and GRAP standards relating to assets. Audit queries would determine the extent to which corrective elements. Audit queries would determine the extent to which corrective elements have to be implemented. Percentage of performance to be evaluated once Management Letter is issued.
TL57	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	All	0	0	0	0	0	0	0	0	G	n/a
TL55	Improvement in capital conditional grant spending measured by the % spent	% of the grant spent	All	100%	25%	50%	75%	100%	100%	100%	100%	G	n/a

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Performance of 2011/12								Corrective measures for targets not achieved
					Targets					Actual			
					Q1	Q2	Q3	Q4	Annual				
TL56	Improvement in operational conditional grant spending measured by the % spent	% of the grant spent	All	100%	25%	50%	75%	100%	100%	100%	100%	G	n/a
TL53	Quarterly report on progress with implementation of key controls as identified in key control deficiencies by the Auditor-General	Quarterly reports submitted on achievement of committed dates	All	Discussed at GRAP meetings	1	1	1	1	4	0		R	Audit report issued on 21 Feb 2012; 2 GRAP meetings were held to discuss audit findings and proposed action plans.
TL58	Successful implementation of an integrated financial management system by June 2013	No of modules successfully implemented	All	New performance indicator for 2011/12. No comparatives available	0	0	0	3	3	3		G	n/a
TL82	Increased own revenue by identifying additional revenue streams to increase available funds	No of successful funding applications of more than R200000	All	0	0	0	0	5	5	0		R	None

Graph 4: Top Layer SDBIP – Municipal Financial Viability and Management

CHAPTER 3

TOP LAYER SDBIP - LOCAL ECONOMIC DEVELOPMENT

The National Key Performance Area Local Economic Development is linked to the Municipal Key Performance Area namely *Economic and Tourism Development*. The IDP Objective that is linked to Local Economic Development is: “Develop appropriate regional economy that ensures shared prosperity and sustainability”

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Performance of 2011/12							Corrective measures for targets not achieved
					Targets					Actual		
					Q1	Q2	Q3	Q4	Annual			
TL70	The number of jobs created through municipality's local economic development initiatives including capital projects	Number of jobs created	All	84 work opportunities through the EPWP	0	0	0	540	540	289	R	We could not meet the target, due to financial challenges
TL80	Successful international partnerships concluded to increase tourism in the district	No of successful partnerships concluded	All	1	0	0	0	1	1	1	G	Livingstone project

Graph 5: Top Layer SDBIP – Local Economic Development

TOP LAYER SDBIP - BASIC SERVICE DELIVERY

The National Key Performance Area Basic Service Delivery is linked to the Municipal Key Performance Areas namely *Community, Social and Human Capital Development and Infrastructure, Public Works and Transport*. The IDP Objectives that is linked to Basic Service Delivery is: “Create an enabling social environment that ensures safe, healthy and vibrant communities that participate actively in Eden ”and“ Ensure effective and affordable service and infrastructure delivery in Eden to meet the needs of the people”

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Performance of 2011/12							Corrective measures for targets not achieved
					Targets					Actual		
					Q1	Q2	Q3	Q4	Annual			
TL36	Co-ordinate and facilitate the implementation of the District Youth policy by the number of activities, programmes, projects	# Of activities, programmes, project	All	New performance indicator for 2011/12. No comparatives available	0	0	0	3	3	0	R	No Information available
TL31	Co-ordinate and facilitate the implementation of the HAST plan	# Of activities, programmes, projects	All	New performance indicator for 2011/12. No comparatives available	0	0	0	3	3	0	R	Exceeded our annual target

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets								
					Q1	Q2	Q3	Q4	Annual				
TL35	Develop a gender implementation plan	Plan completed	All	New performance indicator for 2011/12. No comparatives available	0	0	0	1	1	0	R	Currently in process with assistance of SALGA and Gender Links No funding for gender in this budget year	
TL32	Disability: Development of a District disability plan by end June 2012	Plan developed by June	All	New performance indicator for 2011/12. No comparatives available	0	0	0	1	1	0	R	Currently in process with Disability plan with assistance of SALGA.	
TL33	Poverty strategy: Develop an integrated District Strategy by June 2012	By end June	All	New performance indicator for 2011/12. No comparatives available	0	0	0	1	1	0	R	It was agreed in our Dept. that a poverty strategy will not be developed due to a lack of funding. It is also the Dept's view that the IDP should be seen as the Poverty strategy for the District.	
TL34	Social development in terms of the number of initiatives to the elderly in the District	No of initiatives	All	New performance indicator for 2011/12. No comparatives available	0	0	0	1	1	0	R	No Information available	
TL2	Development of Municipal Health Strategy and submit to Council	By end June	All	New performance indicator for 2011/12. No comparatives available	0	0	0	1	1	0	R	Compiled in our IDP 2012/13, this KPI has been deleting in the new 2012/2013 year as the statutory role of municipal health is to monitor and inspect.	
TL9	Monitor food to ensure compliance with the required legislative standards	No of samples taken per quarter	All	100%	177	177	177	177	708	245	R	Target has been revised in the new SDBIP 2012/13	
TL15	Monitoring of dairies to ensure compliance with the required legislative standards	No of inspections per quarter	All	25%	90	90	90	90	360	106	R	Municipal Health frequency document of visits to dairies has been revised	
TL7	Monitoring of farms measured in terms of the number of inspections in the district	No of inspections per quarter	All	100%	80	80	80	80	320	60	R	EHP Ratio not met in certain areas, Request for filling vacant positions	

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets								
					Q1	Q2	Q3	Q4	Annual				
TL8	Monitoring of food production and/or handling sites complying with the required standards measured in terms of the number of inspections per site	No of inspections per quarter	All	New performance indicator for 2011/12. No comparatives available	90	90	90	90	360	1,220	B	Wrong targets were set. Exceeded the target, Target has been revised in the new SDBIP 2012/13	
TL12	Monitoring of Non-food premises eg. garages, crèches, caravan parks (i.e. Surveillance premises) to ensure compliance with required legislative standards	No of inspections per quarter	All	New performance indicator for 2011/12. No comparatives available	900	900	900	900	3,600	1,090	R	Wrong targets were set. Exceeded the target, Target has been revised in the new SDBIP 2012/13	
TL1	Monitoring of water quality in the district in terms of the identified sample as per the EQMS program	Number of samples per quarter	All	New performance indicator for 2011/12. No comparatives available	90	90	90	90	360	187	R	Wrong targets were set. Exceeded the target, Target has been revised in the new SDBIP 2012/13	
TL3	Monitoring of water quality other than municipal water eg. Farms, resorts and rural areas by the number of visits	Number of visits	All	New performance indicator for 2011/12. No comparatives available	20	20	20	20	80	95	G2	n/a	
TL25	Provide health education to the community in terms of health awareness training sessions	No of training sessions held	All	New performance indicator for 2011/12. No comparatives available	0	0	0	39	39	348	B	n/a	
TL21	Enforce air quality compliance on a monthly basis by the number of inspections taken	# Of inspections taken	All	New performance indicator for 2011/12. No comparatives available	36	36	36	36	144	0	R	Wrong target was set	
TL16	Establish and maintain proper control over the disposal of medical and health care risk waste to ensure compliance with the required legislative requirements	No of inspections	All	New performance indicator for 2011/12. No comparatives available	0	0	0	13	13	0	R	Wrong target was set, We clarified the role and responsibilities between Mr Hubbe and Environmental Health Practitioners	

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets								
					Q1	Q2	Q3	Q4	Annual				
TL23	Establish and maintain proper control over the disposal of industrial and hazardous waste to ensure compliance with the required legislative requirements	No of inspections per annum	All	New performance indicator for 2011/12. No comparatives available	0	0	0	8	8	0	R	Access was given to Mr. Hubbe to capture his own information. We clarified the role and responsibilities between Mr. Hubbe and Environmental Health Practitioners	
TL24	Exercise Environmental Pollution Control to ensure compliance with the required legislative standards	No of visits	All	New performance indicator for 2011/12. No comparatives available	0	0	0	216	216	111	R	Wrong targets were set. Exceeded the target, Target has been revised in the new SDBIP 2012/13	
TL14	Facilitate and co-ordinate Eden Air Quality Forum	No of meetings held per quarter	All	New performance indicator for 2011/12. No comparatives available	3	3	3	3	12	0	R	The target must be 4 per annum. I only held 1 meeting per quarter. This target has been reached.	
TL22	Frequently test air quality vehicle emissions	No of vehicles tested per quarter	All	New performance indicator for 2011/12. No comparatives available	10	10	10	10	40	16	R	Done ± 40. The information was captured in our information system but not on the SDBIP, The correct target has been set in 2012/2013	
TL17	Investigate and monitor incidences of pesticide poisoning to ensure chemical safety	% investigated	All	New performance indicator for 2011/12. No comparatives available	100%	100%	100%	100%	100%	0%	R	KPI Removed from SDBIP for 2012/2013	
TL13	Monitor air quality to ensure compliance with the required legislative standards	No of samples monthly	All	New performance indicator for 2011/12. No comparatives available	15	15	15	15	60	0	R	Wrong target was set. Target has been reached refer to POE	
TL19	Monitor and supervise exhumations to ensure compliance with the required legislative standards	% inspected	All	New performance indicator for 2011/12. No comparatives available	100%	100%	100%	100%	100%	0%	R	KPI removed from SDBIP 2012/2013	
TL18	Monitor of conditions promoting the habits and breeding habits of vectors	% inspected	All	New performance indicator for 2011/12. No comparatives available	100%	100%	100%	100%	100%	100%	G	n/a	

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets								
					Q1	Q2	Q3	Q4	Annual				
TL10	Monitor the quality of municipal water to ensure compliance with the legislative standards	No of samples taken per quarter	All	New performance indicator for 2011/12. No comparatives available	189	189	189	189	189	0	R	Monitoring program established. Target has been revised in the new SDBIP 2012/13	
TL11	Monitor the quality of river/ sea water to ensure compliance with the legislative standards	No of samples taken per quarter	All	New performance indicator for 2011/12. No comparatives available	219	219	219	219	876	168	R	Monitoring program is established. Target has been revised in the new SDBIP 2012/13	
TL4	Monitoring of sewerage treatment sites that comply with the required legislative standards	No of inspections per quarter	All	New performance indicator for 2011/12. No comparatives available	13	13	13	13	52	62	G2	n/a	
TL20	Report monthly to the National Department of Health (Sinjani)	No of reports submitted	All	New performance indicator for 2011/12. No comparatives available	3	3	3	3	12	3	R	Target was met. Correct target was set for 2012/2013	
TL64	Assess disaster readiness of local municipalities by evaluating Level 3 Disaster Management Plans by the end of June 2012	No of local municipality Disaster Management Plans assessed	All	New performance indicator for 2011/12. No comparatives available	0	0	0	7	7	0	R	Oil spill contingency plan revision in process. District plans could not be finalised due to Karoo and Eastern LM plans not fully revised. These posts vacant as indicated.	
TL62	Develop District Disaster Management Framework by the end of December 2011	Framework developed by the end of Dec 2011	All	Not updated on the SDBIP 10/11	0	1	0	0	1	0	R	Task team established to discuss draft corporate DM plan. To meet in April and then report to MANCOM before report submission	
TL63	Effective facilitation of disaster management in the District measured in terms of the number of advisory forum meetings held	No of meetings per quarter	All	12	1	1	1	1	4	0	R	Avian Flu coordination meetings attended. SAPS cluster joints meetings attended	

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets								
					Q1	Q2	Q3	Q4	Annual				
TL67	Establish early warning system of potential hazards by the end of June 2012	% establishment of the system by the end of June	All	New performance indicator for 2011/12. No comparatives available	0%	0%	0%	100%	100%	100%	G	n/a	
TL65	Establish joint operational centres for disaster management co-ordination by the end of June 2012	No of joint operational centres	All	New performance indicator for 2011/12. No comparatives available	0	0	0	3	3	0	R	No Information available	
TL68	Facilitate and co-ordinate Chief Fire Officer meetings to standardise fire service delivery in the district	No of meetings held per quarter	All	New performance indicator for 2011/12. No comparatives available	1	1	1	1	4	0	R	Meetings held on Provincial level with all CFO's	
TL66	Monitor drought mitigation funding expenditure by the local municipalities	Quarterly progress reports to Council	All	New performance indicator for 2011/12. No comparatives available	1	1	1	1	4	0	R	No Information available	
TL27	Complete the design of the Oudtshoorn landfill site (Oudtshoorn and Kannaland to share 1 bulk waste site) by the end of June 2012	% Completion up to the design of the site	All	New performance indicator for 2011/12. No comparatives available	0%	0%	0%	100%	100%	0%	R	No progress, wait for response from Oudtshoorn, contact has been made with the Municipality, Director Zukile Ntile, to speed up process, Revised targets for new financial year	
TL28	Develop a business plan for the development of a final integrated waste management master plan by the end of June 2012	% completion of the plan	All	New performance indicator for 2011/12. No comparatives available	0%	0%	0%	100%	100%	0%	R	No funding: funds for 2012/2013 complete June 2013, Sufficient funds were made available during 2012/13 financial year	
TL30	Develop a waste minimisation strategy by the end of June 2012	% completion of the strategy	All	New performance indicator for 2011/12. No comparatives available	0%	0%	0%	50%	50%	60%	G2	n/a	

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets								
					Q1	Q2	Q3	Q4	Annual				
TL29	Facilitate and co-ordinate bi-annual integrated waste management forum meetings with B-municipalities	No of meetings held per annum	All	New performance indicator for 2011/12. No comparatives available	0	1	0	1	2	3	B	n/a	
TL26	Provision of a regional disposal facility (Mosselbay) for domestic and class 1 & 2 hazardous waste for the Southern Cape region by completing of phase 1-4	% completion of phase 1-4 of the facility	All	New performance indicator for 2011/12. No comparatives available	0%	0%	0%	100%	100%	100%	G	n/a	
TL6	Monitoring of waste water quality in the district in terms of the identified sample as per monitoring program	Number of samples per quarter complying with SANS 241	All	New performance indicator for 2011/12. No comparatives available	90	90	90	90	360	8	R	Financial constraints. Wrong target set. Sufficient funds were made available during 2012/13 financial year. Revised target for new financial year	
TL5	Monitoring of waste water quality in the district within non-municipal areas in terms of the identified sample as per monitoring program	Number of visits	All	New performance indicator for 2011/12. No comparatives available	20	20	20	20	20	0	R	Target has been revised in the new SDBIP 2012/13	
TL69	Monitor effective transfer of all DMA functions	Quarterly meetings held	All	New performance indicator for 2011/12. No comparatives available	1	1	1	1	4	1	R	No Information available	
TL81	Develop a maintenance plan for council property based on the Strategic Management of Property Report by the end of December 2011	Plan developed by the end of December	All	0%	0	1	0	0	1	0	R	Budget constraints prevent the development of maintenance plan that wouldn't be implementable.	

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets								
					Q1	Q2	Q3	Q4	Annual				
TL88	Implement process plan for identification and appointment of service provider via Renewable Energy Forum	% completed	All	New performance indicator for 2011/12. No comparatives available	0%	0%	0%	100%	100%	0%	R	Was dealt with under bulk services. With the none cooperation of CEF, nothing materialized, After Mr Angel left, and the work was continued by Mr Du Preez who left 2 months later. With no officials available, the work slowed down until taken over by Management Services	
TL85	Annual plan compiled for the comprehensive maintenance of provincial roads	Submission of Annual Performance Plan to Provincial Government by the end November	All	New performance indicator for 2011/12. No comparatives available	0	1	0	0	1	0	R	Maintenance plans is drawn up on a bi-monthly schedule and submitted to PGWC (Oudtshoorn)	
TL84	Effective capital spending	% spent of approved provincial roads capital projects	All	New performance indicator for 2011/12. No comparatives available	25%	50%	75%	95%	95%	100%	G2	n/a	
TL87	Provincial roads is maintained in terms of the percentage of the maintenance budget spent	% of the budget spent	All	New performance indicator for 2011/12. No comparatives available	25%	50%	75%	100%	100%	100%	G	n/a	
TL86	Square meters of roads patched according to approved Annual Performance Plan	Square meters of roads patched	All	New performance indicator for 2011/12. No comparatives available	1.000	1.000	1.000	1.000	4.000	1.547	R	Only amount required to be repaired, Only 977 sq. m was required to be repaired	
TL83	Monitor effective implementation of the integrated public transport plans by the various B municipalities in the District	No of projects in terms of the approved plans implemented for the financial year	All	New performance indicator for 2011/12. No comparatives available	0	0	0	7	7	0	R	Responsibility taken over by PGWC, The funds was transferred to the B Mun's and Council was never informed by PGWC of the transfers. Therefor the Eden PTTS Com could not effectively monitor progress	

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Performance of 2011/12							Actual	Corrective measures for targets not achieved
					Targets								
					Q1	Q2	Q3	Q4	Annual				
TL91	Cross-border feasibility study in terms of approved master plan for bulk water services executed for Bitou and Knysna	Feasibility study completed (subject to co-funding of R1.5m by DWA)	All	New performance indicator for 2011/12. No comparatives available	0	0	0	1	1	0	R	Project still in process. Now being handled by Management Services, After Mr Angel left, the work was continued by Mr Du Preez who left 2 months later. With no officials available, the work slowed down until taken over by Management Services	
TL90	Development of cross-border master plan for bulk water services by 30 June 2012	% of the plan developed	All	New performance indicator for 2011/12. No comparatives available	0%	0%	50%	100%	100%	0%	R	The program is not completed as Mrs Angel and Du Preez left the services of Eden. Bulk infrastructure is now with Management Services, where they agreed to continue the project. There continuation through Mr. F vd Merwe who was/is with Strategic Services continued with the program as of May 2012, therefore this Dept cannot provide further comments.	
TL89	Percentage spent of the approved bulk water capital projects	% spent of approved water capital projects (boreholes at Kannaland (Zoar) and Oudtshoorn (Dysselsdorp))	All	New performance indicator for 2011/12. No comparatives available	0%	0%	50%	100%	100%	0%	R	There was a Council resolution in the time of Mr. Angel where it was proposed that the funds allocated to Oudtshoorn be transferred to them. Since Mr. Angel left, this department is not aware of further decisions or actions.	

Graph 6: Top Layer SDBIP – Basic Service Delivery

3.2 SERVICE PROVIDERS STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. According to AG’s office:

- a) Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
- b) External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- The performance of each service provider
- a Comparison of the performance with targets set for and performances in the previous financial year; and
- measures taken to improve performance

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount more than R200 000 are listed.

The tables below indicate service providers utilised according to functional areas:

OFFICE OF THE MUNICIPAL MANAGER

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
IGNITE Advisory Services – Performance Management System	3 years	Performance of the Municipality.	Constant liaison with IGNITE and Departments In the Municipality to better Performance Management and the System.	Excellent Service	Not applicable
KPMG Forensic Investigation into Compliance with procurement process	24 Aug - 23 Jan	Forensic investigation into compliance with procurement process	Final report was submitted on 23 January 2012	SP was not very Specific with the outcomes	Not applicable
Schröter & Associate Prokureurs Audit: Staff appointments, staff placements and promotions for period 1 Nov 2009 – 30 Jun 2011	Jul 2011 - Aug 2011	Audit: Staff appointments, staff placements and promotions for period 1 Nov 2009 – 30 Jun 2011	Final report submitted to Eden DM on 29 Aug 2011	Terms of Reference fully executed	Not applicable

Graph 7: Service Provider Performance – Office of the Municipal Manager

CHAPTER 3

FINANCIAL SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
MeyerOtto and Mubeko: Accounting support/ Financial Statements	3 years	Refer to contract	Up to date	Satisfied	Not applicable
BAUD: Asset register	3 years	Refer to contract	Up to date	Work in process	Active constant liaison between parties as issues arises.

Graph 8: Service Provider Performance – Financial Services

CORPORATE SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
Business Engineering (Collaborator electronic process)	Support Agreement (1 July 2012 – 30 June 2014)	Supply 1 day support per week	On-going	Satisfied with the services	Not applicable
The Courier and Freight Group (Collection of mail bags)	Tender (1 July 2012 – 30 June 2014)	Collect mailbags at George and various other offices in the region as specified in the tender)	On-going	Satisfied with the services	Not applicable
Toilet Friend	Agreement to service the equipment on a monthly basis (1 August 2012 – 30 June 2013)	To render services monthly	New	New	Not applicable

Graph 9: Service Provider Performance – Corporate Services

CHAPTER 3

COMMUNITY SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
Bulk Waste Site: EIA Process	6 years contract 2008 to 2014	Required landfill bulk waste site license	Second last phase: Concept environmental impact report	Satisfied	Not applicable
Bulk waste Site: Article 78 investigation	4 Years 2011 to 2014	Secure PPP for managing regional bulk waste site	Third phase: Feasibility study	Satisfied	Not applicable
River Health: Chemical sampling of water	3 Years 04/2011 to 03/2014	Analyses of sampling	5 Sessions completed	80% Satisfied	Additional analyses were added and unnecessary analyses were removed. Invoices were accordingly reconciled.

Graph 10: Service Provider Performance – Public Safety and Community Development

TECHNICAL SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
Supply and delivery of plotter	22 February 2012	Supply and delivery of plotter	Not satisfactory	Could not deliver as per tender	went to second tenderer
Supply of concrete stones	17 Apr 2012 – 30 Jun 2014	Supply of concrete stones	Satisfactory	Good	Not applicable
Supply of sub base and base course materials	12 Aug 2011 – 30 Jun 2014	Supply of sub base and base course materials	Satisfactory	Good	Not applicable
Rendering of security services at Mission road	5 Aug 2011- 31 Aug 2012	Security services at Mission Road	Satisfactory	Good	Not applicable
Rendering of security services at Oudtshoorn Depot	19 Jul 2011- 30 Jun 2013	Security services at Oudtshoorn depot	Satisfactory	Good	Not applicable
Supply of lubricating oils and grease	21 Nov 2011 – 30 Jun 2013	Supply of lubricating oils and grease	Satisfactory	Good	Not applicable
Supply of Gabion rock	22 Jun 2012 – 30 Jun 2014	Supply of gabion rock	Satisfactory	Good	Not applicable
Supply of timber poles for the erection of road Traffic signs	22 Jun 2012 – 30 Jun 2014	Supply of timber poles	Satisfactory	Good	Not applicable
Supply of bulbs and electrical accessories	22 Jun 2012 – 30 Jun 2014	Supply of bulbs and electrical accessories	Satisfactory	Good	Not applicable
Supply of pre-mixed concrete	22 Jun 2012 – 30 Jun 2014	Supply of pre-mixed concrete	Satisfactory	Good	Not applicable
Hire of machinery	27 Sep 2011- 30 June 2014	Hire of machinery	Satisfactory	Good	Not applicable

Graph 11: Service Provider Performance – Technical Services

CHAPTER 3 STRATEGIC SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
World Corporate Golf Challenge	Once off	LED	Closing Report	Satisfactory	Not applicable
Connecting Remote Offices to the Eden DM Network	1 Year	IT	Monthly progress reports	Satisfactory	Not applicable
Invitation for Funding Proposals for Eden DM	2 Years	IDP	Appointment of Service Providers in process	In progress	Not applicable
Implementation of a Communication network	1 Year	IT	Monthly progress reports	Satisfactory	Not applicable

Graph 12: Service Provider Performance – Strategic Services

3.3 MUNICIPAL FUNCTIONS

ANALYSIS OF FUNCTIONS

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	yes
Building regulations	no
Child care facilities	Yes, none core
Electricity and gas reticulation	No
Firefighting services	yes
Local tourism	yes
Municipal airports	no
Municipal planning	yes
Municipal health services	yes
Municipal public transport	yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	no
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	no
Storm water management systems in built-up areas	Bulk infrastructure
Trading regulations	yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	no
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	yes
Billboards and the display of advertisements in public places	yes
Cemeteries, funeral parlours and crematoria	yes
Cleansing	No
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes

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Municipal Function	Municipal Function Yes / No
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes, only with regard to provincial roads
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public (Food Control)	Yes
Local amenities	No
Local sport facilities	No
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	No
Municipal roads	No. Agent for PGWC on provincial roads
Noise pollution	No
Pounds	No
Public places	No
Refuse removal, refuse dumps and solid waste disposal (Bulk Waste)	Yes
Street trading	No
Street lighting	No
Traffic and parking	No

Graph 13: *Functional Areas*

3.4 PERFORMANCE HIGHLIGHTS PER DIRECTORATE/FUNCTIONAL AREA

Directorate/ Functional area	Sub Directorate	Highlights
Financial Services	Assets	Annual Asset verification performed successfully with high percentage of assets being successfully verified
		Full GRAP implementation executed
		Enrolling the remaining employees in Asset department for Minimum Competency Course
	Budget	Budget was tabled March and approved in April as per legislation
		S71 reports were submitted by the 10 th working day as prescribed by legislation.
		Adjustment budget approved by January as prescribed in legislation
		S72 report submitted by deadline
	Expenditure	Majority of year end procedures finalized at 30 June 2012 for the creditors section
		Salary section: In progress with implementation of controls specifically with regards to review
		Signed SLA with PAYDAY in 2011/2012 for on-site support
		Reconciliations performed more regularly
	Financial Statements	Unqualified audit opinion with other matters received
		Progress made with regards to other matters
	SCM	Performance of the first Annual SCM Policy review by the Municipal Manager and senior managers
		Reviewed SCM policy independently reviewed by Provincial Treasury with positive outcomes
		Enrolling the remaining employees in the SCM department for Minimum Competency
Stores	Completion of the Stores assessment with vision to improve on the service delivery to Technical Services and the rest of Eden	
	Proposed micro organogram establishing two posts, a buyer and a messenger for stores	

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Directorate/ Functional area	Sub Directorate	Highlights
Corporate Services	Auxiliary Services	Approval of the Records Management Policy by Provincial Archives
		Approval of the amendments and additions on the file plan by Provincial Archives
	Committee Services	The acceptance of agendas and minutes by Council, Mayoral Committee and Portfolio Committee meetings without any amendments, spelling and grammar errors.
		When officials are commended for work done very well by Councillors.
	Council Buildings	The revamp of Council Chambers
		The revamp of the entrances of buildings to make it more user friendly for people with disabilities
	Human Resources	During the same period the following success were achieved: <ul style="list-style-type: none"> • Successful implementation and coordination of the Minimum Competency Program on a Regional Level. • Successful implementation of the Local Government Accounting NQF 3 and Local Government Advance Accounting Learnership NQF 4 on a Regional Level. • Successful implementation of the Workplace Skills Plan for 2011/2012 and the Annual Training Report for the same period. • First of all the municipalities to complete and signed the Workplace Skills Plan for 2012/2013. • Submission of the Employment Equity Report • Launching of the District OHS and Labour Relation Forum • Implementation of Legal Liability training • Madiba day celebration at Knysna (• The regional task committee championed by Eden DM are requested to assist other municipalities not only in the Western Cape but also in the rest of South Africa this is testimony to the credibility of the committee;
		Decrease in death & disability claims
		All permanent employees in the payroll are registered with SARS.
		EAP - 2 x Employees being successfully rehabilitated.
		1 x Matriculate assisted with matric farewell
		2 x Families assisted with trauma
		Successful Madiba Day Celebrations
	Programme Management Services	The extension of the agreement with Business Engineering for the Collaborator process
		The completion of the leadership programme
The roll out of the Change Management process to the rest of staff members		
Disaster Management	In the period 1/07/2011-31/06/2012 the Eden District was fortunate not to experience a disaster that had to be declared. Even though no disasters were classified or declared the Eden centre had to deal with the consequences of the June 2010 floods, the coordination of the Avian Influenza outbreak that were first reported in April 2011 as well major fires and rock falls that lead to the closure of some of the region's most important roads.	
Emergency Services and Call Centre	The newly installed Aurecon sms-system in the Centre has made it possible for the operators to forward the weather forecast and weather warnings to be send from the internet system at the control centre. Records can now also show to whom and when the weather warnings were sent to.	
Municipal Health and Environmental Services	The issuing of the first Air Quality emissions license to a refinery by a District Municipality, in South Africa and the start of phase 2 of a potential PPP for the district landfill site is only some of the highlights for 2011/2012. The regular air quality emissions testing of vehicles can also be viewed as highlights.	
	Hygiene And Food Safety Training – Formal And Informal Food Traders Formal Training Albertinia - 2 & 3 August 2011 (48 food handlers) Still bay - 25 & 26 September 2011 (113 food handlers) Informal (Spaza Shops) Heidelberg - 26 October 2011 (7 owners and/or employees) Albertinia - 29 May 2012 (9 owners and/or employees) Four (4) training sessions were facilitated. A Total of 151 food handlers and 16 Spaza shop owners and/or employees have been trained. All individuals who attended the training were awarded with an attendance certificate and incentives in the form of aprons (embroidered with the Eden logo) were issued to candidates.	
Social Development	The building of the Powertown Crèche is certainly a highlight for the 2011/2012 financial year, as well as the distribution of universal items to 13 crèches. The 16 days of Activism project received International recognition for a Gender Links Award. The training of six (PLWD's) as wheelchair mechanics in collaboration with Bethesda.	

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Directorate/ Functional area	Sub Directorate	Highlights
Strategic Services	IDP	The 4 th and final review of the 2007/2011 IDP was adopted by Council on 21 April 2012.
		In the district's IDP review of 2011/12 we dedicated section 4.1 in Chapter 4 to reflect on our performance of the 2007/12 IDP. Despite financial and human resource constraints experienced by the district municipality more than 90% of the strategic initiatives set in the 2007/11 IDP were achieved at the end of June 2012.
	ITC	A three year district wide Enterprise License Agreement (ELA) with Esri South Africa, for Geographical Information Systems (GIS) software & support has been negotiated and is in the final stages of the negotiations. This multi - year agreement, makes provision for unlimited access to state of the art software and support from a world leader in the GIS industry and will be available to all B-Municipalities within the Eden District Municipal boundaries
		The ICT section of Eden DM in conjunction with SITA has developed a Disaster Recovery Plan (DRP) for all B-Municipalities within our region. This was done as a Shared Services initiative, and it is being used and implemented in most of the B-Municipalities, Council has adopted the Disaster recovery Process policy
	LED	<p>SANEC AGREEMENT: Horticultural Trade Mission: Two horticultural businesses from the Eden District, Rademachers and R & S laboratories attended the Horticultural Trade Mission from the Netherlands in Cape Town.</p> <p>LOCAL ECONOMIC DEVELOPMENT (LED) LEARNERSHIP OF THE LOCAL GOVERNMENT SETA: Memorandums of Understanding were concluded with Knysna, Bitou, Oudtshoorn and Hessequa Municipalities to roll out the Local Economic Development (LED) learnership of the Local Government SETA.</p> <p>Unemployed Learners were placed within the LED units of the different local municipalities in the district to increase capacity. The official LED Learnership training program started during the month of July 2011 and was completed by June 2012. The programme consisted of 22 learners on NQF 4 and 15 learners on NQF 5.</p> <p>In total, 85 unemployed persons benefited from this opportunity and were placed within the LED units of the participating municipalities.</p> <p>Sustainable Municipal Infrastructure Operations and Maintenance Programme of the Development Bank of South Africa: 50 Small businesses were trained in the Operations and Maintenance of municipal infrastructure. The following three modules were covered during their training i.e. Project Management, Labour Intensive Construction and Business Management.</p>
Tourism Development	<p>ABSA Bank has sponsored The Eden School of Culinary Art (ESCA) in George with R500 000 to train 30 previously disadvantaged individuals in the tourism sector. Eden District Municipality coordinates the mobilising of the trainees and the coordination of the training programme. Eden School of Culinary Art (ESCA) seeks to address the high rate of unemployment within the Eden District.</p> <ul style="list-style-type: none"> • skills to work effectively within a team and also to manage possible conflict situations. <p>Outcomes</p> <ul style="list-style-type: none"> • To train these people to be employed in the hospitality industry • Training was held in groups of 10 for 13 weeks per group • Assist trainees to find work in the hospitality industry in their municipal area • To make trainees more marketable to find employment in the hospitality industry • Eden School of Culinary Art has established good relations with various hotels. Guest houses, restaurants and resorts who will be willing to employ them once they are qualified. <p>SUCCESS OF THE PROGRAMME:</p> <p>The National Department of Tourism is sponsoring training for young people between the ages of 18 and 35 in Certificate in Culinary Art by City & Guilds.</p> <p>The program is managed by the South African Chefs Association and ESCA as an accredited City & Guilds Centre have been requested to facilitate the roll out and training in the Southern Cape.</p> <p>The ABSA KKNK is one of the initiatives that contribute in the Economy of the region and referring back to the Eden Economic Development Strategy which outlines the fundamental key issue regarding the impact that the Tourism industry has in the Eden region.</p> <p>ABSA KKNK plays an instrumental role to achieve optimal sustainable local economic development, employment creation and improvement in living conditions and standards, as well as human resources development in the region. ABSA KKNK plays a vital role in terms of attracting international and domestic tourist to the Eden region and tourism has huge potential to spur economic growth with excellent employment growth prospects.</p> <p><u>Rights offered at Absa KKNK</u></p> <p><u>Generic rights</u></p> <ul style="list-style-type: none"> • A maximum of 5 dignitaries from EDEN DM were placed on the Absa KKNK's official guest list, where they had access to complimentary tickets to shows to the value of R5, 000. • They were invited to the Absa KKNK's hospitality facility, the Kannaland Kamer (08:00 – 16:00) and Club Al Capone (22:00 – 02:00). The Kannaland Kamer offered a daily complimentary breakfast and lunch, as well as a cash bar. Club Al Capone is a night club with daily live music sessions. • The Mayor was invited to functions presented by other sponsors, such as the Absa Opening function on 30 March 2012 and the L'Atelier Visual Arts Function on 1 April 2012. • The EDEN DM received the following recognition at no extra cost: <ul style="list-style-type: none"> • Logo on www.absakknk.co.za • Logo on sponsors' pages in the Festival Guide. • Full-page full-colour advertisement in the Festival Guide • EDEN DM enjoyed support services from the Absa KKNK's logistical staff with the hanging of branding, our accommodation staff in the booking of The objectives of this project are: <ul style="list-style-type: none"> • To promote and market the Garden Route and Klein Karoo as a prime tourist destination with a focus on craft and culture as part of its unique value proposition. • To develop a hands – on guide that displays the craft and culture aspects of our region clearly through a user friendly map that will enable tourists to explore the vibrant natural, indigenous and cultural/heritage tourism attributes that are authentic to our region. This guide should enable tourists to locate, discover and gain a thorough understanding of the region to facilitate easy and accessible travelling. • To develop an electronic spatial map of all craft and culture products • To provide itineraries to tourists. <p>Eden DM in collaboration with the Western Cape Provincial Department of Cultural Affairs and Sport established the first Eden District Cultural Forum on 10 February 2010. The objective of this structure is to ensure optimal cooperation within the Arts & Culture Sector which would result in the strengthening of links between the different spheres of government and civil society.</p>	
Shared Services	The completion of the Shared Services Audit for Eden Region in cooperation with Provincial Department of Local Government, GiZ and Ignite. Agreement amongst stakeholders regarding ICT, Risk Management and Legal Services.	

Directorate/ Functional area	Sub Directorate	Highlights
Technical Services	Bulk Infrastructure Planning	The planning of cross-border water supply studies between Bitou and Knysna. The
		Function now lies with Management Services
	Roads Agency	Budget increase from R78 million to an actual expenditure of R119 million.
		Met the indicators as required in the PGWC Annual Performance Plan

Graph 14: Performance highlights per directorate/functional area

3.5 CHALLENGES PER DIRECTORATE/FUNCTIONAL AREA

Directorate/ Functional area	Sub Directorate	Challenges and Corrective measures
Financial Services	Assets	Full Implementation of GRAP with high reliance on consultants for assistance in this process
		Missing or not yet verified Moveable assets in the current year, officials are still moving assets around from known locations without prior consent and approval
		Not having sufficient funds for proper asset repairs and maintenance
	Budget	Challenges with regards to the supporting documentation that needs to be submit with the prescribed format report.
		Compilation of the cash flow projections are a challenge and needs to be revisited
		Lack of multiyear planning by departments
		Support function of budget section to other departments can be improved
		Creditors: Lack of interdepartmental co-operation - submission of supporting documentation for payment
		Late submission of docs by departments can cause late payments (not within 30 days)
	Expenditure	Salaries: Capacity constraints
		Challenge to meet deadlines
		Not adequate review due to capacity constraints
		Compilation of SOP's and policies
		Lack of guidance with regards to implementation of new legislation, government gazettes.
		Lack of interdepartmental co-operation e.g. HR/Corporate Services.
		No training/updates with regards to salary development (only PAYDAY training attended.)
		System errors (PAYDAY/Abakus)
		Politicians bypassing deadlines of payment of S&T's
	Financial Statements	Lack of co-operation by finance sections/other departments with regards to finalizing their sections and submitting the documentation for the audit file/financial statements to the GRAP unit.
		Quality of work submitted for the audit file not up to standard.
		Lack of co-operation from personnel with regards to the OPCAP and implementation of action plans to address audit findings
	SCM	Not able to secure training for the SCM officials over and above Minimum competency training
		Bid adjudication committee members not having received relevant training to enhance the knowledge in execution of their duties as Bid Adjudication Committee members
		An increasing number of appeals for Tenders awarded based on Lack entities not being conversant with SCM Policy and Regulatory framework
	Income	Lack of alternative revenue sources
		Irrecoverable debtors had to be written off
		The senior accountant was transferred to George Municipality
	Stores	An increasing number of suppliers not responding to request for quotations and unwilling to complete SCM Database forms
		Stores not being able to meet the required 48 hrs turnaround time for requisitions due to multiple reasons some of which are 3 rd Party matters outside their control

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Directorate/ Functional area	Sub Directorate	Challenges and Corrective measures	
Corporate Services	Auxiliary Services	The disposal of records.	
	Committee Services	Challenges are experienced when meetings are called on short notice and Agendas and Minutes need to be distributed to the Councillors on time. Meetings are also cancelled on short notice and cause administrative delays.	
	Council Buildings	Lack of a Maintenance Plan for Council buildings causes delays in repairs and maintenance. Allocation of sufficient funding remains a challenge.	
	Human Resources	During the period 01 July 2011 to 30 June 2012 the HR Unit were faced with the following challenges: <ul style="list-style-type: none"> • Limited Budget • Shortage of Manpower 	
	Programme Management Services	The continuation of the leadership programme	
	Disaster Management	Co-corporation from the B- Municipalities Funding	
	Emergency Services and Call Centre	Since Mosselbay has made use of Wispernet, the problems which were posed with Col-laborator that was sometimes slow, has since been resolved. The complaints report of Mosselbay Municipality is daily received at 07h00. The working relationship between the Eden DM radio operators and the Mosselbay Municipality personnel received attention and has improved.	
	Fire and Rescue Services	Funding - Personnel and equipment especially vehicles	
	Municipal Health and Environmental Services	Funding for projects Co-corporation from health stakeholders	
	Social Development	Finances Collaboration with Stakeholders Social mandate at local Government level.	
	ITC		Budget constraints.
			Slow Shared Services implementation response.
	Tourism Development		Funding for projects
			Collaboration with Stakeholders
	Resorts		Funding for projects
Collaboration with Stakeholders			
SCM processes			
Shared Services		Lack of understanding amongst stakeholders in Eden Region regarding the concept "Shared Services" and realising the potential benefits of such services.	
Technical Services	Bulk Infrastructure Planning	Funding shortages, Continuity of staff	
	Roads Agency	SCM processes, Shortage of funding causing a decline in road quality, Lack of Approved borrow pits to execute re-gravel programs	

Graph 15: Performance Challenges per directorate/functional area

3.6 OVERVIEW OF PERFORMANCE PER DIRECTORATE

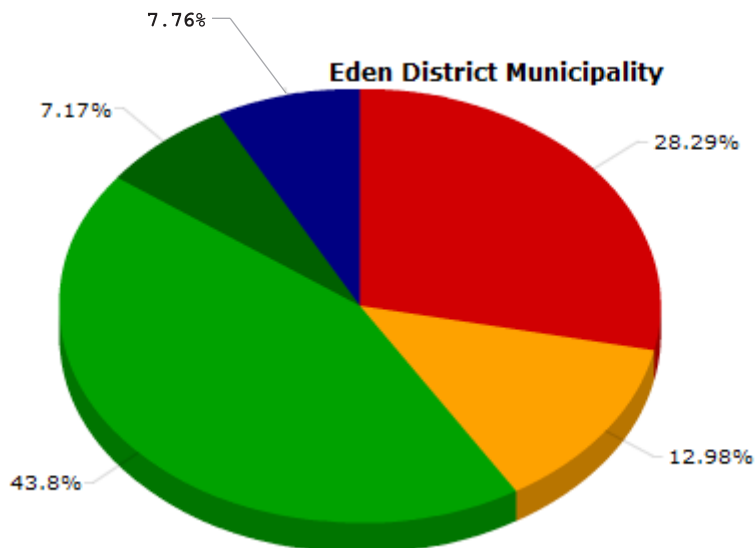
The performance statistics in the table below and all the graphs in the following sub paragraphs include performance in terms of the SDBIP for the 2011/12 financial year and where applicable, in comparison to the 2010/11 financial year. The graphs provide an illustrative overview of the overall performance results of all the KPI's measured as at 30 June.

Directorates	Financial Year	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met
Council and Executive	2010/11	21	3	0	6	1	11
	2011/12	13	0	0	2	1	10
Office of the Municipal Manager	2010/11	81	17	1	36	1	26
	2011/12	50	3	2	40	2	3
Financial Services	2010/11	79	10	13	48	4	4
	2011/12	123	3	3	71	26	20
Technical Services	2010/11	41	11	2	26	1	1
	2011/12	54	2	1	31	5	15
Community Services	2010/11	103	29	27	36	2	9
	2011/12	83	13	4	25	15	26
Strategic Services	2010/11	121	46	19	29	10	17
	2011/12	119	9	1	30	13	66
Corporate Services	2010/11	96	42	15	17	6	16
	2011/12	74	10	26	27	5	6
Eden District Municipality	2010/11	542 (79.9%)	158 (29.2%)	77 (14.2%)	198 (36.5%)	25 (4.6%)	84 (15.5%)
	2011/12	516 (58.8%)	40 (7.8%)	37 (7.2%)	226 (43.8%)	67 (13%)	146 (28.3%)

Statistics included have been populated from SDBIP reports generated for 2010/11 and 2011/12 respectively, as extracted from the web-based system utilised for performance monitoring

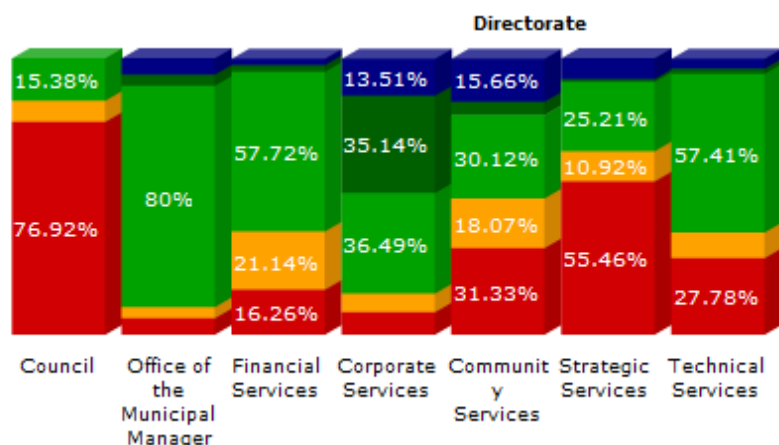
Graph 16: Summary of total performance per Directorate

The following graph indicates the overall results of all the KPIs measured of the various directorates in terms of the municipal SDBIP performance management system:



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Graph 2: Overall performance of directorates for 2010/11 and 2011/12 respectively



Performance per Functional Area (Departmental/Operational SDBIP)

The Council SDBIP consists of the following divisions:

- Council

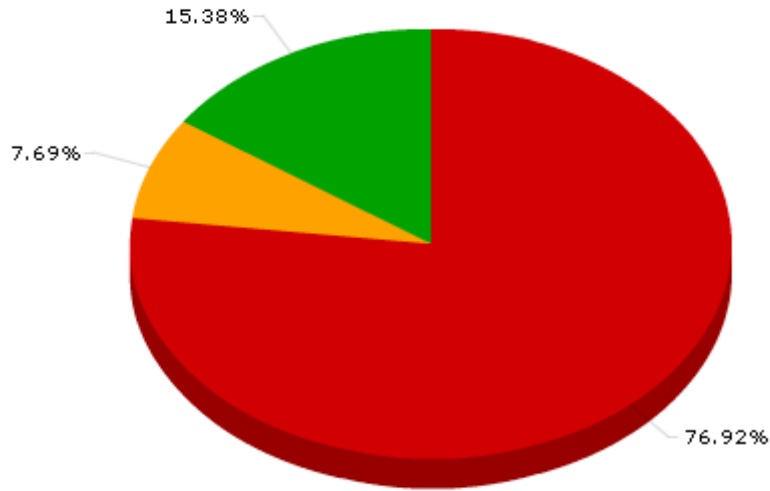
The Operational Key Performance Indicators for Council are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Financial Viability and Management	Finance and Resource Mobilization	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Transformation and Institutional Development	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Basic Service Delivery	Infrastructure, Public Works and Transport	Ensure effective and affordable service and infrastructure delivery in Eden to meet the needs of the people
	Community, Social and Human Capital Development	Create an enabling social environment, that ensures safe, healthy and vibrant communities that participate actively in Eden
		Develop human and social capital by investing in women and youth development
Environmental Management and Spatial Development and Planning		Sustain Eden environment through resource conservation, good land use practices and people centred planning
Local Economic Development	Economic and Tourism Development	Develop appropriate regional economy that ensures shared prosperity and sustainability

Graph 17: Functional alignment – Council

CHAPTER 3

Council & Executive



■ KPI Not Met	10 (76.9%)
■ KPI Almost Met	1 (7.7%)
■ KPI Met	2 (15.4%)
■ KPI Well Met	-
■ KPI Extremely Well Met	-
Total:	13

Graph 3: Executive and Council performance

3.6.1 OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager SDBIP consists of the following divisions:

- Municipal Manager
- Internal Audit
- PMS

The Operational Key Performance Indicators for Office of the Municipal Manager are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

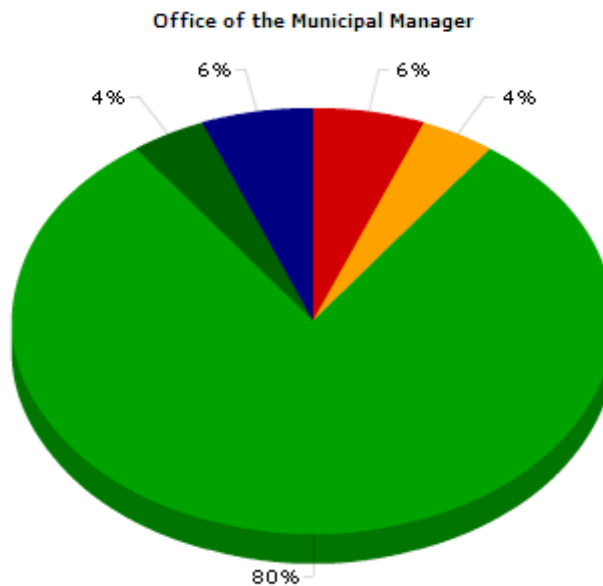
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Financial Viability and Management	Finance and Resource Mobilization	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Transformation and Institutional Development	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability

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National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Basic Service Delivery	Infrastructure, Public Works and Transport	Ensure effective and affordable service and infrastructure delivery in Eden to meet the needs of the people
	Community, Social and Human Capital Development	Create an enabling social environment, that ensures safe, healthy and vibrant communities that participate actively in Eden
		Develop human and social capital by investing in women and youth development
	Environmental Management and Spatial Development and Planning	Sustain Eden environment through resource conservation, good land use practices and people centred planning
Local Economic Development	Economic and Tourism Development	Develop appropriate regional economy that ensures shared prosperity and sustainability

Graph 18: Functional alignment – Office of the Municipal Manager

The following graph indicates the performance of the various sub-directorates within Office of the Municipal Manager directorate in terms of the municipal SDBIP performance management system:



■ KPI Not Met	<u>3 (6%)</u>
■ KPI Almost Met	<u>2 (4%)</u>
■ KPI Met	<u>40 (80%)</u>
■ KPI Well Met	<u>2 (4%)</u>
■ KPI Extremely Well Met	<u>3 (6%)</u>
Total:	50

Graph 4: Office of the Municipal Manager, sub-directorate performance

CHAPTER 3

3.6.2 FINANCIAL SERVICES

The Financial Services SDBIP consists of the following divisions:

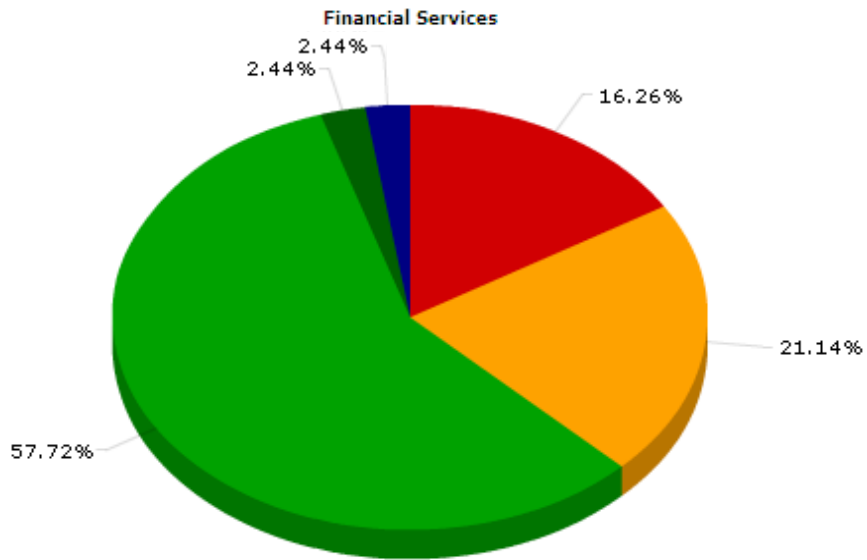
- Executive Manager: Finance
- Assets
- Budget
- Expenditure
- Financial Statements
- Income
- SCM
- Stores
- Planning: The Operational Key Performance Indicators for Financial Services are aligned to the follow National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:


National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Financial Viability and Management	Finance and Resource Mobilization	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Transformation and Institutional Development	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Basic Service Delivery	Infrastructure, Public Works and Transport	Ensure effective and affordable service and infrastructure delivery in Eden to meet the needs of the people
	Community, Social and Human Capital Development	Create an enabling social environment, that ensures safe, healthy and vibrant communities that participate actively in Eden
		Develop human and social capital by investing in women and youth development
	Environmental Management and Spatial Development and Planning	Sustain Eden environment through resource conservation, good land use practices and people centred planning
Local Economic Development	Economic and Tourism Development	Develop appropriate regional economy that ensures shared prosperity and sustainability

Graph 19: Functional alignment – Financial Services

CHAPTER 3

The following graph indicates the performance of the various sub-directorates within Financial Services directorate in terms of the municipal SDBIP performance management system:



 KPI Not Met	20 (16.3%)
 KPI Almost Met	26 (21.1%)
 KPI Met	71 (57.7%)
 KPI Well Met	3 (2.4%)
 KPI Extremely Well Met	3 (2.4%)
Total:	123

Graph 5: *Financial Services sub-directorate performance*

CHAPTER 3

3.6.3 STRATEGIC SERVICES

The Strategic Services SDBIP consists of the following divisions:

- Executive Manager: Strategic Services
- Communication
- IDP
- Resorts
- ITC
- Shared Services
- Tourism
- LED and Tourism: Governance and Institutional Development
- LED and Tourism: Tourism Development
- LED and Tourism: Tourism Marketing
- LED and Tourism: LED
- LED and Tourism: Working for Water
- LED and Tourism: EPWP
- LED and Tourism: Sport Development and Marketing
- LED and Tourism: Agriculture

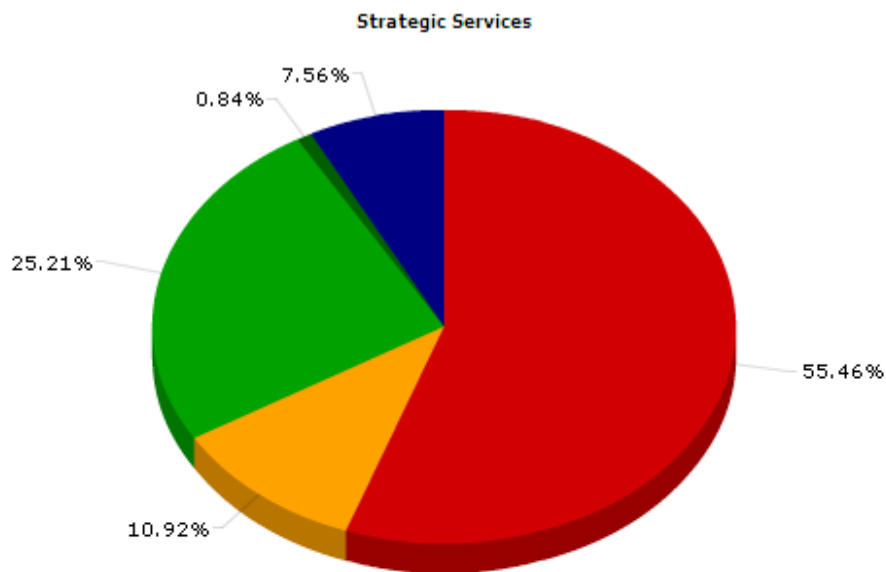
The Operational Key Performance Indicators for Strategic Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Financial Viability and Management	Finance and Resource Mobilization	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Transformation and Institutional Development	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Basic Service Delivery	Infrastructure, Public Works and Transport	Ensure effective and affordable service and infrastructure delivery in Eden to meet the needs of the people
	Community, Social and Human Capital Development	Create an enabling social environment, that ensures safe, healthy and vibrant communities that participate actively in Eden
		Develop human and social capital by investing in women and youth development
	Environmental Management and Spatial Development and Planning	Sustain Eden environment through resource conservation, good land use practices and people centred planning
Local Economic Development	Economic and Tourism Development	Develop appropriate regional economy that ensures shared prosperity and sustainability

Graph 20: Functional alignment – Strategic Services

CHAPTER 3

The following graph indicates the performance of the various sub-directorates within Financial Services directorate in terms of the municipal SDBIP performance management system:



 KPI Not Met	66 (55.5%)
 KPI Almost Met	13 (10.9%)
 KPI Met	30 (25.2%)
 KPI Well Met	1 (0.8%)
 KPI Extremely Well Met	9 (7.6%)
Total:	119

Graph 6: *Strategic Services sub-directorate performance*

CHAPTER 3

3.6.4 COMMUNITY SERVICES

The Community Services SDBIP consists of the following divisions:

- Executive Manager: Community Services
- Disaster Management
- Fire and rescue service
- Municipal Health & Environmental Services
- Social Development
- Disaster Management: West
- Disaster Management: East
- Disaster Management: Karoo
- Emergency Services

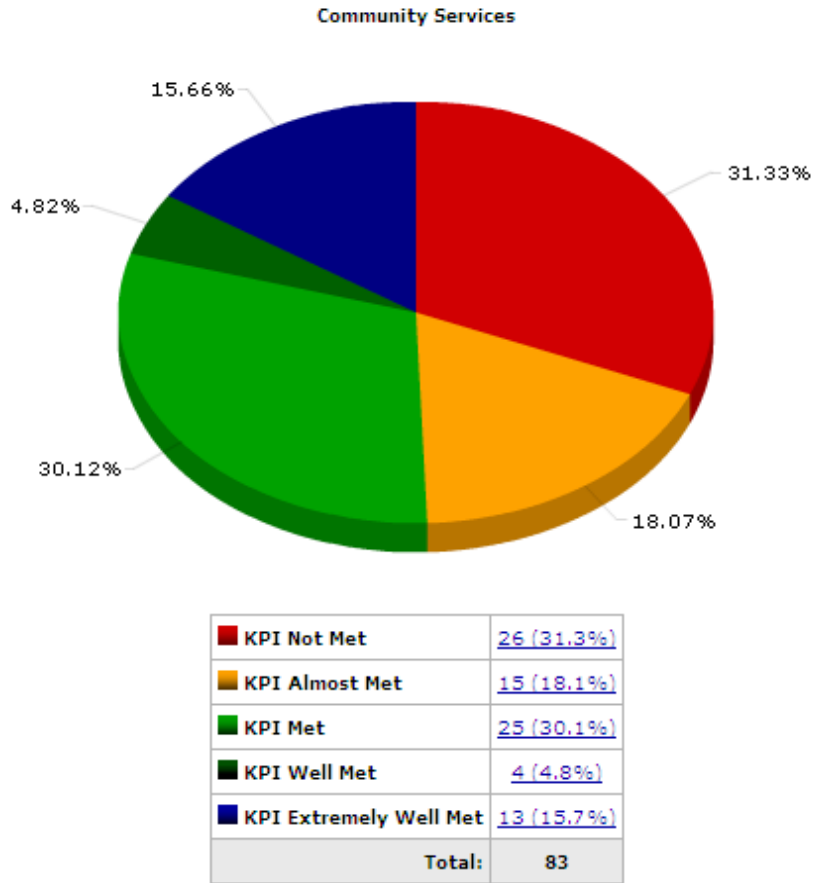
The Operational Key Performance Indicators for Community Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Financial Viability and Management	Finance and Resource Mobilization	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Transformation and Institutional Development	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Basic Service Delivery	Infrastructure, Public Works and Transport	Ensure effective and affordable service and infrastructure delivery in Eden to meet the needs of the people
	Community, Social and Human Capital Development	Create an enabling social environment, that ensures safe, healthy and vibrant communities that participate actively in Eden
		Develop human and social capital by investing in women and youth development
Environmental Management and Spatial Development and Planning	Sustain Eden environment through resource conservation, good land use practices and people centred planning	
Local Economic Development	Economic and Tourism Development	Develop appropriate regional economy that ensures shared prosperity and sustainability

Graph 21: *Functional alignment –Community Services*

CHAPTER 3

The following graph indicates the performance of the various sub-directorates within Community Services directorate in terms of the municipal SDBIP performance management system:



Graph 7: Community Services sub-directorate performance

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3.6.5 CORPORATE SERVICES

The Corporate Services SDBIP consists of the following divisions:

- Executive Manager: Corporate Services
- Auxiliary Services
- Committee Services
- Council Building
- Human Resources
- Programme Management Services

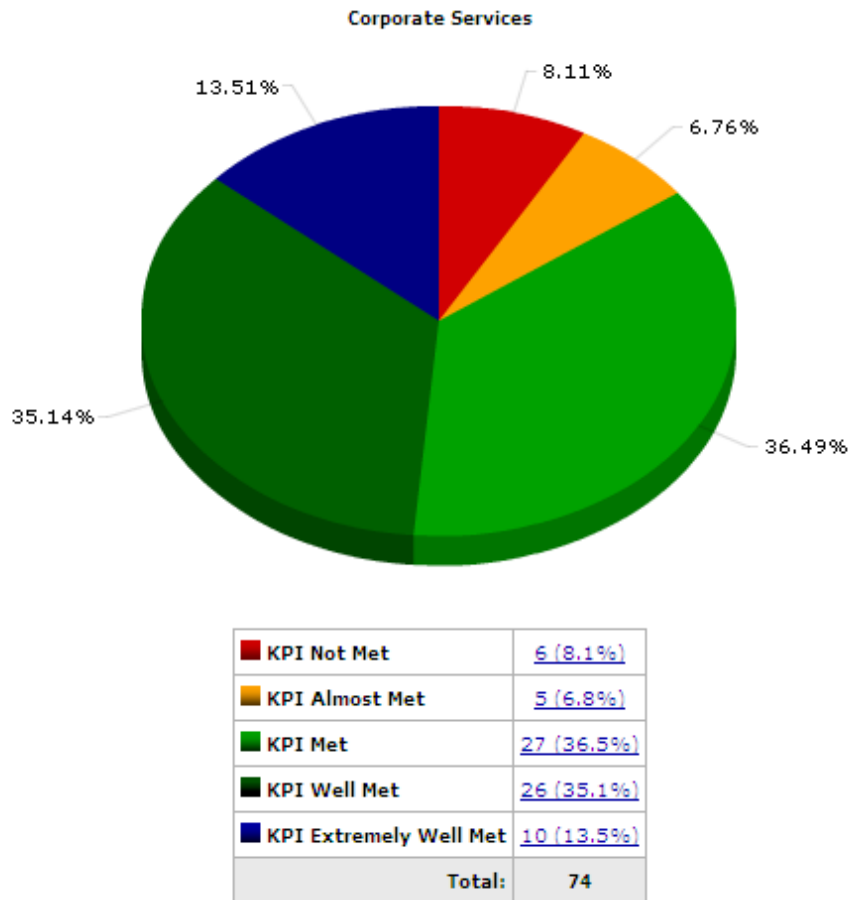
The Operational Key Performance Indicators for Corporate Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Financial Viability and Management	Finance and Resource Mobilization	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Transformation and Institutional Development	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Basic Service Delivery	Infrastructure, Public Works and Transport	Ensure effective and affordable service and infrastructure delivery in Eden to meet the needs of the people
	Community, Social and Human Capital Development	Create an enabling social environment, that ensures safe, healthy and vibrant communities that participate actively in Eden
		Develop human and social capital by investing in women and youth development
Environmental Management and Spatial Development and Planning	Sustain Eden environment through resource conservation, good land use practices and people centred planning	
Local Economic Development	Economic and Tourism Development	Develop appropriate regional economy that ensures shared prosperity and sustainability

Graph 22: Functional alignment – Corporate Services

CHAPTER 3

The following graph indicates the performance of the various sub-directorates within Corporate Services directorate in terms of the municipal SDBIP performance management system:



Graph 8: Corporate Services sub-directorate performance

CHAPTER 3

3.6.6 TECHNICAL SERVICES

The Technical Services SDBIP consists of the following divisions:

- Executive Manager: Technical Services
- Bulk Infrastructure Planning
- Roads Agency
- Public Works

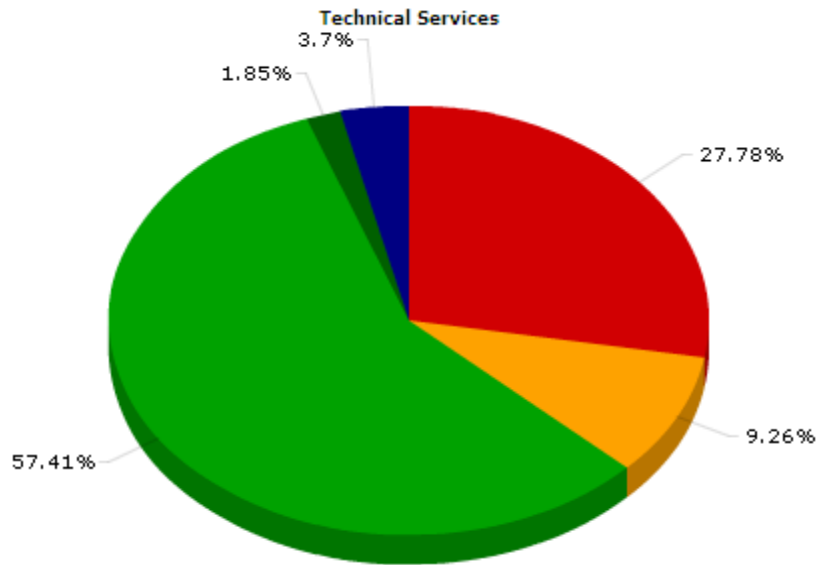
The Operational Key Performance Indicators for Technical Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:



National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Financial Viability and Management	Finance and Resource Mobilization	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Municipal Transformation and Institutional Development	Governance and Institutional Development	Good governance through Institutional transformation, inter- governmental co-operation and public consultation to ensure accountability
Basic Service Delivery	Infrastructure, Public Works and Transport	Ensure effective and affordable service and infrastructure delivery in Eden to meet the needs of the people
	Community, Social and Human Capital Development	Create an enabling social environment, that ensures safe, healthy and vibrant communities that participate actively in Eden
		Develop human and social capital by investing in women and youth development
	Environmental Management and Spatial Development and Planning	Sustain Eden environment through resource conservation, good land use practices and people centred planning
Local Economic Development	Economic and Tourism Development	Develop appropriate regional economy that ensures shared prosperity and sustainability

Graph 23: Functional alignment – Corporate Services

CHAPTER 3

The following graph indicates the performance of the various sub-directorates within Technical Services directorate in terms of the municipal SDBIP performance management system:



 KPI Not Met	15 (27.8%)
 KPI Almost Met	5 (9.3%)
 KPI Met	31 (57.4%)
 KPI Well Met	1 (1.9%)
 KPI Extremely Well Met	2 (3.7%)
Total:	54

Graph 9: Technical Services sub-directorate performance

COMPONENT A: BULK INFRASTRUCTURE PLANNING

This component includes Bulk supply of water; bulk supply of electricity; bulk sewerage purification works and main sewerage disposal

3.7 BULK INFRASTRUCTURE PLANNING

Bulk Infrastructure planning was initiated as a project to provide bulk services. For the greater part of the project period, time was spent on managing the drought in the Eden area. This actually underpinned the need for bulk services, specifically cross border. Various initiatives were launched such as drilling for water in the George and Knysna Municipalities. Projects such as desalination plants in Mossel Bay and Sedgefield also saw the light and were completed. George also initiated a water purification plant to recycle waste water. This led to the initiative to link towns cross municipal borders to provide water.

SERVICE STATISTICS – WASTE WATER

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL6	Monitoring of waste water quality in the district in terms of the identified sample as per monitoring program	Number of samples per quarter complying with SANS 241	All	New performance indicator for 2011/12. No comparatives available	360	8	R
TL5	Monitoring of waste water quality in the district within non-municipal areas in terms of the identified sample as per monitoring program	Number of visits	All	New performance indicator for 2011/12. No comparatives available	80	0	R

Graph 24: SDBIP Waste Water

CHAPTER 3

SERVICE STATISTICS – BULK SERVICES

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Overall performance 2011/12		
					Target	Actual	
TL69	Monitor effective transfer of all DMA functions	Quarterly meetings held	All	New performance indicator for 2011/12. No comparatives available	4	1	R
TL91	Cross-border feasibility study in terms of approved master plan for bulk water services executed for Bitou and Knysna	Feasibility study completed (subject to co-funding of R1.5m by DWA)	All	New performance indicator for 2011/12. No comparatives available	1	0	R
TL90	Development of cross-border master plan for bulk water services by 30 June 2012	% of the plan developed	All	New performance indicator for 2011/12. No comparatives available	100%	0%	R
TL89	Percentage spent of the approved bulk water capital projects	% spent of approved water capital projects (boreholes at Kannaland (Zoar) and Oudtshoorn (Dysselsdorp))	All	New performance indicator for 2011/12. No comparatives available	100%	0%	R

Graph 25: SDBIP Bulk Services

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3.8 BULK WASTE MANAGEMENT

In terms of the constitutional allocation of functions, Waste Management is a municipal function. The Municipal Structures Amendment Act 33 of 2000 prescribes the functions and powers of Local Municipalities and District Municipalities. Article 84(1) enunciate the functions and powers allocated by the MEC of Local Government to District Municipalities of which Article 84(1) enunciate the functions and powers allocated by the MEC of Local Government to District Municipalities of which Article 84(1)(e) enunciate the functions and powers with regards to Waste Management. The National Environmental Management: Waste Act 59 of 2008 clearly stipulates the responsibilities of Local Governments with regards to Bulk Waste Management Services and activities in their area of jurisdiction. The National Waste Management Strategy emphasize National Governments Waste Management's measures and actions that needs to be taken within a five (5) year period and is a legislative requirement of NEM: Waste Act 59 of 2008. Integrated and responsible Waste Management is therefore a legal obligation according to the NEM: Waste Act and each municipality must designate an officer from its administration to be responsible for coordinating matters pertaining to Waste Management in the Municipality.

Eden District Municipality has adopted the first generation Integrated Solid Waste Management Plan of the Eden District in 2006. This is also in line with Article 11(4) (a) of the NEMA: Waste Act, 59 of 2008 that indicates that each municipality must include in its Integrated Development Plan, contemplated in Chapter 5 of the Municipal Systems Act, an Integrated Solid Waste Management Plan.

SERVICE STATISTICS – WASTE

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Overall performance 2011/12		
					Target	Actual	
TL27	Complete the design of the Oudtshoorn landfill site (Oudtshoorn and Kannaland to share 1 bulk waste site) by the end of June 2012	% Completion up to the design of the site	All	New performance indicator for 2011/12. No comparatives available	100%	0%	R
TL28	Develop a business plan for the development of a final integrated waste management master plan by the end of June 2012	% completion of the plan	All	New performance indicator for 2011/12. No comparatives available	100%	0%	R
TL30	Develop a waste minimisation strategy by the end of June 2012	% completion of the strategy	All	New performance indicator for 2011/12. No comparatives available	50%	60%	G2

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Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Overall performance 2011/12		
					Target	Actual	
TL29	Facilitate and co-ordinate bi-annual integrated waste management forum meetings with B-municipalities	No of meetings held per annum	All	New performance indicator for 2011/12. No comparatives available	2	3	B
TL26	Provision of a regional disposal facility (Mosselbay) for domestic and class 1 & 2 hazardous waste for the Southern Cape region by completing of phase 1-4	% completion of phase 1-4 of the facility	All	New performance indicator for 2011/12. No comparatives available	100%	100%	G

Graph 26: SDBIP Waste

KEY WASTE DISPOSAL PROJECTS 2011/12

Project	Description
Provide for Regional Disposal facilities for domestic and hazardous waste with low hazard rating.	This section has started to investigate the possibility to establish Regional Landfill Facilities to accommodate waste from Hessequa, Mossel Bay, George, Knysna, Bitou, Oudtshoorn and Kannaland Municipalities in 2006. Four possible sites were identified in Mossel Bay and Oudtshoorn Municipal areas. The Environmental Impact Assessment Study has already started and has commenced to the Draft Environmental Impact Report Phase. Both regional sites will have a fifty (50) year planned airspace capacity and will also include Mechanical Recovery Facilities, Composting Facilities and Building Rubble Recycling Facilities. The Mossel Bay Regional Landfill Site will also include an H:h hazardous site.
Implement Private Public Partnerships	An Article 78 Investigation, Municipal Systems Act, has also started to investigate the option to outsource the construction and management of the planned facilities. Council has adopted the build, operate and transfer contract external service delivery option. The investigation has now commenced to the feasibility study phase.
Investigate the possible implementation of Solid Waste Conversion Technology	Eden District Municipality has started with an Article 120 Investigation under the Municipal Finance Management Act in Collaboration with National Treasury and the Development Bank of South Africa to determine the feasibility to implement Waste Conversion Technology in the Eden District Municipal area. The purpose of this investigation is to implement processes, to minimize waste to landfill and to utilise waste as a resource as far as possible. An application was made to the Development Bank of South Africa to fund the investigation and final approval must still be finalised.

CHAPTER 3

Project	Description
<p>Develop a Waste Information System to establish and maintain proper control over the disposal of Health Care Risk Waste and Industrial/Hazardous Waste.</p>	<p>A Waste Information System was developed for this section as required in the NEMA: Waste Act. All waste Generators, Transporters, Handlers and Disposers will be registered on the system to regulate the waste industry. All waste related activities will be registered on the information system and regular Web-based reporting will be required from Local Municipalities and private Business. The information system will also serve as a database for school learners and teachers etc, to gather information about Waste Management activities in the Eden District. The registration and reporting phase of the system is completed. The process to align the Eden Information System with the Provincial Information System will now commence.</p> <p>Two hundred and seventy nine (279) health care risk waste generators and eleven (11) industrial waste generators was registered on the information system in the Eden District Municipal area for the reporting period. Reporting on waste generation quantities and waste disposal methods from the registered generators will commence in the following year. The registration of all waste generators on the system will be a continuous process.</p>
<p>Inform and Improve Public Awareness about proper Waste Management and Minimization practices.</p>	<p>Eden District Municipality in collaboration with the seven (7) municipalities has embarked on a successful Waste Minimization Road Show in all the major towns. Waste Minimization Service Provides was invited to exhibit during the road shows. Presentation on Household, E-Waste, Oil, Hazardous Waste Recycling and composting and Vermiculture were made at the road shows held in Riversdale, Plettenberg Bay, Oudtshoorn and Ladismith.</p> <p>The Wise up On Waste Education in Waste Management was launched in 2006 at the Intermediate and Foundation Phase Schools in the Eden District. During the year of this report the program was extended to forty (40) preschools in the George Municipal area. The previous year one hundred and five (105) preschools were introduced in the Wise Up on Waste Program. Waste education can empower learners by getting them involved in reducing waste. Hands-on activities using waste can make learners aware of re-using materials. The Wise Up on Waste Educational Program is incorporated into the National Curriculum of the Department of Education.</p> <p><u>The schools participating in the project are issued with the following resources:</u></p> <ul style="list-style-type: none"> ➤ Posters, ➤ Lesson plan for educators, ➤ Puppets, learners are taught how to sort waste in the different categories by associating the recyclable material with various puppets. ➤ Booklet with one hundred and fifty (150) ideas on how to re-use waste in the school activities, ➤ Sorting boxes (boxes to sort the waste into the four (4) waste categories)

Graph 27: Key waste disposal projects.

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TOTAL EMPLOYEES – WASTE DISPOSAL

Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	1	1	1	0	0
Total	2	2	2	0	0

Graph 28: *Employees- Waste Disposal*

The projects were carried out by 2 officials. The one official that drove the projects on a part time basis, retired at the end of February 2012. The other official left council at the end of March 2012. Since the posts were vacant.

CAPITAL EXPENDITURE – WASTE DISPOSAL

There were no capital projects for the 2011/12 financial year for the waste disposal function.

COMPONENT B: ROADS AND TRANSPORT

The office is a maintenance authority on an agency basis for PGWC: Roads Infrastructure Branch. Funds to support the organogram, as well as for the work to be carried out, are received from PGWC.

Maintenance, re-gravels, reseal and flood damage projects are decided by PGWC after inspections and consultation with the District Municipality Road Services Department as the work that is carried out reflects on the Annual Performance Plan of the PGWC.

3.9 ROADS

The main objective is to provide an excellent service to the principle, which is PGWC. This is done through consistent planning and monitoring and regular feedback to PGWC with regards to expenditure, production and quality.

The major success is to meet the requirements of the principle but simultaneously meet the requirements of the general public that use the roads. This comes down to effective spending, high quality maintenance and quick response to public complaints.

The major challenge for this department as a maintenance authority is the lack of funding to adequately maintain the road network. Funding is on a downward spiral as the increase of funding on a year to year basis is less than previous years due to the effects of inflation. This constraint is also applicable to PGWC. The effective “shrinkage” of funds has the effect that the quality of our roads is going down and it could reach a stage where it will not be reversible. This in fact has a negative impact on the morale of the workers as it is becoming increasingly difficult to carry out proper repairs and maintenance.

Performance is measured by accurate planning and ensuring that deadlines are met, but simultaneously keeping in mind that quality assurance must also be met.

In the process of determining priorities, it is the task of Eden DM, in co-operation with PGWC to ensure that the socio-economic aims of the province is met, thereby assuring that poor communities will benefit from an improved service.

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SERVICE STATISTICS - ROADS

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL88	Implement process plan for identification and appointment of service provider via Renewable Energy Forum	% completed	All	New performance indicator for 2011/12. No comparatives available	100%	0%	R
TL85	Annual plan compiled for the comprehensive maintenance of provincial roads	Submission of Annual Performance Plan to Provincial Government by the end November	All	New performance indicator for 2011/12. No comparatives available	1	0	R
TL84	Effective capital spending	% spent of approved provincial roads capital projects	All	New performance indicator for 2011/12. No comparatives available	95%	100%	G2
TL87	Provincial roads is maintained in terms of the percentage of the maintenance budget spent	% of the budget spent	All	New performance indicator for 2011/12. No comparatives available	100%	100%	G
TL86	Square meters of roads patched according to approved Annual Performance Plan	Square meters of roads patched	All	New performance indicator for 2011/12. No comparatives available	4	1.547	R
TL83	Monitor effective implementation of the integrated public transport plans by the various B municipalities in the District	No of projects in terms of the approved plans implemented for the financial year	All	New performance indicator for 2011/12. No comparatives available	7	0	R

Graph 29: SDBIP Roads

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The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

TARRED (ASPHALTED) ROADS

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2010/11	680.23	0	25.28	0	680.23
2011/12	680.23	0	46.54	0	680.23

Graph 30: *Tarred (Asphalted) roads*

GRAVELLED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/maintained
2010/11	4 557.88	0	0	4 557.88
2011/12	4 557.88	0	0	4 557.88

Graph 31: *Gravelled roads*

TOTAL EMPLOYEES – ROAD SERVICES

Job Level	2010/11		2011/12		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	#	#	#	#	%
0 - 3	8	8	5	3	37.5
4 - 6	15	17	15	2	12
7 - 9	16	17	16	1	6
10 - 12	77	84	79	5	6
13 - 15	3	3	1	2	66
16 - 18	178	179	177	2	1.12
Total	297	308	293	15	5

Graph 32: *Employees – Road Services*

All posts in the department with the exception of the Head of the Dept is filled at this stage. That post will be changed to a permanent post not at Sect 56/57 level. Pending the approval of the organogram, the re-organisation will commence and will the post be filled. At this stage there are no critical vacancies in the department. Our staff turnover lies at approximately 6 posts on a constant basis. This is mainly due to retirements or people seeking work elsewhere. These vacancies also mostly lie in the post level 3 to 7 (task categories). Vacant posts are advertized by the HR department of Eden that run the full process untill an appointment is made. The HR department is also responsible for the normal processing of all labour related issues in the department. For the past year, labour issues was at a low key with minor disputes that required attention.

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CAPITAL EXPENDITURE – ROAD SERVICES

Capital Projects	2011/12				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
R'000					
Maintenance	55 500	-	76 263	20 763	76 263
Re-gravel	23 000	-	26 301	3 301	26 301
Reseal	9 936	-	11 133	1 197	11 133
Flood damage Repairs	5 172	-	6 083	910	6 083
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Graph 33: Capital Expenditure 2011/12: Road Services

Funding for the maintenance of provincial roads is provided by PGWC in the form of a Financial Agreement. Should PGWC have more funds available and should the District Municipality be required to carry out more work, an addendum to the financial agreement is provided. This can happen any time of the year, therefore the principal of an Adjustments Budget is not applicable.

Highlights:

- The core budget started at R78 500 00, 00 but with additional funding a total of R 119 778 555, 00 was spent.
- Additional reseal was carried out for PGWC on Trunk Roads in the Central Karoo area
- Additional damage to roads after heavy rain to the value of R21 767 038 was carried out.
- Repairs to structures to the value R6 082 555 was carried out.

3.10 TRANSPORT

In terms of the National Land Transport Act, the provision of Public Transport is a B Municipal competency. In the Eden Area, it was decided to establish a forum (Eden Public Transport Technical and Steering Committee) on which all the municipalities in the area will be represented. The function of this committee is to assist in the co-ordination of the LITP's and the DITP. Fund were made available to the District Municipality for projects in previous financial years, but PGWC decided as from the 2011/12 financial years not to allocate funding for infrastructure to C Municipalities.

Since the Provincial Strategic Objectives required monitoring of the objectives, the Integrated Transport Steering Com has been established which has now also incorporated the Eden Public Transport Forum.

One person, on a part time basis (approximately 4 hours per week) fulfils the function.

There is no public transport services within the Eden Area, supported and managed by the Local Authorities as of yet.

COMPONENT C: PLANNING AND DEVELOPMENT

The following functions are included in planning and development within the municipality:

- LED
- IDP
- Tourism
- Regional Development, Planning
- Shared Services and Resource Mobilisation

3.11 REGIONAL DEVELOPMENT AND PLANNING

Sustainable economic development in a region is in the first place only possible if there is a balance between the urban-rural and larger-smaller town developments (thus, if there is spatial development balance). Secondly, it requires sufficient protection of all dimensions of the natural environment and, thirdly, the different elements of the physical infrastructure have to develop at a sufficient pace. These three areas are easily taken for granted in the daily efforts of private enterprises to make a profit, break even or fulfil their short-term goals versus the objectives of public policy to protect and allocate resources to ensure long term sustainability.

Key Environmental and Spatial Opportunities and Challenges

Eden's key challenges to achieve developmental and spatial sustainability includes the regions wide biodiversity and natural assets, which are of global significance; the regions unsustainable ecological footprint and impact on quality of life and the environment; the legacy of apartheid townships; rural degradation and marginalised rural communities; urban sprawl and indiscriminate ad hoc development leading to further spatial fragmentation; housing delivery and how to supply diverse needs; the limited co-operation and partnerships between all the sectors and social partners; the lack of programmes that can gear funding for IDP and LED priorities; the imbalanced distribution of wealth as well as marginalisation of second economy activities and micro enterprises.

Amongst the opportunities that Eden can capitalise on include its ability to be promoted and recognised as a biodiversity hub; the identification of three leader towns in Eden and how best to capitalise on these towns in order to stimulate the economy; the conservation economy and the formation of collaborative initiatives with all social partners, such as conservation agencies, landscape initiatives, government etc.

The protection of the region's biodiversity:

Balanced approaches to golf courses, polo fields and resort developments as well as development approaches like urban-edge facilitation, settlement densification and urban corridors. Obstacles in the way of adequate and appropriate development efforts in these spheres relate to several critical areas, including the mobilisation of funding (from local, regional, provincial, national or foreign sources), effective lobbying for priority ranking in higher-authority spending programmes, incorporation of all local interests in planning processes for such projects and effective management of existing and new facilities.

The following can be viewed as priority action areas.

Increase public awareness and municipal commitment around the basic issues of spatial balance, environmental protection and infrastructure development. These challenges need to be at the basis of all physical planning processes across the region, and they need to figure high in local debates around development. To achieve such continued awareness and improve co-operation between the different local towns and sub-regions there is urgent need for a formal co-operation and co-ordination procedure between all local municipalities, the EDM, provincial and national representatives and key private-sector players.

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SERVICE STATS – LED

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Overall performance 2011/12		
					Target	Actual	
TL70	The number of jobs created through municipality's local economic development initiatives including capital projects	Number of jobs created	All	New performance indicator for 2011/12. No comparatives available	540	289	R
TL80	Successful international partnerships concluded to increase tourism in the district	No of successful partnerships concluded	All	New performance indicator for 2011/12. No comparatives available	1	1	G

Graph 34: SDBIP - LED

3.12 LOCAL ECONOMIC DEVELOPMENT

The purpose of the Local Economic Development Strategy document is to collate all economic information and investigate and coordinated and integrated options and opportunities available to broaden the economic base of the EDM. This has been packaged as a strategic implementation framework in order to address the creation of employment opportunities, investment and business development and the resultant positive spin-off effects throughout the economy of the EDM.

Furthermore, it is also aimed at ensuring that the municipality can efficiently and effectively facilitate the creation of an appropriate enabling environment conducive to economic development and investment. This can, however, only be undertaken if and when the current development situation in the area is understood. The analysis will therefore provide the foundation by assessing the current demographic, socio-economic and economic characteristics and trends of the area and by highlighting the main challenges faced in the area. The purpose of this report is to provide an overview of the characteristics (social, economic, municipal capacity, competitive advantages, financial commitments as well as capacity, etc.) of the study area

CHAPTER 3

SERVICE STATS – LED

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL70	The number of jobs created through municipality's local economic development initiatives including capital projects	Number of jobs created	All	New performance indicator for 2011/12. No comparatives available	540	289	R
TL80	Successful international partnerships concluded to increase tourism in the district	No of successful partnerships concluded	All	New performance indicator for 2011/12. No comparatives available	1	1	G

Graph 35: *SDBIP – LED*

The table below gives a brief description of all the achievements within local economic development during the 2011/12 financial year:

Achievement/Highlight	Description
SANEC agreement: Horticultural Trade Mission	Two horticultural businesses from the Eden District, Rademachers and R & S laboratories attended the Horticultural Trade Mission from the Netherlands in Cape Town.
Local economic development (led) learnership of the local government seta	<p>Memorandums of Understanding were concluded with Knysna, Bitou, Oudtshoorn and Hessequa Municipalities to roll out the Local Economic Development (LED) learnership of the Local Government SETA.</p> <p>Unemployed Learners were placed within the LED units of the different local municipalities in the district to increase capacity. The official LED Learnership training program started during the month of July 2011 and was completed by June 2012. The programme consisted of 22 learners on NQF 4 and 15 learners on NQF 5.</p> <p>In total, 85 unemployed persons benefited from this opportunity and were placed within the LED units of the participating municipalities.</p>
Sustainable Municipal Infrastructure Operations and Maintenance Programme of the Development Bank of South Africa	50 Small businesses were trained in the Operations and Maintenance of municipal infrastructure. The following three modules were covered during their training i.e. Project Management, Labour Intensive Construction and Business Management.

Graph 36: *Achievements within local economic development*

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LED STRATEGY

The Eden District LED strategy has been compiled and adopted by council on 30 July 2012. The process plan is being developed as a guideline for implementation and includes the champions and stakeholders who will collaborate on driving specific projects and initiatives identified, as well as a resource mobilization process for the purpose of obtaining funding for these various projects.

The district currently has an established, functioning LED forum consisting of all the municipalities in the district, the Department of Economic Development and Tourism, Western Cape, and economic development state agencies such as the Small Enterprise Development Agency of South Africa (SEDA). The purpose for the Eden region's functional LED Forum is to expand the scale and scope of LED initiatives across the region, by systematically leveraging support from partners such as neighbouring local municipalities, private sector stakeholders and LED support structures, for regional LED related challenges

The vision for LED in the region is to develop a diverse, sustainable and shared regional economy through innovation and partnerships, in order to stimulate employment and business development opportunities and increase the quality of life for all.

The Eden DM LED unit, along with the LED representatives from all 7 local municipalities in the district also serves on the Regional Business Chamber Forum, as this is seen as an important platform for contact and networking between key public and private sector stakeholders in the region.

In the Eden District Municipal area, which are an agricultural, manufacturing, business and financial services and tourism based economy; our LED interventions must try to effect transformation and shared growth by introducing new entrants to established industries with a view to effect empowerment and ownership and to ultimately share the regional economy. We must also strive to diversify the economic base by developing and identifying potential for growth in the lagging sectors in order to grow the regional economy. For this purpose, working closely with the private sector of the regional economy is imperative.

Local Economic Develop (LED) includes any and all activities associated with economic development and working closely with all relevant stakeholders on key regional economic issues.

The LED strategy identifies various issues and strategic areas for intervention such as:

Objectives	Strategies
Agriculture expansion	Floriculture (New Flowers i.e. Rose) Value-added floral products such as essences, perfumes, and other by products from flowers. Crop diversification – Roses Access to new markets – dried flowers Horticulture - Potential new products: Pomegranates, Dates, Grapefruit Niche Markets (Health and Nutrition) Soya Beans, Cowpeas, Cassava, Hoodia Gordonii Expansion of existing agricultural produce Honey, Essential Oils Expand Districts infrastructure (Development and Maintenance) Technology, Agriculture Water Security –Invest in Technology, Development of irrigation systems for intensive production Forestry Training and Best Operating Practices Promote Agro-Forestry Timber Cluster Development Commercial Aquaculture Expansion Of Mossel Bay Harbour Upgrading of George Airport Research & Technology KSF
SMME Capacity Building	Rural/Township Business/Office Park Development Business Retention & Expansion (Dairy, Timber, SMME's) Red Tape Reduction

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Objectives	Strategies
Improved and focused marketing of the area as a tourist destination	Regional Branding (tourism & products) Development of tourism packages Improvement of tourism infrastructure, incl. transport links, George Airport – international status, information services

Graph 37: LED Objectives and Strategies

ECONOMIC ACTIVITY

The table below identifies the economic activity within the different sectors:

Economic Activity by Sector		
Sector	2010/11	2011/12
Agric, forestry and fishing	1.5	1.5
Mining and quarrying	5	2
Manufacturing	58	63
Wholesale and retail trade	51	52
Finance, property, etc.	48	52
Govt, community and social services	25	25
Infrastructure services	38	41
Total	226.5	236.5

Graph 38: Economic activity by sector

Economic Employment by Sector		
Sector	2010/11	2011/12
Agric, forestry and fishing	25 000	30 000
Mining and quarrying	435 000	372 000
Manufacturing	300 000	270 000
Wholesale and retail trade	200 000	210 000
Finance, property, etc.	255 000	235 000
Govt., Community and social services	310 000	320 000
Infrastructure services	430 000	450 000
Total	1 955 000	1 887 000

Graph 39: Economic Employment by Sector

The major employers of the district are wholesale and retail trade (**22.8%**) and the construction (**14.3%**) sectors. A vast range of temporary and permanent job opportunities arise within the primary tourism industry at established accommodation establishments (hotel groups in the area) and other secondary tourism sub-sectors such as transport, and food and beverage establishments. Due to limited space within the Central Business Districts, employment generation in market places as street vendors takes place on a very low to medium scale.

3.13 EPWP

EPWP has created **643 116** work opportunities in the 2010/11 financial year.

South Africa faces a high rate of unemployment within its working age population. A large proportion of our population lacks the skills and /or opportunities to earn a living and participate actively in our economy.

According to Stats SA Report, from 2005 to 2010, the following aspects in terms of unemployment in a broader South African perspective; Almost 400 000 people lost their jobs in 2010; On average 13.1 million people were formally employed in 2010 compared to 13.5 million in 2009, meaning a decline of 2,9%. Between 2009 and 2010, almost all industries (agriculture, mining, manufacturing, construction, trade, and finance) experienced a loss of jobs, except for the community and social services and the transport sector which grew by 2,1% and 1,3% respectively.

The most worrying finding in the Stats SA report is that the bulk of unemployed people is below the age of 35 years and that 60% of jobless people had not completed secondary education. A slightly positive trend is shown by the fact that people with tertiary education have increased their share from 3,7% in 2005 to 5,8% in 2010.

According to the National MIS System results for the fourth and last quarter in November, 2011 EPWP has created 643 116 work opportunities in the 2010/11 financial year. The last quarter results for the 2010/11 financial year shows the EPWP continuing to prove its viability as an important catalyst for the creation of decent work opportunities.

“The 643 116 work opportunities figure reflects an impressive achievement of the programme’s set-target of 642 000 work opportunities for the 2010/11 financial year. This achievement proves yet again that the programme is making a significant impact in contributing towards government’s concerted efforts of reducing unemployment and poverty by 2014. “

For 2010/11 financial year, an amount of R679-million was allocated for incentive grants to municipalities and R267-million for provinces. On the sector breakdown, the infrastructure sector created 277 100, environmental and culture 107 189, social 131 979, non-state sector 92 136 and non-profit organizations 34 712. KwaZulu-Natal had the largest number of work opportunities created in total with the bulk of the jobs created in the infrastructure sector. This province is closely followed by the Eastern Cape and Gauteng.

EPWP POLICY & COMPLIANCE

The Expanded Public Works Programme (EPWP) was initiated in 2003 to draw significant numbers of the unemployed into productive work, so that workers gain skills while they work, and increase their capacity to earn an income. The programme is implemented through existing government structures and budgets, with the Department of Public Works as overall co-ordinator. The EPWP framework has been built on existing job creation programmes focussed on introducing labour intensive methods which can still maintain cost efficiency and quality of output.

The second five-year phase of the EPWP is being implemented over the 2009-2014 financial years with the aim of creating 2 million Full Time Equivalent Jobs (FTEs) or approximately 4.5 million work opportunities over the five year period. A key focus in the second phase of the EPWP is to more formally mobilise all spheres of government and public bodies to take ownership of, and contribute to the EPWP targets

Based on the fact that most unemployed people are relatively unskilled, as well as the principle that the causes of unemployment in South Africa are structural rather than cyclical, the EPWP aims to provide additional and mostly temporary work opportunities which are combined with training, in all spheres of government and state owned enterprises.

The training element has been considered to be crucial in the current situation where the large majority (70%) of the unemployed youth have *never* been employed, and 69% of all unemployed have never had a job before. Therefore, training is a key element not only as an exit strategy but also to increase the future employability of participants.

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The programme has a four pronged approach, focussing on four key sectors of the economy, with a wide range of Departments and areas of activity being pulled together to contribute to the common goals.

KEY SECTORS:

INFRASTRUCTURE SECTOR:

Aimed at increasing the labour intensity of the government funded infrastructure projects, and driven by the Department of Public Works. A number of other entities are also very involved here, including the Departments of Transport, Housing, Provincial and Local Government, Water Affairs and Forestry, Public Enterprises, Education, Minerals and Energy and Agriculture.

ENVIRONMENT & CULTURE SECTOR:

Aimed at creating work opportunities in the public environmental programmes, and driven by the Department of Environmental Affairs and Tourism. The departments of Water Affairs and Forestry, Arts and culture and Agriculture also play a role.

SOCIAL & ECONOMIC SECTOR:

Aimed at creating work opportunities in public social programmes, primarily within community and home based care and early childhood development. This area is headed by the Department of Social Development, and supported by the Departments of Health and Education. The economic sector focussed on developing small businesses and co-operatives, using current Government expenditure to provide the work experience component of small enterprise learner-ships and incubation programmes. This is led by the Department of Trade and Industry, and the Department of Labour, the Development Bank and varied SETA's are also involved.

LEGISLATIVE AND POLICY FRAMEWORK:

The Expanded Public Works Programme is develop and guided by the following legislative and policy prescripts:

- The Constitution of South Africa (Act No.108 of 1996)
- The Public Finance Management Act (PFMA, 1999).
- Public Service Act (PSA, 1994).
- Municipal Finance Management Act (MFMA, 2003).
- Division of Revenue Act (DORA, 2006)
- The Municipal Systems Act (Systems Act, 2000)
- The Basic Conditions of Employment Act (BCEA, 1997).
- Skills Development Act (SDA, 1998)
- Cabinet Memo 2003 approving the implementation of EPWP
- Western Cape Cabinet Economic Committee: 2009 New EPWP Strategic Directives
- EPWP Phase 2: Consolidated Programme Overview, 2009.
- Ministerial Determination and the Code of Good Practice for Expanded Public Works Programme.

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- Expanded Public Works Programme (EPWP) Institutional Arrangement Framework, (2012).
- National Development Plan 2011
- New Growth Path 2010

EDEN DISTRICT MUNICIPALITY'S EPWP PERFORMANCE 2010/11

Job Creation through the National Expanded Public Works Programme (EPWP)					
Financial Year	Number of EPWP Projects	Number Of Work Opportunities	Number of Training Opportunities	Number of Training Days	Number of FTE [Full Time Equivalent]
2010/11	1	84	0	0	6
2011/12	33	289	142	44	27.16

Graph 40: EPWP Performance

NB: Some of the results of these Projects do not reflect on the National EPWP MIS System, due to non-compliance of Institutional Arrangements

EDEN DISTRICT MUNICIPALITY: MIG FUNDED PROJECTS FROM JULY 2009 TO DECEMBER 2011

Despite EDM's EPWP non-compliance results, as an Eligible EPWP Public Body, Council devoted to managed almost R 82 million during 2009/10 via MIG; DWF Masibambane and National Disaster Funds on various projects within the DMA including Zoar, Haarlem and Uniondale. Appallingly all of these projects formfitting Infrastructure Sector EPWP project criteria. However due to a lack of proper structured [EPWP] Institutional Arrangements EDM lost valued incentives.

EDM's component that were responsible for MIG funded projects on a district level, dealt directly with the Provincial Department of Local Government responsible to managed MIG funded projects on a provincial and national level. For several years they managed their own Data System in terms of monitoring MIG funding projects. Regrettably this reporting system is not linked with DPW's National MIS / Kwantu EPWP System. However this misconception was cleared during expressive debates between the relevant role-players in June 2010.

Due to the positive outcomes of these debates, EDM managed to register the very last MIG funded project called "Uniondale D Upstream" [Executed during August 2010 and January 2011]. All the necessary documents and relevant information according to EPWP templates and Incentive Grant Manual procedures were received and captured on the National Data System. Subsequently EDM received incentive grant to the amount of R 69 000.00.

REGISTERED WORK OPPORTUNITIES CREATED WITHIN EDEN DISTRICT FOR 2010/2011:

WORK OPPORTUNITIES BREAKDOWN IN EACH EPWP SECTOR AS ON 31/05/2011				
MUNICIPALITY	INFRASTRUCTURE	ENVIRONMENTAL	SOCIAL	TOTAL WORK OPPORTUNITIES
EDEN	84 (1Projects)	0	0	84
BITOU	164 (6 Projects)	93 (1 Projects)	0	257
GEORGE	181 (10 Projects)	97 (1 Projects)	246 (5 Projects)	524
HESSEQUA	259 (6 Projects)	50 (3 Projects)	0	309
KANNALAND	773 (20 Projects)	606 (5 Projects)	0	1379

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WORK OPPORTUNITIES BREAKDOWN IN EACH EPWP SECTOR AS ON 31/05/2011

MUNICIPALITY	INFRASTRUCTURE	ENVIRONMENTAL	SOCIAL	TOTAL WORK OPPORTUNITIES
KNYSNA	70 (5 Projects)	416 (1 Project)	0	486
MOSSEL BAY	258 (11 Projects)	180 (2 Projects)	0	438
OUDTSHOORN	662 (3 Projects)	0	0	662

Graph 41: *Registered Work Opportunities*

PERFORMANCE AGAINST ANNUAL BUDGET 2010/2011:

PERFORMANCE AGAINST ANNUAL TARGET

MUNICIPALITY	ANNUAL TARGET	TOTAL WORK OPPORTUNITIES	% ACHIEVED AGAINST ANNUAL TARGET
EDEN	91	84	90%
BITOU	134	257	190%
GEORGE	311	309	667%
HESSEQUA	117	524	447%
KANNALAND	105	1379	1313%
KNYSNA	221	486	219%
MOSSEL BAY	157	438	279%
OUDTSHOORN	160	662	413%
TOTAL	1296	4184	322%

Graph 42: *Performance Against Annual*

THE ADVANTAGE OF RECEIVING MIG FUNDING:

In terms of the Incentive Grant Allocation, during 2009/10 financial year Eligible EPWP Public Bodies were eligible to receive an incentive amount of R 11 500.00 for every Full Time Equivalent [FTE= 230 actual person days working created]. It's important to know that most of the Infrastructure Projects executed by most of our B-Municipalities are generally funded via MIG of which they report on the National MIS system therefore claim and receive high incentive grants. Thus they have the advantage to double their incentives and creating more job opportunities in their area of jurisdiction.

OVERALL IMPROVEMENT OF EDEN DISTRICT [INCLUDING THE B-MUNICIPALITIES] PERFORMANCE IN TERMS OF JOB CREATION SINCE 2009 AND 2012:

The overall best performance of Eden District [including the seven B-Municipalities] in terms of job creation for the financial year 2011/2012, in evaluation with other Districts in the Western Cape, is mainly a result of good intergovernmental relations e.g. the leading and consultative approach followed by Eden District EPWP Forum. This resulted in receiving the highest DORA / [EPWP] grant allocation for 2012/13, in relating to all other District's in the Western Cape.

The following Table indicates a comparison / improvement on the Nominal Grant / Allocation received by Eden District [including the seven B-Municipalities residing in Eden District] between the financial years 2009/10 and [currently] 2012/13:

A comparison of Eden District's Nominal / Grant Allocation between the financial years 2009/10 and [currently] 2012/13		
Municipality	Indicative Allocation [National Financial Year]	Indicative Allocation [National Financial Year]
	2009/10	New Incentive Grant 2012/13
Eden District Municipality	R 500 000	R 1 000 000
George Municipality	R 773 000	R 1 736 000
Oudtshoorn Municipality	R 333 000	R 2 350 000
Knysna Municipality	R 333 000	R 1 000 000
Mossel Bay Municipality	R 333 000	R 2 461 000
Kannaland Municipality	Not Eligible	R 1 000 000
Hessequa Municipality	Not Eligible	R 1 000 000
Bitou Municipality	Not Eligible	R 1 000 000
Total	R 2 272 000	R 11 547 000

Graph 43: A comparison / improvement on the Nominal Grant / Allocation

The increase of EPWP Grant Allocation is based on the Performance of Job Creation by an Eligible Public Body in a financial year. [Not Eligible: Not yet signed an Memorandum of Understanding / Protocol Agreement at that stage]

EDM: EWP PERFORMANCE 2011 / 2012

INTERVENTION: WESTERN CAPE PDPW

The Western Cape DPW's Chief Director and Chairperson of the Provincial EPWP Steering Group, Mr Richard Petersen engaged with the Executive Mayoral Committee Members in the Council Chambers on the 18th October 2011. The discussion was mainly focus on the status of Eden District Municipality's EPWP progress.

THE FOLLOWING KEY ISSUES WERE FIRMLY DISCUSSED:

- Eden District's ownership status of the Programme.
- EPWP Institutional Arrangement.
- Importance of identifying of labour intensive projects within the four different Sectors of the Programme.
- Skills Development, the importance of accredited training and exit strategies
- Importance of project reporting and data capturing on the National EPWP Data System WBS / Kwantu / MIS System.
- The negative impact on Council by not reporting [data capturing] of well planned and executed projects.
- Council not making use of EPWP Incentive Grants; this grant is available to create extra jobs for unemployed youth.
- The importance of the Endorsement of the yearly Presidential EPWP summit resolutions.

THE IMPORTANCE OF ADHERENCE TO THE FOLLOWING ASPECTS:

- The obligations of Municipal Protocol Agreements / Incentive Agreements between the National Minister of Public Works and all Municipal Managers / Mayors.
- Establishment of District Municipal EPWP Forums ensuring co-ordination and reporting.

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- Establishments of District and B-Municipal Internal EPWP Steering Committees to give direction and strengthen the capacity of Eligible Public Bodies regarding the implementation of the programme.
- Strengthening of partnerships between all Spheres of Government and Private Entities.
- Municipal commitment to mobilize the Non –State Sector and Community Works Programmes.
- Workshop and draft an EPWP Policy Document.

MAYOR’S COMMITMENT

The Executive Mayor voiced his concern about the status of Eden District’s EPWP progress, but confirmed his dedication to honour Council’s obligations as set out in our Municipal Protocol Agreement. He also mentioned that his priority is to use the advantages of the programme, to reduce the high levels of poverty and unemployed within Eden District.

MUNICIPALITIES OVERALL PERFORMANCE IN THE WESTERN CAPE FOR THE FINANCIAL YEAR 2011/12

Full Time Equivalent Performance

Municipalities By Province	2011/12 FTE Target	2011/12 Quarter 1 Performance	2011/12 Quarter 2 Performance
Western Cape	4261	1391	3645

Graph 44: Full Time Equivalent Performance

NB: The current FTE performance of 3645 represents an 85, 5% achievement towards the target of 4261

Municipalities Overall Achievements in the Western Cape for 2011/12

- 29 out of 30 Municipalities reporting on Infrastructure
- 26 out of 30 Municipalities reporting on EAC
- Data capturing project – 95% of DC’s absorbed by municipalities
- New Conditional Grant (2012/13): All municipalities eligible

RESEARCH METHODOLOGY

National DPW EPWP criteria & standard memorandum of agreements
Consolidated Programme Overview & Logical Framework NDPW – June 2004
Framework for Evaluating the EPWP. Employment & Economic Polic Research_
Programme, Human Science Research Council. Project Leader Dr.M.Altman Project Manager Ms.M.Mayer “ Social science that makes a difference”
Expanded Public Works Programme NDPW Five-Year Report 2004/05 – 2008/09 and all related Policies and Manuals.
EHP Report compiled by Mr. D. Gerrits SSI Engineers & Environmental Consultants (PTY)Limited November 2009
Report compiled by: MA & Associates November 2009 _
National MIS System - Database of District & B – Municipalities targets & performance for 2009/10; 2010/11 and 2011/12 financial years.
EPWP Strategic Directives of Provincial Government: Western Cape – June 2009/10

RESEARCH METHODOLOGY

Continuous personal interviews with counterparts at NDPW; PDPW in the Western Cape; all B-Municipalities and other Non-State Stakeholders.

Personal interviews with Eden District Municipality's internal project managers dealing with MIG funding Projects; Work for Water Projects; Roads Infrastructure; DMA manager; external consultant engineers and contractors._

SA Stats Reports 2005-2010 and 2010-2011

Graph 45: RESEARCH METHODOLOGY

3.14 TOURISM

The Regional Tourism Office's main functions are inter alia, to co-ordinate regional tourism projects; compile a data base of information on tourism promotions in the region and to co-ordinate shows and exhibitions throughout the world. Co-ordinates and controls applications and processes associated with the organization and provision of information and support on the aims, objectives and plans to develop the potential of the region, planning and execution of deliverables with respect to the marketing and developing of Tourism projects, events and functions and, the analysis and evaluation of outcomes from research and studies on the of interventions and initiatives on tourism Growth and/or the positioning of the region as a preferred tourism destination. To ensure that priorities for the region are, to increase the volume of tourists, increase the average spend per tourist, increase the length of stay, improve geographical spread, improve seasonality patterns and to promote transformation.

The above targeted markets and countries therefore reflected in our marketing plan for and hence our proposed participation in strengthening our position within our lucrative core markets to increase awareness of Garden Route and Klein Karoo and environs as a premier desirable destination within South Africa and therefore increase visitor numbers and tourism spend from these countries to the Garden Route and Klein Karoo.

AIM AND FUNCTION OF TOURISM SECTION

Eden District Municipality is responsible for Tourism Marketing and Development and runs a regional tourism office - Garden Route and Klein Karoo Tourism from where tourism throughout the Garden Route and Klein Karoo areas are coordinated. The office works closely with Local Tourism Bureaux, Province and National and International Tourism organisations in promoting the area as a world class destination.

THE REGIONAL TOURISM OFFICE'S MAIN FUNCTIONS ARE INTER ALIAS:

- To coordinate regional tourism projects
- Compile database of information on tourism promotions in the region and to coordinate shows and exhibitions throughout the world
- Coordinate and control application processes formations and support on aims, objectives and plans to develop the potential of the region.
- The marketing and developing of tourism projects, events and functions and,
- The analyses and evaluations of the outcomes from research and studies on the interventions and initiatives on tourism growth and/ or the positioning of the region as a preferred tourism destination
- To ensure that priorities for the region are, to increase the volume of tourists, increase the volume of tourists, increase average spend per tourist, increase the length of stay.
- Improve geographical spread, improve seasonality patterns and to promote transformation.

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KEY PROJECTS FOR 2011/12

INDABA 2012

Indaba is one of the largest tourism marketing events on the African calendar and widely regarded as the continent's premier travel trade exhibition. It has grown in status, quality and diversity to become one of the industry's top three "must visit" travel and tourism trade shows of its kind on the global calendar.

Indaba is a showcase for the widest variety of the best South African tourism products and draws both international and domestic media and trade professionals. It has won the World Travel Market award for being Africa's best travel and tourism show for two successive years and is regarded as the premier business and networking event on the Southern African tourism calendar.

Indaba is a four day trade event that attracts well over 13000 delegates from the travel tourism and related industries.

Although the Garden Route and Klein Karoo has historically attended Indaba on its own, providing exposure for local tourism offices as well as for selected SMME's, this year it has been decided that it would be economically expedient and in line with national tourism strategy initiatives to attend the platform on a joint stand with the Western Cape tourism destination organization, WESGRO.

This initiative provided a strong unified message to all our markets, specifically on the international front. Garden Route and Klein Karoo as well as three of the local tourism offices, Plettenberg Bay, George and Knysna, signed participation agreements and joined our neighbouring regions on the joint platform reflecting the Western Cape as tourism force to be reckoned with.

Indaba 2012 was attended by Ms. Fathima Watney (Tourism Coordinator), Ms. Amagene Pietersen (Tourism Development Officer), Mr. Godfrey Louw (Municipal Manager) as well as Cllr. Wessie van der Westhuizen (Executive Mayor) representing the Garden Route and Klein Karoo Tourism from Eden District Municipality.

THE HIGHLIGHTS AT INDABA 2012

- Chinese Familiarization Trip
- Partnership with Cape Winelands (coincides with Road shows)
- Partnership with Stellenbosch Tourism
- Packages with 1Time Airline
- Meeting with SATOUR India
- Potential Tourism Coverage on SAA
- Trade and Media Launch
- Meeting with Western Cape Minister of Finance and Tourism

More meetings with regards to funding mobilization were held with the following people:

- National Empowerment fund
- Department of Trade and Industry (Sector Specific Assistance Scheme)
- Industrial Development Corporation
- National Department of Tourism (Passport to Tourist Guiding)

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ABSA EDEN CATER CARE TRAINING PROGRAMME

ABSA Bank has sponsored The Eden School of Culinary Art (ESCA) in George with R500 000 to train 30 previously disadvantaged individuals in the tourism sector. Eden District Municipality coordinates the mobilising of the trainees and the coordination of the training programme. Eden School of Culinary Art (ESCA) seeks to address the high rate of unemployment within the Eden District.

In particular the School seeks to provide culinary skills training for unemployed people in the Eden region. Recent Government surveys indicate that 14 of the 17 most disadvantaged areas of the Western Cape fall within the Eden District. The training is intended to equip people to access jobs in the local hospitality industry and tourism sector.

THE SKILLS ACQUIRED DURING THIS COURSE:

- Basic food assistant skills – these skills will enable the learner to assist a Cook or Chef in a kitchen.
- Basic food service skills – these skills will enable the learner to initially assist in service in a restaurant or hotel and as their confidence improves, they will be able to become full service ambassadors.
- Wine server – this course will enable the student to enter the industry with a certified and acknowledge qualification from a highly respectable service provider in the industry. They will be able to serve wine and speak from a position of authority.
- Personal money management – these skills will enable the student to manage their own personal finances more effectively.
- Basic life skills – these skills are aimed to give the learner the necessary life skills to work effectively within a team and also to manage possible conflict situations.

OUTCOMES

- To train these people to be employed in the hospitality industry
- Training was held in groups of 10 for 13 weeks per group
- Assist trainees to find work in the hospitality industry in their municipal area
- To make trainees more marketable to find employment in the hospitality industry
- Eden School of Culinary Art has established good relations with various hotels, Guest houses, restaurants and resorts who will be willing to employ them once they are qualified.

SUCCESS OF THE PROGRAMME:

The National Department of Tourism is sponsoring training for young people between the ages of 18 and 35 in Certificate in Culinary Art by City & Guilds.

The program is managed by the South African Chefs Association and ESCA as an accredited City & Guilds Centre have been requested to facilitate the roll out and training in the Southern Cape.

SUCCESS

The students who completed the ESCA training were selected to attend this course. They will be attending class once a week for 24 weeks at ESCA and the balance of the week they will do practical work/mentorship in selected facilities.

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They will also be receiving a uniform, learning material and knife rolls.

ABSA KKNK

Eden District Municipality was a partner at ABSA KKNK whereby they contributed financially in past years and recently Eden District Municipality received a proposal from ABSA Klein-Karoo Arts Festival to form part of this year's intervention in Oudtshoorn. With the support from the Council this new partnership creates a platform that will embrace tourism product innovation and expansion in the Eden region.

The ABSA KKNK is one of the initiatives that contribute in the Economy of the region and referring back to the Eden Economic Development Strategy which outlines the fundamental key issue regarding the impact that the Tourism industry has in the Eden region.

ABSA KKNK plays an instrumental role to achieve optimal sustainable local economic development, employment creation and improvement in living conditions and standards, as well as human resources development in the region. ABSA KKNK plays a vital role in terms of attracting international and domestic tourists to the Eden region and tourism has huge potential to spur economic growth with excellent employment growth prospects.

The Economic Development Strategy of Eden District Municipality outlines the importance of resource sharing the support Economic Growth within the entire district. Therefore, Eden Local Economic Development Strategy emphasises regional approach in terms of its vision and objectives.

RIGHTS OFFERED AT ABSA KKNK

Generic rights

- A maximum of 5 dignitaries from EDEN DM were placed on the Absa KKNK's official guest list, where they had access to complimentary tickets to shows to the value of R5, 000.
- They were invited to the Absa KKNK's hospitality facility, the Kannaland Kamer (08:00 – 16:00) and Club Al Capone (22:00 – 02:00). The Kannaland Kamer offered a daily complimentary breakfast and lunch, as well as a cash bar. Club Al Capone is a night club with daily live music sessions.
- The Mayor was invited to functions presented by other sponsors, such as the Absa Opening function on 30 March 2012 and the L'Atelier Visual Arts Function on 1 April 2012.
- The EDEN DM received the following recognition at no extra cost:
- Logo on www.absakknk.co.za
- Logo on sponsors' pages in the Festival Guide.
- Full-page full-colour advertisement in the Festival Guide
- EDEN DM enjoyed support services from the Absa KKNK's logistical staff with the hanging of branding, our accommodation staff in the booking of accommodation and our hospitality staff.

EDEN DM WILL BE RECOGNISED IN OFFICIAL FESTIVAL PUBLICATIONS FOR ITS SUPPORT TO THE PROJECTS LISTED BELOW:

- Project rights: Arts Programme & Arts Development. The mentorship component for the vocal development initiative: Workshop cost – R40 000
- Professional Development Programme – capacity building programme for emerging festivals from the Eden DM (cost for 5 candidates) – R15 000

- Klein Karoo Klanke, part of the Karoo Kriewel: Project fee – R15 000
- Luhambo: Die kwaai reis: Project fee of R11 000
- Project rights: Festival of Opportunities

GARDEN ROUTE CRAFT & CULTURE DESTINATION GUIDE

A Craft and Culture destination booklet with the objective to promote local crafts, and cultural and heritage tourism in the Garden Route and Klein Karoo. It is a free marketing tool through which we promote the indigenous craft in the region and cultural heritage tourism initiatives by bridging the gap between urban markets and rural producers.

Guided by Eden District's strategic imperative to facilitate a coordinated approach towards marketing the arts and culture sector as a niche market in the Garden Route and Klein Karoo, the development of the Craft and Culture Destination Guide was undertaken within the context of Eden District Municipality's Tourism Marketing Plan, Arts and Culture strategy and our imperative to facilitate optimal marketing of our indigenous and inherent tourism and various other products that attribute to the local iconic and cultural diversity of our region.

The objectives of this project are:

- To promote and market the Garden Route and Klein Karoo as a prime tourist destination with a focus on craft and culture as part of its unique value proposition.
- To develop a hands – on guide that displays the craft and culture aspects of our region clearly through a user friendly map that will enable tourists to explore the vibrant natural, indigenous and cultural/heritage tourism attributes that are authentic to our region. This guide should enable tourists to locate, discover and gain a thorough understanding of the region to facilitate easy and accessible travelling.
- To develop an electronic spatial map of all craft and culture products.
- To provide itineraries to tourists.

It is envisaged that this Craft and Culture Destination Guide would assist the Eden District Municipality in achieving its tourism marketing and development goals and objective in line with the national policy framework. Production of the Craft and Cultural Tourism Booklet including a map, and the development of required databases as stipulated in the tender document.

Aligned with provincial and national government programmes, imperatives and policies aimed at prioritising support for practitioners in this sector, the Craft and Culture Destination Guide is a strategic marketing tool that Eden District Municipality uses to achieve its tourism marketing and development goals and objective. Equally to optimally market the beneficiaries that does not have the financial capacity to conduct their own marketing.

During this process a comprehensive database was compiled by the service provider which incorporates a survey conducted amongst 200 crafters. The results of the survey indicates that the majority of the craft businesses requires product development and some of them assistance with marketing.

The Tourism Unit of the Eden District Municipality in collaboration with the Local Tourism Offices launched the Craft and Culture Destination Guide. The objective of this launch was to firstly give the beneficiaries the necessary exposure and to make Tourism Stakeholders aware of this book so that the beneficiaries can gain valuable business in future. The guide was launched in March 2012.

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DISTRICT CULTURAL FORUM

The Department of Cultural Affairs and Sport (DCAS) provides services and support to empower the people of the Western Cape in the areas of arts, culture, heritage, sports and recreation. In the spirit of ubuntu, DCAS strives to set the platform for a creative, active and empowered Western Cape.

Eden DM in collaboration with the Western Cape Provincial Department of Cultural Affairs and Sport established the first Eden District Cultural Forum on 10 February 2010. The objective of this structure is to ensure optimal cooperation within the Arts & Culture Sector which would result in the strengthening of links between the different spheres of government and civil society.

The Structure will consist of representatives from Local Cultural Forums from the following B - municipalities; Knysna, Bitou, Oudtshoorn, Mossel Bay, George, Hessequa and Kannaland. Eden District Municipality performs the secretariat function.

Cultural Affairs and Sport are key catalyst to growth and development of communities throughout the Western Cape. These activities benefit communities on various levels. Explicit benefits can be seen in the form of economic growth, transfer skills and development of youth to name but a few. Implicitly there are also many benefits that accrue to society the most important being the establishment of moral and cultural diversity and moral fabric of communities. The key objective of the Local Cultural Forum is to transform the Creative Industries at the community level by formalising the Arts and Cultural Sector.

The District Cultural Forum is responsible for communication and interaction with all levels of government, and also has an oversight role by monitoring the progress of Local Cultural Forums. One of the key tasks allocated to the newly elected structure was to look at strategies of ensuring that arts and culture programmes and opportunities reach our rural dispersed communities.

On 13 December 2011 a meeting was called between the Eden District Municipality, Department of Cultural Affairs and Sport and remaining representatives from the District Cultural Forum. The Cultural forums, an initiative launched by DCAS in partnership with municipalities and local cultural organisations, find themselves hanging on a thin thread of sustainability.

The meeting designated two forum board members from each area to form an Acting Eden District Cultural forum. The acting cultural forum met again on 10 January 2012 to draft proposals for input by partners from local and provincial government. The aim is to properly constitute the local forums that were unable to finish the process initially.

A further meeting was held on 31 January 2012 between Eden District Municipality, Department of Cultural Affairs and Sport and the Acting District Cultural Forum to finalize and adopt constitution and an executive committee were elected

The following people were elected:

- Chairperson: Pieter Peipler
- Vice Chair: Faizel Porter
- Secretary: Alberto Marbi
- Treasurer: Brett Pyper

REGIONAL TOURISM MARKETING AND DEVELOPMENT STRATEGY

International and domestic tourism trends change as a result of economic, social and political changes. The marketing and development of any strategy of any tourism destination should adapt to meet these new and demanding

challenges. On the basis of this, the Tourism Marketing and Development Strategy for the tourism department of Eden District Municipality/ Garden Route and Klein Karoo Tourism, that was developed in 2008, has to stay abreast with times and incorporate all the latest marketing and development trends, initiatives and strategies to provide the most effective plan of operation that is available.

THE AIM OF THE STRATEGY:

- To consolidate the existing destination brand and obtain buy – in from all stakeholders
- To market the destination to ensure transformation in sustainable manner
- To be market driven and achieve growth in the market segments both international and domestic.
- To overcome seasonality and ensure regional spread
- To consolidate current markets
- To deliver a tourism experience of superior quality and value for money offering.

THE OBJECTIVE OF THE STRATEGY:

- To promote the development of tourist infrastructure that will enhance tourism in general and conform to specific architectural, environmental and aesthetic requirements.
- Ensure cost effective management of all facets of tourism at all levels
- Promote tourism as a community based and community driven industry with sustainable potential for providing benefits to the community.

FEM Research was appointed as the service provider to undertake the development of the Garden Route and Klein Karoo Tourism Marketing and Development Strategy in terms of tender ITE/27/10-11.

Four drafts of the strategy have been submitted to the Tourism Department of Eden District Municipality.

A stakeholder engagement was held on the 30 September 2011 at the Protea Hotel, King George. Local Tourism Offices, Tertiary Education Institutions, Department of Economic Development and Tourism, Tourism Business Owners were all in attendance of the meeting and expressed complete dissatisfaction with the document.

On 28 February 2012, a Meeting was held between all the Local Tourism Office in Mossel Bay where all parties agreed and stated on record that we will not be endorsing the document FEM research compiled. All strongly felt that it is merely a researched document and could not be used for implementation purposes.

It was decided that the Tourism Department of Eden District Municipality in collaboration with the local tourism offices will compile a whole new Garden Route and Klein Karoo Tourism Marketing and Development Strategy.

KEY PERFORMANCE AREAS OF THE NEW DOCUMENT:

- Domestic destination;
- International destination;
- Consumers;
- International guests relations;
- E-marketing;
- Joint Marketing agreements;
- Emerging Markets;
- Penetration of Markets(existing and new); and

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- Public Relations and Communications.

During the meeting it was resolved to work towards revitalising the brand through the process of reworking the strategy in to a more actionable plan. This plan will be formulated into a document to be delivered and presented at the Municipal Managers Forum (MMF) to ensure buy – in from all Municipalities in the region.

REGIONAL TOURISM GUIDE

The Eden District Municipality's Tourism Department has successfully produced the new Regional Tourism Guide CD Booklit. It was a collaborative effort between the Tourism and Communications Unit.

The booklit consist of a digital version of each LTO town's brochure that was placed on the CD, a picture gallery and the Tourism office contact Information.

The guide has Four Main Tourism themes/unique selling points that the region and its areas were divided into:

- Sparkling Coastline (Oceans, beaches)
- Let's Tee – off...(Golfing)
- Go Safari Go Wild Go Nature(flora, fauna,)
- Explore our heritage(People, architecture, arts, crafts etc)

WESGRO

Wesgro is the official Destination Marketing, Investment and Trade Promotion Agency for the Western Cape, located in Cape Town.

They are the first point of contact for foreign buyers, local exporters and investors wishing to take advantage of the unlimited business potential in the region

As of the 1st April 2012 Wesgro and CTRU merged under a single banner. Wesgro's mandate is now extended to include Destination Marketing. To ensure that they have a consolidated service offering that allows them to be more efficient and more effective in the promotion of the Western Cape.

On 1 and 2 August a meeting was held at the Wesgro head office in Cape Town with all the regional tourism offices.

The objectives of the meeting was to discuss and promote a healthy, collaborative relationship between WESGRO and the regional offices in order to foster successful marketing and development initiatives within the Western Cape.

Furthermore to work towards a collaborative effort in terms of tourism marketing strategy, development of a regional brand and to position the brand successfully.

OTHER MARKETING TOOLS

Social Networking & Marketing

- Garden Route and Klein Karoo Facebook page; and
- Garden Route and Klein Karoo Twitter page.

3.15 MUNICIPAL RESORTS

The purpose of the report is to present an overview of highlights and achievements of the Resorts for the financial year 2010/2012.

ANNUAL GOALS

- To improve service delivery standards / client services;
- To upgrade infrastructure to an acceptable standard;
- To improve occupancy and income;
- To train and develop staff; and
- Embark on fulfilling community responsibility.

BACKGROUND

EDEN has five resorts under their jurisdiction i.e. Calitzdorp Spa, De Hoek Mountain Resort, Kleinkrantz, Swartvlei Camping Site and Victoria Bay Camping Site. These resorts are situated in the rural areas, distant from the nearest town. At this stage only four resorts are operative, Kleinkrantz being the only one closed to the public.

During the past few years Local Authority's approach towards the resorts has changed from purely delivering an recreational service to the public, to it being financially driven being financially profitable or breaking even. A different approach to the management of resorts has been adopted in order to conform to this expectancy. More emphasis is being placed on standards, quality of accommodation and marketing.

DESCRIPTION OF RESORTS

CALITZDORP SPA

This resort, situated 45 km from Oudtshoorn and 22 km from Calitzdorp on the old cement road linking the two towns is slightly off the beaten track. It comprises of 42 self-catering chalets, 25 caravan sites (electrified and grassed) as well as a day visitor area. The resort has both cold and natural warm water pools, hiking trails, tennis courts and mountain bikes to hire. There are 14 staff members servicing this resort.

DE HOEK MOUNTAIN RESORT

Situated 33 km north of Oudtshoorn en route to Prince Albert via the historic Swartberg pass this resort offers tourists 27 self-catering chalets, numerous camping sites with and without electricity on green lawns and two dormitories which can accommodate 144 pupils. There are 12 staff members on the resort.

SWARTVLEI

This resort is just off the N2, borders on the Swartvlei Lake and approximately 25 km from George. The caravan site consists of 156 grassed sites of which 30 are electrified with four ablution blocks. The park has a caretaker and two maintenance staff members rotating between Swartvlei and Victoria Bay Caravan Parks.

VICTORIA BAY

The resort with the most spectacular view has limited number of 38 caravan sites all electrified.

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KEY PROJECTS FOR 2011/12

Year	Project	Description	Status	Amount
2011/2012	Upgrading of Ablution Facilities	<p>Remove stainless steel urinals and replace with porcelain urinals</p> <p>Replace tiles / Re - tile where old urinals were installed</p> <p>Replace and paint damaged ceiling boards</p> <p>Painting of roof of life guard office and porcelain urinals</p> <p>Replace tiles / Re - tile where old urinals were installed</p> <p>Replace and paint damaged ceiling boards</p> <p>Painting of roof of life guard office and gate guard office</p> <p>Painting of post and rail fence</p> <p>Replace of old swing seats and chains</p> <p>Painting of wooden jungle gym and swing poles</p>	Completed	R78 550
2011/2012	Upgrading of De Hoek Mountain Resort	<p>Painting the outside of dormitory B</p> <p>Cleaning of the roof at dormitory B</p> <p>Replace steps that go into big swimming pool</p>	Completed	R50 600
2011/2012	Electrical Cable repairs at Calitzdorp Spa	<p>Calitzdorp Spa reported several power failures during the past few months.</p> <p>Oudtshoorn Municipality was contacted to check the faulty cable underground with their specialized equipment.</p> <p>The management got hold of an expert in this field to repair the cables got hold of an expert in this field to repair the cables</p>	Completed	R20 000
2011/2012	Blinds replaced at Calitzdorp Spa	<p>Tender was advertised</p> <p>Swartberg Blindings were awarded the tender to replace all the blinds at Calitzdorp Spa as part of Upgrading of Resorts.</p>	Completed	R38 990
2011/2012	Replace Inventory(broken fridges, microwaves, kettles for Calitzdorp Spa and De Hoek Mountain Resort	<p>Tender was advertised</p> <p>Imvusa Trading 1581 CC were awarded the tender to replace old Inventory (broken) fridges, microwaves and Kettles at Calitzdorp Spa</p>	Completed	R28 958
2011/2012	Replacing Catering Equipment for Calitzdorp Spa and De Hoek	<p>Hi Ball Consol 240 ml x 288 Chatsworth 24cl wine x 288 Can Opener with Corkscrew x 50 Knife Steak sharp tip 125mm x 20 Greater 6 sides s/s handle x 42 Wooden spoon 400mm x 42 Table Knife x 7 table fork x 7 desert spoon x 7 teaspoon x 7 Kettle cordless white x 10 pan fry no lid econ 24cm x 30 peeler potato etc.</p>	Completed	R13 976
2011/2012	Installation of new poles and fencing at Swartvlei	<p>Removing of poles and existing fencing. +- 97m + 270m = 367m. Installation of new poles +- 122 pale 500mm 3 meters apart from one another redimix provided for holes galvernised gate 900mm x 2000mm</p>	Completed	R86 000

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RESORTS INCOME 2011 - 2012

Month	Spa	De Hoek	Swartvlei	Victoria Bay
	R	R	R	R
July 2011	225 474.40	24 972.52	35 669.31	31 105.53
August 2011	114 142.80	21 374.13	221 264.06	42 678.08
September 2011	130 169.00	100 009.91	193 381.14	72 574.62
October 2011	146 031.25	43 196.96	55 458.34	36 923.68
November 2011	87 406.20	62 890.74	54 473.69	32 790.34
December 2011	201 049.10	145 872.37	47 112.20	47 322.81
January 2011	145 434.49	57 424.55	87 532.63	46 464.93
February 2011	75 108.12	22 591.52	10 218.42	46 482.45
March 2011	129 239.60	50 758.94	15 036.85	40 242.99
April 2011	179 932.20	35 170.77	17 828.07	18 789.47
May 2011	90 504.10	9 021.60	19 768.39	28 483.33
June 2011	169 846.85	15 151.50	22 542.98	1 801.76
Total	1 694 338.11	588 435.51	780 286.08	445 659.99

Graph 47: Resort income

ANALYSIS OF INCOME YEAR ON YEAR

A year on year growth at Municipal resorts with the exception of Calitzdorp Spa, as projected in the figures.

MARKETING

ASSOCIATION OF RESORT MANAGERS (ARM)

This association representing resort managers/owners across the Western Cape was initiated by the Calitzdorp Spa and has grown to include both the public and private sector resorts. The members meet every quarter at a different resort. At these meetings problems experienced by resorts are discussed and practical solutions are found. A lot is learned by the privately owned resorts. The networking between members creates a partnership which has an amazing impact on cross-referrals between different resorts.

Tourism Bureaux

We hold memberships at the following bureaux's:

- Greater Oudtshoorn Tourism
- Calitzdorp Tourism

EVENTS

- The Klein Karoo Classic Mountain Biking Race took place for the ten consecutive times at the Calitzdorp Spa during May 2012.
- Due to popularity and public demand the To Hell and Back took place twice in a row, departing from De Hoek to Gamkaskloof and back again the following day.
- The Springbok Rally once again took place at De Hoek due to its ideal location. This year they included the local community in their programs.

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- The Voortrekker Camp was held again during June/July at Swartvlei
- Victoria Bay once again hosted a few Billabong and Surfing competitions during the annum which led to increase of occupancy at Victoria Bay.

ANNUAL EVENTS IN THE EDEN DISTRICT MUNICIPAL REGION:

Town	Go to see	Make a date
Uniondale	Some of the most beautiful historic architecture. Visit the biggest Watermill in South Africa or take a glimpse back into the past through ancient Rock art. Enjoy game viewing, hunting and 4 x 4 trails.	<ul style="list-style-type: none"> ▪ Agricultural Show, Uniondale -
Oudtshoorn	Explore the magical Cango Caves, visit the many wildlife and ostrich ranches; enjoy game drives with tented accommodation; experience local delicacies and local hospitality at Tan Tinkie and Ma Betty's Xhosa Village.	<ul style="list-style-type: none"> ▪ Harley Owner's Rally February ▪ Leopard Crawl MTB Challenge and 100km Road Race February ▪ Tour of South Africa Race Stage 5: 210 km February (The stage starts in Oudtshoorn and heads on to the famous Route 62 passing Calitzdorp, Ladismith, Barrydale and Suurbraak before finishing in Swellendam) ▪ Agri Klein Karoo Rally – Expo Cango Marathon February ▪ SA Masters Swimming National Championships March ▪ ABSA KKNK Festival - Arts and Crafts April ▪ Oudtshoorn Bike Fest April ▪ 7-a-side Rugby Tournament June – July ▪ Klein Karoo Klassique August ▪ Arts and Culture Expo Sept/Oct ▪ Meiringspoort Half Marathon October ▪ Cape Pioneer Trek 6-day MTB Marathon October ▪ !Garob Festival December
Calitzdorp	South Africa's port capital – fruit-picking, hot-springs, historical wonders, star-gazing and artistic architectural surprises welcome you. Enjoy Port and some of the country's finest wines;	<ul style="list-style-type: none"> ▪ Calitzdorp Port Festival June
Ladismith	One of the ecological "hotspots" in South Africa – home to a unique and extremely rich biodiversity. Unspoiled beauty, majestic mountains and vast plains. Do hiking, mountain bike challenge the 4x4 trails	<ul style="list-style-type: none"> ▪ Ladismith Eco Festival April-1 May ▪ Stanley's "Liggie" Mountain Run May ▪ Seweweekspoort Mountain Bike Challenge October
Witsand/ Slangrivier	Come to the "whale nursery" and see powdery-white sand dunes, whales galore, fishing gems; the mingling of river and sea.	<ul style="list-style-type: none"> ▪ Witsand Baby Whale Festival October
Heidelberg	Bird watching, fresh water fishing and hiking.	<ul style="list-style-type: none"> ▪ Proe - Bietjie Festival December

CHAPTER 3

Town	Go to see	Make a date
Riversdale	Against the backdrop of Sleeping Beauty mountain, abseil, hang-glide, 4x4 trails, hike, do some bass fishing	<ul style="list-style-type: none"> ▪ Riversdale Street Festival December ▪ Agricultural Show Feb
Stilbaai/ Melkhoutfontein	<p>Blue Flag Beach - December & January, eco-adventure, Arts & crafts, is sailing the Goukou River.</p> <p>Hiking trails, ancient fish traps, archaeological exhibitions and tours, bird watching, feeding of tame eels.</p>	<ul style="list-style-type: none"> ▪ Pampoens Festival April ▪ Food and Wine Festival December ▪ Jongensfontein Craft Market December ▪ ‘Touchies’ Rugby Festival December ▪ Music Rock festival December ▪ Trans-Aghullus Rubber-duck Race December
Albertinia	View the vista from the coast, via the Gouritz River over dunelands up into the Langeberg mountain range	<ul style="list-style-type: none"> ▪ Aloe Festival September ▪ Kärnten Double Sextet choir from Austria performing in the Albertinia ▪ Dutch Reformed Church February ▪ World-renowned organ player Martin Mans from Holland performing in the Dutch Reformed Church , Albertinia September ▪ Gouritsmond Annual Kerkbasaar on Easter Saturday April
Mossel Bay	<p>Diaz museum complex; White shark –cage diving; Skydiving and sun-soaked beaches</p> <p>Visit Cape St Blaize Cave (Historic icon) and take the Romanza Seal Island Cruises.</p>	<ul style="list-style-type: none"> ▪ Buffalo Bikers Rally March ▪ Shavathon March ▪ “Old Fashioned Bazaar” @ Diaz Complex May ▪ Southern Right Whale Festival June ▪ Mark “E” Winter Ball (in aid of charity) June/July ▪ Gospel Festival July ▪ Petro SA Marathon August ▪ Spring Yoga Retreat September ▪ Marine Week October ▪ Rocktober Festival October ▪ Zingela Enduro October ▪ Flower Festival Oct/Nov ▪ Hartenbos Wine Festival December ▪ Diaz (variety summer holiday) Festival December ▪ Great Bark Outspan Market Monthly

CHAPTER 3

Town	Go to see	Make a date
George	<p>Hike in our many reserves; enjoy adventure sports; pick some strawberries or play golf; visit our many weekend outdoor markets.</p> <p>Surf, Fish and Watch Whales on our beaches</p>	<ul style="list-style-type: none"> ▪ Wheelchair Challenge February ▪ Old Motor Show February ▪ Tour of South Africa February ▪ Riaan Manser – en route to Iceland in a refridgerator February ▪ Outeniqua Expo March ▪ Vodacom Cheese Festival July ▪ Wedding Expo August ▪ Outeniqua Hop Festival September ▪ Agri Herold Agriculture Festival September ▪ George Christmas Lites Festival December ▪ Herolds Bay Beach Festival December
Knysna	<p>Indigenous forests, the magnificent Heads ; cruise the famous Knysna lagoon to the Featherbed Reserve and back ; rubber duck, kayak and extreme water sports to amaze</p> <p>Taste our oysters and local beer or haute cuisine</p>	<ul style="list-style-type: none"> ▪ Cannondale MTB challenge February ▪ Knysna Literary Festival April ▪ Sedge Slow Festival (Sedgefield) April ▪ Pink Loerie Mardi GrasApril- May ▪ Knysna Speed FestivalMay ▪ Renault Hill Climb May ▪ Oyster Festival July ▪ Rastafarian Earth Festival July- August ▪ Naturally Knysna (our Green Festival) September
Plettenberg Bay	<p>Surrounded by spectacular mountains and lush forests, experience year-round holiday attractions – Blue flag beaches, whale watching, surfing.</p>	<ul style="list-style-type: none"> ▪ Whale Rally 2011 June ▪ Eco Festival June ▪ Miss World/Plettenberg Bay June ▪ Wedge Classic July ▪ Surfer's Ball September ▪ Plett Festival - Love Plett Love Life September ▪ Plett Rage November to December ▪ Street Carnival and Party December ▪ Sabrina Love Challenge December ▪ New Year's Celebration December – January

Graph 48: Annual events

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.16 SOCIAL DEVELOPMENT

The Social Development unit had limited funding available to implement programmes/projects within our District. This was of course the result of Eden DM's challenges with regards to sufficient funding to be able to meet its operational obligations.

We also experienced challenges in terms of cooperation by some municipalities who do not view social development issues as part of the local government mandate. This issue limited progress in some areas, for example the establishment of local AIDS Councils which is crucial for the implementation of our District HAST plan.

These challenges did not stop us as a unit to really add value to the funding that was made available by Council, to the extent that various highlights have been achieved throughout this financial year which include the construction of a crèche, the successful operation of the Eden District AIDS Council despite some challenges, as well as our 16 days of Activism programme which was nominated for an award at the Local Government Gender Summit (SADEC) in Johannesburg. We also managed to strengthen our relationships with some government departments which impacted and is still impacting very positively on some of our targeted areas.

The limited funding forced us to really be creative and innovative in the way we are doing things and we as a unit are committed towards the realization of this Council's vision by going the extra mile to make a difference in people's lives. Therefore giving life to our motto for this past year, "we serve because we care".

SERVICE STATISTICS – SOCIAL DEVELOPMENT

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL36	Co-ordinate and facilitate the implementation of the District Youth policy by the number of activities, programmes, projects	# Of activities, programmes, project	All	New performance indicator for 2011/12. No comparatives available	3	0	R
TL31	Co-ordinate and facilitate the implementation of the HAST plan	# Of activities, programmes, projects	All	New performance indicator for 2011/12. No comparatives available	3	0	R

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL35	Develop a gender implementation plan	Plan completed	All	New performance indicator for 2011/12. No comparatives available	1	0	R
TL32	Disability: Development of a District disability plan by end June 2012	Plan developed by June	All	New performance indicator for 2011/12. No comparatives available	1	0	R
TL33	Poverty strategy: Develop an integrated District Strategy by June 2012	By end June	All	New performance indicator for 2011/12. No comparatives available	1	0	R
TL34	Social development in terms of the number of initiatives to the elderly in the District	No of initiatives	All	New performance indicator for 2011/12. No comparatives available	1	0	R

Graph 49: SDBIP – Social Development

Type of service	2010/11	2011/12
Child Care; Aged Care; Social Programmes		
Trees planted	270	12
Veggie gardens established	5	2
Soup kitchens established or supported	STATS not available	12
Initiatives to increase awareness on child abuse	1	1
Youngsters educated and empowered	25	59
Initiatives to increase awareness on disability	STATS not available	4
Initiatives to increase awareness on women	1	1
Women empowered	1	111
Initiatives to increase awareness on HIV/AIDS	1	11

CHAPTER 3

Type of service	2010/11	2011/12
Initiatives to increase awareness on Early Childhood Development	STATS not available	14
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	1	2
Special events hosted (World's Aids Day, World Arbour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	1	1(16 days of activism)
Initiatives for the elderly	STATS not available	Madiba Day: 18 July 2011 Officials from this unit in collaboration with Municipal Health visited the Rosemoore Old Age Home, where we served lunch to the elderly, as well as taking over the cleaning-up activities from the personnel.

Graph 50: Service Delivery STATS: Social Development

SPECIAL PROGRAMMES 2011/12

MADIBA DAY: 18 JULY 2011

Officials from this unit in collaboration with Municipal Health visited the Rosemoore Old Age Home, where we served lunch to the elderly, as well as taking over the cleaning-up activities from the personnel.

GARDEN EQUIPMENT

Garden equipment was handed over to Mad-About-Art in Knysna. People affected and infected by HIV and AIDS are supported in establishing and maintaining vegetable gardens towards self-sustaining.

HIV/AIDS ACTIVITIES

HIV/ AIDS: ORPHANS AND VULNERABLE CHILDREN PROJECT:

Municipality Name	Programme Description
Oudtshoorn	20 essential parcels were distributed amongst the following Organizations in Oudtshoorn: <ul style="list-style-type: none"> • Scrosoppi; • ARV clinic; • Enrichment Centre; • Karmenaadjie; • Babbels & Krabbels; • Bambino se Warmnessie

CHAPTER 3

Municipality Name	Programme Description
Kannaland	22 essential parcels were distributed to the following Organizations: <ul style="list-style-type: none"> • Dept Social Development; • Engeni; • Child Welfare; • Badisa
Knysna	56 Essential parcels were distributed to Dorothy Broster Child and Youth Care Centre
Bitou	56 Essential parcels were distributed to Masizame's Children Shelter
Mosselbay	84 Essential parcels were distributed to the following organizations: Piet Julies AIDS Action Group; Genesis Mossel Bay Poverty Alleviation forum.
Hessequa	22 Essential parcels were distributed to Child and Family Welfare

Graph 51: HIV Aids activities

LOCAL AIDS COUNCILS (LAC'S):

Municipality	Description
Oudtshoorn	Establishment of the LAC. The Greater Oudtshoorn LAC-members had a planning session as to determine the implementation of their plans for this financial year 2011/2012. Attended and supported this session.
Kannaland	Re-establishment of Kannaland
Knysna	Knysna LAC's not established yet due lack of an official to drive the process.
Bitou	Election of new Executive committee for Bitou LAC.
Mosselbay	A Local AIDS Council structure was established in Mosselbay in August 2011. The structure consists out of NGO's, CBO's, FBO's, government departments and the municipality. It was agreed that the Councillor responsible for HIV/AIDS will be the champion of the structure and that the local HIV/AIDS coordinator will be tasked with the secretariat position. Eden supported and assisted with facilitation of this process.
Hessequa	Hessequa LAC's not established yet due to lack of support for this process in Hessequa.
George	Establishment of the George LAC. An awareness programme of the George Municipality and Embale Shamba took place in Geelhoutboom. Eden DM supported by attending and transporting people from Hooggekraal, Diepkloof and other farms to Geelhoutboom.

Graph 52: Locals AIDS council

STRATEGIC SESSION OF THE EDEN DISTRICT AIDS COUNCIL

A strategic session took place from 08 to 09 March 2012 where year plans of Local AIDS Councils were compiled. Presentations were done by Department of Health with regards to the latest health stats, as well as SALGA with regards to linkages and roles and functions.

CHAPTER 3

PROCESS OF THE EDEN DISTRICT HIV/AIDS, STI'S AND TB PLAN (HAST-PLAN) REVIEW

HAST plan review is currently in process with consultations already completed with NGO's. The consultations with internal and sectoral Government Departments to be done in July 2012.

WOMEN ACTIVITIES

BITOU WOMEN'S NETWORK: KWANOKUTHULA:

Eden District Municipality distributed a small food package (lunch) to 30 women from the organization called the Bitou Women network.

The purpose was to show women how special they are and to encourage them to love themselves for whom they are. They were also encouraged to take responsibility for empowering themselves.

WOMEN IN DEMOCRACY: PIESANGVALLEY COMMUNITY HALL

Participated in this programme from the Independent Electoral Commission of which the purpose was:

- An appreciation for women during the voters' elections.
- Letting women know that they are the preachers and pillars of Democracy
- Democracy Education

* 100 Women from different organizations and backgrounds participated in this programme.

EDUCATIONAL ACTIVITIES

SCHOOL PROGRAMME

A successful programme was held at Langenhoven High School in Riversdale in September 2011, focusing on the following topics:

- HIV/AIDS
- Substance Abuse
- Youth
- Gender and Disabilities

Assisted the Eden DM's Municipal Health Department in September 2011 with the planting of trees at the Dirk Boshoff school and the Uniondale Secondary school.

Distribution of Condoms:

From the beginning of the month of September 2011, condoms were distributed in the rural areas of Haarlem and Uniondale.

CHAPTER 3

GENDER ACTIVITIES

GENDER WORKSHOP: MOSSELBAY

A two-day gender workshop was held in Mossel Bay that was facilitated by Gender links South Africa and in which this unit actively participated. Topics were around:

- Sex , Gender and Stereotypes
- SADC protocol on gender and development
- Gender and Governance
- Transformative Leadership
- Key gender concepts
- Gender, the economy and budgets.

16 DAYS OF ACTIVISM PROGRAMME:

Council availed the amount of R30 000, 00 to roll out a 16 days of activism programme in the District.

It takes place annually between 25 November (International Day of No Violence against Women) to 10 December (International Human Rights Day). The South African Government runs a parallel campaign that includes issues relating to violence against children. This campaign focuses primarily on generating an increased awareness of the negative impact of violence on women and children.

Some of the objectives of the campaign are:

- To generate an increased level of awareness amongst South Africans pertaining to the incidence of violence perpetuated against women and children, how it manifests itself within South African society and the negative impact on these vulnerable groups;
- To challenge perpetrators of these offences to change their behavior;
- To communicate through the most effective and appropriate channels aiming to reach the maximum number of people across the country, particularly women and children residing in rural areas.

The programme for Eden District Municipality took the format of a District competition as follows:

Each ward was to appoint a representative who would compete against each other, resulting in the area winner. The winner of each area (all 7 municipalities within Eden) would compete for the regional championship.

The 2011/12 District winner was Harold Hartnick from Slangrivier.

GENDER JUSTICE AND LOCAL GOVERNMENT SUMMIT: JOHANNESBURG

The Eden District 16 days of Activism programme were nominated and shortlisted for an award as an acknowledgement of the quality and impact of the programme in our District.

This was a great opportunity to present and showcase the good work that is being done by the Municipality and councils addressing issues around Gender Base Violence and Gender Empowerment. Although we did not receive the award it was a great experience to engage with the 9 different African Countries (SADEC) and to meet the National Minister of Youth, Children and Disabled.

CHAPTER 3

SUPPORT TO THE ELDERLY

AGE-IN-ACTION

Age-in-Action was supported with funding to the amount of R50 000.00 to implement a literacy programme with the elderly. The basic education program was completed on the 1 August 2011. An informal ceremony was held for 8 elderly persons including a disabled which has completed the program with a 100% pass rate. This project was supported by Eden financially and through officials within the Social Development unit.

DISABILITY ACTIVITIES

WHEELCHAIR REPAIR PROJECT

We established a wheel chair repair project in Hessequa and Mosselbay in collaboration with Bethesda, as well as the Provincial Department of Health. Eden contributed the amount of

R50 000.00 towards this project, as well as continuous support through which a further R20 000, 00 was obtained from ABSA as this created an income for several unemployed People living with disability (PLWD's).

6 PLWD's were trained as wheelchair mechanics and are ready to start with repairs. Bethesda has officially opened the wheelchair repair project 23 August 2011 and it was attended by Clr Simmers and the responsible official from this unit.

Additional training was done in February 2012 with regards to repairing wheelchairs to enable more people to participate in the project and to learn skills in this regard. Training took place at Bethesda in George.

SURVEY ON PEOPLE LIVING WITH DISABILITIES:

Participated in information gathering on People Living with Disabilities in the George municipal area co-ordinated by the Provincial Department of Social Development. This process will be expanded into other municipalities in the District and this information will inform our district disability plan which is a high priority for the Eden District.

EARLY CHILDHOOD DEVELOPMENT

Organized a training workshop in September 2011, which was facilitated by the Provincial Department of Social Development for the Powertown crèche committee on their role and function, as well as the minimum requirements for a crèche.

FOOD SECURITY ASSISTANCE:

Gansies crèche in the Gansekraal area was assisted with food for the crèche children, as they were not registered yet and has no other assistance in this regard.

SOUP AND SOYA MINCE DONATED TO CRÈCHES AND NUTRITIONAL CENTRES:

Distributed soup to a rural crèche as well as to nutritional centres in the Uniondale and Haarlem areas to support the underprivileged in this poverty stricken areas.

CHAPTER 3

HANDOVER OF ECD ITEMS BY EXECUTIVE MAYOR AND COUNCILLORS:

Items including 45 blankets, 45 mattresses, 5 tables, 20 chairs and some educational materials were officially handed over by the Executive Mayor to Bumble Bees crèche in Oudtshoorn, Bongoletu on Thursday, 01 March 2012.

Universal equipment and material was handed over to Groenie die Drakie crèche in Slangrivier by the Executive Mayor/Deputy Mayor and Councilors in March 2012.

ESTABLISHMENT OF POWERTOWN CRÈCHE:

Powertown is an informal settlement situated next to the N2 highway in the Kleinbrakrivier area of Mossel Bay municipality.

The inhabitants of this area are facing many challenges, one of them being the availability of a structure which can accommodate a crèche to provide accessibility to the children of this area to pre-school learning. The crèche was previously accommodated in an old dilapidated building, which became too dangerous and eventually moved to one of the informal houses which were not sufficient for accommodating the 23 pre-school children of Powertown. The attendance figure has dropped to 16 as some parents did not want to send their children to crèche under these circumstances.

Eden District municipality, especially the Executive Mayor, Councillor Wessie van der Westhuizen, who has a passion for early childhood development, intervened in this critical situation and availed funding to construct a wooden building which will be safe and conform to the minimum Health standards. This will enable the crèche to register at Department of Social Development to qualify for a subsidy which will contribute to the sustainability of this facility.

The contribution from Eden District municipality involved the erection of a wooden building, fencing and playground equipment to the amount of **R200 228, 28**. Ablution facilities (Sani-tech toilets) are Mossel Bay municipalities' contribution towards the project). The Department of Social Development has already registered the crèche on a temporary basis (one year) and process for permanent registration has already been initiated. They will also assist with the training of caretakers/educators at the crèche. As a section we are committed to support them to finalize registration on a permanent basis which will enable them to receive a subsidy per child (R12, 00 per child per day) from the Department of Social Development which will contribute to the sustainability of this crèche

This facility has been completed and was officially opened on 16 May 2012 in Powertown by die Eden Executive Mayor, Councillor Wessie van der Westhuizen.

The Executive Mayor of Mossel Bay municipality and councillors, as well as councillors from Eden and Oudtshoorn municipality attended the event.

Department Agriculture also per our request handed over garden equipment.

UNIVERSAL ITEMS TO CRÈCHES:

Universal items were handed over by Executive Mayor and Councillors in collaboration with our unit to crèches in the District in June 2012.

CHAPTER 3

YOUTH DEVELOPMENT

ESTABLISHMENT OF NEW EDEN DISTRICT YOUTH COUNCIL

A new Eden District Youth Council was elected on 28 April 2012 which was facilitated by the IEC.

They already compiled a draft strategic plan which outlines their focus areas for the following three years.

LOCAL YOUTH STRUCTURES:

All municipalities have representative local youth structures in place except for Hessequa. Eden assisted Oudtshoorn, Kannaland and George with the establishment of their local youth structures.

DISTRICT DRIVERS LICENSE

Funding was made available to assist 120 young people to obtain their driver's licenses. The project could not be completed within one budget year due to the process. Five of the eight areas (George-sub region, Hessequa, Mossel Bay, Oudtshoorn, George) where the project was rolled out were completed by June 2011 and the rest (Knysna, Bitou, Kannaland) was completed in January 2012.

ASSISTANCE TO GRADE 12 UNEMPLOYED YOUTH:

- Assisted unemployed matriculates' with the completion of the NYDA job *application forms*.
- Assisted unemployed matriculates' with working opportunities at Solluco.
- Assisted youth to enroll at South Cape College.
- Assisted the Department of Tourism (Tourism Youth Ambassadors) with the recruitment of unemployed matriculates' for the Mossel Bay, George, Knysna and Bitou municipal areas for a learnerships programme. 1233 Unemployed matriculated applications (**578 – George; 285 – Knysna; 247 – Bitou; – 123 Mossel Bay**) were received from the four (4) municipal areas.

YOUTH THEATRE AUDITIONS

Assisted Department of Arts and Culture in March 2012 with their auditions to elect and capacitate youth from George with drama, dance, sing etc. skills.

GEORGE CAREER EXHIBITION

Attended the George Career Exhibitions where pupils from Grade 9 were invited to attend from the different schools in George.

CHAPTER 3

WABOOMSKRAAL THUSONG CENTRE

Attended an opening of the library and computer centre at the Thusong centre.

YOUTH JUVENILE CENTRE, MOSSEL BAY:

Had a motivational programme focusing on behavioural change at the above centre in August 2011 and handed over stationery to support their arts and culture project which are currently running.

OTHER ACTIVITIES

SERVICE DELIVERY BLITZ:

Participated in a service delivery blitz (jamboree) organized by the Department of Local Government in September 2011 in Heidelberg, with other government role players namely Red Door, Department of Health, SASSA, Department of Justice, SAPS, Department of Labour, Department of Home Affairs and Child and Family Welfare.

DISTRIBUTION OF CLOTHING IN GEORGE SUB-REGION:

Distributed clothing to Hartbeesrivier, Deugas & Donker hoek areas in September 2011 together with mr Samuels, chairperson of George MSAT (Multi-sectoral Action Team), as well as George municipality official.

A 3-day survey in was done in Syferfontein in October 2011.

SMALL FARMER SUPPORT:

Assisting Sonskynvallei small farmers since February 2012 to enroll in a 1-year learnership programme that is offered by the SETAS and the Department of Agriculture, which will include extensive training in small farm agricultural activities.

GUTTER PROJECT IN COLLABORATION WITH MAYORAL OFFICE:

This project kicked off in Borchards on the 09/05/2012 with 32 houses involved and was initiated in co-operation with the George municipality. Cost of project was R23 800.00.

It was successfully completed on the 21/05/2012.

GENERAL

The Social Development Officials and Executive Manager – Community Services contributed groceries to the families that lost their children during the bus accident tragedy in Rheenendal.

CHAPTER 3

TOTAL EMPLOYEES – SOCIAL DEVELOPMENT

Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	#	#	#	#	%
4 - 6	1	0	1	0	0
10 - 12	8	0	8	0	0
13 - 15	1	0	1	0	0
Total	10	0	10	0	0

Graph 53: *Employees – Social Development*

CAPITAL EXPENDITURE – SOCIAL DEVELOPMENT

A crèche (wooden structure) was erected in Powertown (Mossel Bay area) for the amount of R145 000,00; project funding was reflected in the operational budget (projects)

COMPONENT E: ENVIRONMENTAL PROTECTION

3.17 AIR QUALITY CONTROL

Eden District Municipality continued to fulfill its role as leading authority with regards to Air Quality Management in the Eden region and possibly the Western Cape Province. Considerable success is evident in Eden that has responded positively and has developed its capacity in preparation to implement its air quality mandate. The successful implementation of the NEM: AQA is dependent on successful governance. Most of the challenges that were experienced with the licensing process have been ironed out and the introduction of an Air Quality Information system also streamlines the administrative process of the Atmospheric emission licensing system. National, provincial and municipal authorities indicated interest in our system and the system were presented at various platforms. Eden District municipality also established a forum with the Air Quality Officers of the B-Authorities during 2011 and the industrial forum with industry is continuing.

Eden Air Quality Management Plan was approved by Council during 2008. This was a first generation AQMP and needs to be revised every five years. The plan must be revised during 2013. None of the local B-municipalities in the Eden region formulated AQMP's. In order to comply with the provisions of the Air Quality Act, 39 of 2004, each municipality must adopt an AQMP and include it in its IDP. Eden District municipality is in the process of assisting the B municipalities with the formulation of their own AQMP's. This process will be put out on tender and each municipality will contribute financially towards the cost of development of the plan and essentially also the revision of the Eden QAMP. This is a cost saving initiative and will ensure that each municipality in the Eden region complies with the Air Quality Act. The only objective that has not been accomplished is the dispersion modelling facility due to budgetary constraints. The table below provides feedback on the progress of the Eden air Quality Management plan

CHAPTER 3

SERVICE STATS – POLLUTION

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL21	Enforce air quality compliance on a monthly basis by the number of inspections taken	# Of inspections taken	All	New performance indicator for 2011/12. No comparatives available	144	0	R
TL16	Establish and maintain proper control over the disposal of medical and health care risk waste to ensure compliance with the required legislative requirements	No of inspections	All	New performance indicator for 2011/12. No comparatives available	13	0	R
TL23	Establish and maintain proper control over the disposal of industrial and hazardous waste to ensure compliance with the required legislative requirements	No of inspections per annum	All	New performance indicator for 2011/12. No comparatives available	8	0	R
TL24	Exercise Environmental Pollution Control to ensure compliance with the required legislative standards	No of visits	All	New performance indicator for 2011/12. No comparatives available	216	111	R
TL14	Facilitate and co-ordinate Eden Air Quality Forum	No of meetings held per quarter	All	New performance indicator for 2011/12. No comparatives available	12	0	R

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL22	Frequently test air quality vehicle emissions	No of vehicles tested per quarter	All	New performance indicator for 2011/12. No comparatives available	40	16	R
TL17	Investigate and monitor incidences of pesticide poisoning to ensure chemical safety	% investigated	All	New performance indicator for 2011/12. No comparatives available	100%	0%	R
TL13	Monitor air quality to ensure compliance with the required legislative standards	No of samples monthly	All	New performance indicator for 2011/12. No comparatives available	60	0	R
TL19	Monitor and supervise exhumations to ensure compliance with the required legislative standards	% inspected	All	New performance indicator for 2011/12. No comparatives available	100%	0%	R
TL18	Monitor of conditions promoting the habits and breeding habits of vectors	% inspected	All	New performance indicator for 2011/12. No comparatives available	100%	100%	G
TL10	Monitor the quality of municipal water to ensure compliance with the legislative standards	No of samples taken per quarter	All	New performance indicator for 2011/12. No comparatives available	756	0	R

CHAPTER 3

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL11	Monitor the quality of river/sea water to ensure compliance with the legislative standards	No of samples taken per quarter	All	New performance indicator for 2011/12. No comparatives available	876	168	R
TL4	Monitoring of sewerage treatment sites that comply with the required legislative standards	No of inspections per quarter	All	New performance indicator for 2011/12. No comparatives available	52	62	G2
TL20	Report monthly to the National Department of Health (Sinjani)	No of reports submitted	All	New performance indicator for 2011/12. No comparatives available	12	3	R

Graph 54: SDBIP Pollution

THE PROGRESS OF THE CURRENT AQMP IS INDICATED IN THE TABLE BELOW:

Eden's main air quality function is the Licensing of listed Activities in terms of chapter 5 of the National Environmental: Air Quality Act, 2004. Eden fulfils its role in this regard by the establishment of an air quality licensing system. Eden also capacitated the personnel in terms of objective 6 of the Air Quality Management plan. To assist Eden with its licensing system, an air quality information system was developed on collaborator in order to streamline the administrative processes involved. The table below provides an indication on the applications received and the progress of the applications.

EDEN PROGRESS ON ATMOSPHERIC EMISSION LICENSING										
APPLICANT	PROGRESS									
	Acknowledged	Processing Fee	24G-process	APPA review	Specialist Study	PPP-process	License Drafted	Comments DEADP	Zoning (LUPO)	License Issued
Fetchers sawmill	X	n/a	n/a	X	n/a	n/a	X	X	n/a	X
Geelhoutvlei timbers	X	n/a	n/a	n/a	n/a	n/a	X	X	n/a	X
Hessequa charcoal project	X	Withdraw	EIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hessequa high temperature	X	In progress	EIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mto George sawmill	X	R18240	EIA	n/a	X	X	X	X	n/a	X
Petrosa	n/a	n/a	n/a	X	n/a	n/a	X	n/a	n/a	X

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EDEN PROGRESS ON ATMOSPHERIC EMISSION LICENSING										
APPLICANT	PROGRESS									
	Acknowledged	Processing Fee	24G-process	APPA review	Specialist Study	PPP-process	License Drafted	Comments DEADP	Zoning (LUPO)	License Issued
P.g. bison great brak river	X	R18240	X	n/a	X	X	n/a	n/a	n/a	n/a
Psp timbers	n/a	n/a	X	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Scot	X	R18240	X	n/a	X	X	X	X		X
Shell	X	R114000	n/a	n/a	In progress	n/a	n/a	n/a	n/a	n/a
South-cape galvanizing	X	R18240	n/a	n/a	X	n/a	n/a	n/a	n/a	X
South-cape poles	X	N.A.	n/a	n/a	X	In progress	X	X	X	n/a
South cape bone meal	X	In progress	n/a	n/a	In progress	n/a	n/a	n/a	n/a	n/a
Tango civils	X	In progress	EIA	n/a		n/a	n/a	n/a	n/a	n/a
Thesen p.g. bison	X	R18240	EIA	n/a	In progress	n/a	n/a	n/a	n/a	n/a
Kki tanney	X	R18240	n/a	n/a	X	n/a	n/a	n/a	n/a	n/a
TOTALS	13	R 205 200	9	2	8	3	6	5	1	5

Graph 55: Eden progress on Atmospheric Emission Licensing

Eden also assisted the B-authorities in the region by creating a platform for interaction and capacity building. This forum is named the Eden Quality Officers Forum and comprises of the air quality officials of the B-authorities in the region.

The Eden District Municipality embarked on an Eden Clean Fires campaign during 2011. In the Eden region, especially the much colder Klein Karoo Regions of Oudtshoorn, communities are using wood and coal for heating, and food preparation purposes. The reasons for this is the high percentage of poverty in the Eden region where people can't afford luxuries like electricity, paraffin and gas stoves and/or heaters. The project entailed the distribution of pamphlets to these communities with the emphasis on landfill sites where people are burning plastic for cooking purposes. Informal engagement with these people during several visits formed part of this project. People were taught:

- how to make a more environmental friendly fire;
- what materials must never be used to make a fire;
- the health effects of smoke; and
- the advantages of cleaner fires

The Eden D.M. conducted vehicle emission testing as set as one of the objectives of the Eden Air Quality Management Plan. Emission testing of diesel vehicles is one of the priorities in the Eden region. This is especially a priority in the Lakes Region where the N2 is running through or past the towns of Knysna and Plettenberg Bay. This fact can cause a potential risk of elevated levels of Nitrogen Dioxide and even Sulphur Dioxide. Sampling runs are conducted on a quarterly basis in these areas with the assistance of the Knysna Traffic department. Vehicles that don't pass the test are issued a warning letter and repair notice and a fine is issued to second time offenders.

Type of service	2010/11	2011/12
Air Quality Control		
Licensing of Listed Activities (issued)	1	6
Licensing applications	5	8
Inspections	184	144
Passive Sampling	57	60
Vehicle Emissions Testing	21	48
Air Quality forum	Not started yet	4
Eden Air Quality working group	4	4
Emissions inventory	83	42

Graph 56: Service Delivery STATS: Air quality control

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TOTAL EMPLOYEES – AIR QUALITY CONTROL

Job Level	2010/11		2011/12		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	#	#	#	#	%
0 - 3	1	1	1	0	0
4 - 6	1	1	1	0	0
Total	2	2	2	0	0

Graph 57: Employees - Pollution Control

Eden District Municipality continued to fulfil its role as leading authority with regards to Air Quality Management in the Eden region. Johann Schoeman is the manager of the unit. Most of the challenges that were experienced with the licensing process have been ironed out and the introduction of an Air Quality Information system also streamlines the administrative process of the Atmospheric emission licensing system. National, provincial and municipal authorities indicated interest in our system and the system were presented at various platforms. Eden District municipality also established a forum with the Air Quality Officers of the B-Authorities during 2011 and the industrial forum with industry is continuing.

Douglas Baartman is the Deputy Chief Air Quality with his office in Plettenberg Bay. Douglas is responsible for Air Quality Management in the Lakes Region. Douglas continued with the emissions inventory project for the George, Lakes and Oudtshoorn regions. Douglas also assists with complaints dealing, licensing of listed activities, monitoring, educational projects and routine inspections. He also embarked on the Eden Clean fires campaign that was introduced in the Klein Karoo region.

CAPITAL EXPENDITURE – POLLUTION CONTROL

Capital Projects	2011/12				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
R'000					
Emissions monitoring equipment	250 000	250 000	223 762.62	10.49%	223 762.62

Graph 58: Capital Expenditure 2011/12: Pollution Control

This capital project was initiated to assist the air quality unit with compliance monitoring of industry. It is a direct reading instrument that is capable of monitoring a various range of pollutants coming out of a stack. R250 000 were budgeted for the project and R223 762.62 were spent. It was only a 10.49% variance from the original budget. Eden built up a respectable source of mobile monitoring equipment over the last 3-5 years.

In terms of the Eden Air Quality Management Plan, Eden must do air quality monitoring and modelling. Due to budgetary constraints this function is limited due to the high cost of air quality monitoring. Eden is currently also doing passive sampling in three towns in the Eden region. The air quality unit also rely heavily on the Provincial Department for the use of their monitoring data. Three provincial monitoring stations are operational in the Eden region (Oudtshoorn, George and Mossel Bay). Eden also receives monitoring data from the ESKOM monitoring station in Mossel Bay. This is a good example of municipal/ public partnerships currently in operation.

Eden D.M. is planning and implementing a joint venture with the B-authorities in the region for the review and development of AQMP's. This project is work in progress and shall be finalized by the end of June 2013. Four of the seven local authorities in the region are contributing financially towards the project. This is a cost saving initiative

3.18 ENVIRONMENTAL MANAGEMENT

A Draft Coastal Management Programme (CMP) has been developed for the Eden District Municipality in accordance with requirements (Chapter 6, Part 3, Sections 48 and 49) of the Integrated Coastal Management Act (Act 24 of 2008). Aspects of coastal management that form part of the CMP and which affect everyone with a stake in the coastal zone include Public Access, Biodiversity Conservation & Enhancement, Infrastructure, Spatial Planning & Development, Heritage Resources, Disaster Management, Water Quality & Quantity, Compliance & Enforcement, Institutional Arrangements, Education & Awareness, Economic Development, Tourism & Recreation, Sustainable Livelihoods and Research.

The Final Draft will be completed end September 2012, go for public review, approval the by the MEC and then gazetted.

Due to budgetary constraints, the Coastal Programme was the ONLY capital project which extends over two financial years.

TOTAL EMPLOYEES – ENVIRONMENTAL MANAGEMENT

Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	#	#	#	#	%
4 - 6	1	1	1	0	0
Total	1	1	1	0	0

Graph 59: Employees – Environmental Management

CAPITAL EXPENDITURE –ENVIRONMENTAL MANAGEMENT

Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
Coastal Management Programme	R380 000	R300 000	R300 000		
<p><i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i></p>					

Graph 60: Capital Expenditure 2011/12: Environmental Management

PROJECTS WHICH ARE IN NEED OF FUNDING INCLUDE THE FOLLOWING IN THE LANDSCAPE ARE:

1. The area known locally as “die Greuvel Kloof” in Bridgton Township is a place of concern for local residents. The land is officially owned by the St. Luigi Scrosoppi Sorgsentrum but due to funding constraints and the fact that it is such a vast area, it is an area which has not been developed by the Centre as yet. However, fortuitously the St. Luigi Scrosoppi Sorgsentrum has just recently set wheels in motion to actually develop this land and plans have been drawn up for a large part of this area. They intend fencing in the whole area and then turning it into St. Luigi’s Eco Sports Park. St. Luigi Scrosoppi Sorgsentrum have agreed to let us utilise an area marked on map Attachment 1, which they are willing to go into partnership with ourselves and the local community and let the land be used for general and food gardening and to build a community tennis court and spectators enclosure.
2. Climate Change Mitigation and Adaptation Plan as per legislation, for the Eden District Municipality
3. Blue Flag Status Beaches
4. Spekboom project – Land Restoration - This project falls under the auspices of the Gouritz Cluster Biosphere Reserve (UNESCO registered), in conjunction with the above partners. Eden is cordially invited to become a valued partner in the continuation and sustainability of this very successful job creation project. This will be an extension of a current Department of Agriculture (Land Care) funded project “Restoring Spekboom (Portulacaria afra) in disturbed Spekboomveld near Calitzdorp.” Mr. Stefan Pieterse (Dept. Agriculture 044-272 6077) is a suitable contact.

The project is labour intensive and will contribute towards job creation and conservation in several ways. Restoring Spekboom will reduce water run-off and hence soil loss, the restored Spekboom will capture CO₂ and hence help to reduce atmospheric CO₂ and the restored veld will provide improved habitat for wildlife.

Regarding socio-economic development, the planting team consists of 16 unemployed people from the Calitzdorp community. They have already been trained to do the work and informed about the aims of the project. Your funding will enable them to continue to work and hence have an income for about another two weeks. These workers spend their entire income in the local town (Calitzdorp), which will thus support the local economy.

The people have already been trained and informed about the aims of the Spekboom restoration project. They thus understand the environmental benefits of doing such restoration work, apart from the obvious immediate benefit to themselves. They discuss their work with the rest of their community and the word is slowly spreading that environmental work is not only to the benefit of rich white people. It is to the benefit of all.

5. The following Eden Estuaries are in DIRE need of management Plans
 - a) Duiwenhoks
 - b) Kaaimans
 - c) Hartenbos
 - d) Great Brak River

COMPONENT F: MUNICIPAL HEALTH

Municipal Health and Environmental Services comprise of those aspects of human health including quality of life, that are determined by chemical, physical, biological, social and psychosocial factors in the environment. It also included the practice of assessing, correcting, controlling and preventing of those factors in the environment that may have an effect on the present and future generations.

The Local Government Municipal Structures Act, Act No 117 of 1998 determines that Municipal Health is a District Municipality function and according to the Health Act, Act 61 of 2003 includes the following key performance areas for Municipal Health namely:

- Water Quality
- Food Control
- Waste Management
- Health Surveillances of premises
- Surveillances and prevention of communicable diseases
- Vector Control
- Population Control
- Disposal of the dead
- Chemical safety

The Minister of Health repealed section 57 of the previous Health Act, Act 63 of 1977 which determines that District Municipalities must now also carry out inspections on state premises. The executions of these stipulations are still in process.

Our main challenges are to secure clean water, food and air for people to live in a clean and healthy environment.

SERVICE STATS – MUNICIPAL HEALTH

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL2	Development of Municipal Health Strategy and submit to Council	By end June	All	New performance indicator for 2011/12. No comparatives available	1	0	R
TL9	Monitor food to ensure compliance with the required legislative standards	No of samples taken per quarter	All	100%	708	245	R
TL15	Monitoring of dairies to ensure compliance with the required legislative standards	No of inspections per quarter	All	25%	360	106	R
TL7	Monitoring of farms measured in terms of the number of inspections in the district	No of inspections per quarter	All	100%	320	60	R

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Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL8	Monitoring of food production and/or handling sites complying with the required standards measured in terms of the number of inspections per site	No of inspections per quarter	All	New performance indicator for 2011/12. No comparatives available	360	1,220	B
TL12	Monitoring of Non-food premises eg. garages, crèches, caravan parks (i.e. Surveillance premises) to ensure compliance with required legislative standards	No of inspections per quarter	All	New performance indicator for 2011/12. No comparatives available	3,600	1,090	R
TL1	Monitoring of water quality in the district in terms of the identified sample as per the EQMS program	Number of samples per quarter	All	New performance indicator for 2011/12. No comparatives available	360	187	R
TL3	Monitoring of water quality other than municipal water eg. Farms, resorts and rural areas by the number of visits	Number of visits	All	New performance indicator for 2011/12. No comparatives available	80	95	G2
TL25	Provide health education to the community in terms of health awareness training sessions	No of training sessions held	All	New performance indicator for 2011/12. No comparatives available	39	348	B

Graph 61: SDBIP Municipal Health

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3.19 MUNICIPAL HEALTH SERVICES

SERVICE STATISTICS – HEALTH INSPECTION; FOOD AND ABATTOIR LICENSING AND INSPECTIONS, ETC.

Type of service	2010/11	2011/12
Health Inspection; Food and Abattoir Licensing and Inspections, Etc.		
Inspections at food production and/or handling sites formal and informal	6724	6019
Inspections at dairies to ensure legislative compliance	485	343
Inspection to Informal Settlements	550	1992
Inspection of sewerage treatment /waste water sites	212	160
Inspection of farms	508	277
Inspection of Non-food premises eg. garages, crèches, caravan parks (i.e. Surveillance premises)	3995	4658
Inspection Environmental Pollution	925	630
Inspection conditions promoting the habits and breeding habits of vectors	6724	6019

Graph 62: Service Statistics – Health Inspection

TOTAL EMPLOYEES – MUNICIPAL HEALTH SERVICES

As per task evaluation

Job Level	2010/11		2011/12		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	#	#	#	#	%
4 - 6	8	8	8	0	0
7 - 9	4	4	4	0	0
10 - 12	28	28	26	2	7%
13 - 15	13	13	12	1	8%
Total	53	53	50	3	5.6%

Graph 63: Employees - Municipal Health Services

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CAPITAL EXPENDITURE – MUNICIPAL HEALTH

Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
Informal food traders	80 000	50 000	40,785.26	18%	50,000.00
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Graph 64: Capital Expenditure 2011/12: Municipal Health

The main aim of The Informal Food Traders Project is to ensure safer food by training informal food handlers regarding hygiene and other environmental health issues to seek for a higher legislative compliance rate. After compliance we provide equipment for them as an incentive for compliance to the legislation. The failure of purchasing the last order of incentives at year end was the reason why we not use the full amount allocated to this project.

COMPONENT G: SECURITY AND SAFETY

The Eden DM has the statutory obligation to establish and run a Municipal Disaster Management Centre as defined by the Disaster Management Act, Act 57 of 2002. In order to fulfill the duties assigned to the District a 24/7 Call Centre has been established to act as repository and conduit of all disaster occurring, threatening to occur.

The Eden Fire and Rescue service has the statutory obligation to render specialised firefighting services, i.e. bush and veldt fire services and hazardous material incidents. Further to these functions the District has to see to the standardisation of equipment and the coordination of fire related training.

The functions licensing and control of animals, and control of public nuisances is functions assigned to Category-B authorities in accordance to the constitution, therefore the Eden DM do not deliver these functions.

3.20 FIRE

The Eden Fire service had the statutory obligation to render the full fire service in Kannaland as well as the District Municipal area as well as bush and veldt fire and hazardous material incident services for the district as a whole. Since March 2011 the full fire service for the District Municipal area were split between the Eden DM and the George Municipality, but due to insufficient funds the Eden DM continued to render the full fire service for the applicable book year.

During the last year special emphasis was given to move closer to service delivery within the constraints of the applicable legislation. Minimum competency training, staffing levels per shift as well as the reduction in response times were dealt with as service delivery priorities.

In order to meet these challenges external as well as on-the –job training were done, the staff component were increased by means of contract appointments and service level arrangements were entered into with the Local authorities outside the 50 kilometer radius from current fire stations in order to open more fire stations in the effort to reduce response times.

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SERVICE STATISTICS – FIRE SERVICES

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12	
					Target	Actual
TL68	Facilitate and co-ordinate Chief Fire Officer meetings to standardise fire service delivery in the district	No of meetings held per quarter	All	New performance indicator for 2011/12. No comparatives available	4	0 R
TL66	Monitor drought mitigation funding expenditure by the local municipalities	Quarterly progress reports to Council	All	New performance indicator for 2011/12. No comparatives available	4	0 R

Graph 65: SDBIP Fire Services

Please note the current software system does not make provision for the fire and rescue services rendered to be tabled as requested. Currently the implementation of the fire web software is tested and once installed and used we would be able to complete the table as requested

Details	2010/11	2011/12
	Actual No.	Actual No.
Total fires attended in the year	247	321
Total of other incidents attended in the year	341	438
Average turnout time - urban areas	+ - 10	+ - 10-15
Average turnout time - rural areas	+ - 45min	+ - 45- 60min
Fire fighters in post at year end	27	29
Total fire appliances at year end	18	18
Average number of appliance off the road during the year	5	7
Total Operational call-outs	588	759
Reservists and volunteers trained	56	24
Awareness Initiatives on Fire Safety	90	70

Graph 66: Service Data for Fire Services

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TOTAL EMPLOYEES – FIRE SERVICES

Job Level	2010/11		2011/12		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	#	#	#	#	%
4 - 6	9	10	8	2	
7 - 9	6	8	8	0	
10 - 12	10	12	11	1	
13 - 15	1	1	1	0	
16 - 18	1	1	1	0	
Total	27	32	29	3	9.38

Graph 67: Employees – Fire Services

CAPITAL EXPENDITURE – FIRE SERVICES

No capital budget allocated for Fire and Rescue service

3.21 OTHER (DISASTER MANAGEMENT, CONTROL OF PUBLIC NUISANCES AND OTHER)

The Eden District has been evaluated as one of the five areas in South Africa being the most disaster prone due to severe weather conditions. Floods, drought and storm surges have been the causal factors for the area being declared a local disaster area in 4 of the last 5 years. Further to this the area has to deal with catastrophic widespread uncontrolled bush and veldt fires exacerbated by exuberant fuel loads, long dry periods and gale force winds in certain times of the year. Due to extreme weather conditions the high risk fire season for the area could be seen as 10 months of the year.

During the last year the Disaster Management focus was mainly to reduce the vulnerable areas at risk as well as to build resilience and to set a platform from where coordination of extreme events could be done. In collaboration with the South African Weather Service a guideline to be used for storm surge early detection as well as early warning were developed. Further the Eden MDMC was instrumental to ensure the erection of RADAR near Vleesbaai, Mossel Bay area, to feed real time information to the National weather prediction grid. The Eden MDMC provided a platform to coordinate the Avian Influenza outbreak as well as the closure of several of the area's major access roads that had to be closed due to rock falls

In order to build the capacity of the most vulnerable first aid and disaster awareness training were presented to more than 300 people and the current early detection and early warning dissemination program were extended to reach the most vulnerable in time. In the Bitou area a disaster management volunteer's corps has been established and training was presented to this group.

In order to build response capacity 7 army type tents as well as 2 marquee type tents, some mattresses and blankets were obtained and placed in containers placed throughout the district. This will be used to mitigate the impact on the most vulnerable before as well as after disasters.

In order to get the regional by-inn and to better the functionality of the Eden disaster management advisory forum the focus were shifted to the establishment of local disaster management advisory forums with the intention to give the various local disaster management forums' management structures representation on the Eden district structure. During the past year Knysna-, Mossel Bay-, Hessequa- as well as Kannland LM got their local disaster management advisory forums established and as soon as regional issues has been raised the Eden forum will be convened to discuss these matters of mutual concern.

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SERVICE STATISTICS – DISASTER MANAGEMENT, CONTROL OF PUBLIC NUISANCES, ETC

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL64	Assess disaster readiness of local municipalities by evaluating Level 3 Disaster Management Plans by the end of June 2012	No of local municipality Disaster Management Plans assessed	All	New performance indicator for 2011/12. No comparatives available	7	0	R
TL62	Develop District Disaster Management Framework by the end of December 2011	Framework developed by the end of Dec 2011	All	Not updated on the SDBIP 10/11	1	0	R
TL63	Effective facilitation of disaster management in the District measured in terms of the number of advisory forum meetings held	No of meetings per quarter	All	12	4	0	R
TL67	Establish early warning system of potential hazards by the end of June 2012	% establishment of the system by the end of June	All	New performance indicator for 2011/12. No comparatives available	100%	100%	G
TL65	Establish joint operational centres for disaster management co-ordination by the end of June 2012	No of joint operational centres	All	New performance indicator for 2011/12. No comparatives available	3	0	R

Graph 68: SDBIP Disaster Management

Details	2010/11	2011/12
	Actual No.	Actual No.
Number of floods	STATS Not available	June 2011 floods
Number of diseases outbreaks	STATS Not available	Avian Influenza outbreak
Number of rock falls	STATS Not available	Rock falls- Huisrivier Pass, on the N12 and on the Outeniqua Pass
Major fires	STATS Not available	Melkhoutfontein; Ruitesbos; Kammanassie mountains; De Hoop, Kouga and Langkloof mountains

Graph 69: Service Data for DISASTER MANAGEMENT, CONTROL OF PUBLIC NUISANCES, ETC

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TOTAL EMPLOYEES – DISASTER MANAGEMENT, CONTROL OF PUBLIC NUISANCES, ETC

Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	#	#	#	#	%
7 - 9	6	6	6	0	0
10 - 12	3	3	1	2	66%
13 - 15	1	1	1	0	0
Total	10	10	8	2	25%

Graph 70: Employees – DISASTER MANAGEMENT, CONTROL OF PUBLIC NUISANCES, ETC

CAPITAL EXPENDITURE – DISASTER MANAGEMENT, CONTROL OF PUBLIC NUISANCES, ETC

No capital projects were approved for the 2011/12 financial year.

COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES, EXECUTIVE AND COUNCIL

- 100 day campaign hosted by the Mayor.
- Financial viability resulted in a Turnaround Strategy being initiated.
- Re-designed the macro structure which was approved by Council.
- Re-designed the micro structure which will be submitted to Council on 14 September 2012 for approval.

SERVICE STATS – EXECUTIVE AND COUNCIL

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Overall performance 2011/12		
					Target	Actual	
TL37	Implementation of the Employment Equity Act measured by the number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	No of people employed in the three highest levels of management	All	New performance indicator for 2011/12. No comparatives available	2	1	R
TL41	Annual report and oversight report of council submitted before the end of March	Report submitted to Council	All	Submitted in March 2011	100%	0%	R

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Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Overall performance 2011/12		
					Target	Actual	
TL39	Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	All	3	4	9	B
TL40	Effective functioning of the committee system measured by the number of committee meetings per committee per quarter	No of sec 79 committee meetings per committee per quarter	All	7	4	19	B
TL51	The adjustment budget is approved by Council by the legislative deadline	Approval of adjustments budget before the end of February	All	100%, January 2010	1	0	R
TL50	The main budget is approved by Council by the legislative deadline	Approval of Main budget before the end of May	All	Not updated on SDBIP 10/11 but was approved in April 2010	1	1	G
TL42	Revise by-laws to ensure effective and up to date by-laws	No of By-laws revised annually	All	100%	1	1	G
TL60	Functional performance audit committee measured by the number of meetings per annum	No of meetings held per quarter	All	4	4	2	R
TL79	No of Section 57 performance agreements signed by the end of July	No of performance agreements signed	All	6	5	5	G
TL72	The SDBIP is approved by the Mayor within 28 days after the budget has been approved	SDBIP approved before the end of June	All	Not updated on SDBIP 10/11	1	1	G
TL59	The municipality comply with all the relevant legislation	0 findings in the audit report on non-compliance with laws and regulations	All	0	0	0	G
TL76	Facilitation of IGR in the district measured by the number of MMF and DCF meetings held	No of meetings per forum per quarter	All	4	8	0	R
TL78	Improve communication within the district with the issue of quarterly newsletters	No of newsletters distributed	All	New performance indicator for 2011/12. No comparatives available	4	0	R

Graph 72: SDBIP – Executive and Council

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Councillors	=	35 (contract employees)
Admin staff	=	8 (contract employees) employed in the office of the Executive

CAPITAL EXPENDITURE – EXECUTIVE AND COUNCIL

No capital budget was allocated to the Executive and Council offices for the 2011/12 financial year.

3.22 FINANCIAL SERVICES

Financial Services 2011/12 priorities:

Cash backed credible budget presented to council for approval.

- Timeously submission of all required reports by prescribed due date.
- Timeously submission of GRAP compliant annual financial statements by 31 August.
- Implementation of the credit control and debt management policy to ensure outstanding debt is recovered.
- Revision of the SCM policy and implementation thereof
- Implementation of contract management system to eliminate irregular expenditure as identified by the Auditor General.
- Creditors paid within 30 days after receipt of invoice/statements as required by the MFMA.
- Optimal interest generated on investments.
- Salary payments by the 25th of each month.
- Adequate asset management
- Ensuring the safeguarding of inventory/stock items.
- Revision of cash management processes and procedures.
- Support services rendered to the other departments.

SERVICE STATISTICS – FINANCIAL SERVICES

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Overall performance 2011/12		
					Target	Actual	
TL49	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage (Available cash+ investments)/ Monthly fixed operating expenditure	All	This was deleted as this is for B municipalities	1.2	0	R

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Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/11	Overall performance 2011/12		
					Target	Actual	
TL47	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	All	This was deleted as this is for B municipalities	12%	0%	R
TL48	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	This was deleted as this is for B municipalities	9	0	R
TL54	Approved financial statements submitted by 31 August	Approved financial statements submitted	All	100%, 28 September 2011	100%	0%	R
TL52	Compliance with GRAP 16, 17 & 102 to ensure effective asset management	0 findings in the audit report on non-compliance	All	0	0	0	G
TL55	Improvement in capital conditional grant spending measured by the % spent	% of the grant spent	All	100%	100%	100%	G
TL56	Improvement in operational conditional grant spending measured by the % spent	% of the grant spent	All	100%	100%	100%	G
TL53	Quarterly report on progress with implementation of key controls as identified in key control deficiencies by the Auditor-General	Quarterly reports submitted on achievement of committed dates	All	Discussed at GRAP meetings	4	0	R
TL58	Successful implementation of an integrated financial management system by June 2013	No of modules successfully implemented	All	New performance indicator for 2011/12. No comparatives available	3	3	G
TL82	Increased own revenue by identifying additional revenue streams to increase available funds	No of successful funding applications of more than R200000	All	0	5	0	R

Graph 73: SDBIP Financial Services

With the transfer of the DMA to George municipality, no consumer charges/property rates were billed for 2011/2012 as these functions were transferred to George Local Municipality

CHAPTER 3

TOTAL EMPLOYEES – FINANCIAL PERFORMANCE

Job Level	2010/11		2011/12		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	#	#	#	#	%
4 - 6	7	8	7	1	12.5
7 - 9	15	16	15	1	6.25
10 - 12	14	15	14	1	6.6
13 - 15	3	3	3	0	0
Total	39	42	39	3	7%

Graph 74: Employees – Financial Performance

CAPITAL EXPENDITURE – FINANCIAL PERFORMANCE

The Finance Department is a support function and we do not have capital projects. We report on the progress of spending on capital projects by other departments. No new systems were implemented due to our limited revenue sources and minimal increase in the equitable share.

2.23 HUMAN RESOURCE SERVICES

SERVICE STATISTICS – HUMAN RESOURCE SERVICES

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL43	% Vacancy level as % of approved organogram to create an effective institution with sustainable capacity	% Vacancy level	All	6.13%	15%	9.20%	B
TL46	Implementation of skills development plan with targeted skills development	No of personnel actually trained/ No of personnel identified for training	All	Actual incorrectly updated on SDBIP 10/11	80%	100%	G2
TL38	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	100%	100%	24.70%	R
TL44	Effective labour relations by facilitating regular LLF meetings per annum	No of meetings of the LLF per annum	All	10	4	5	G2
TL45	Revise identified HR policies by the end of June to ensure compliant and up to date HR policies	No of policies revised	All	10	1	10	B

Graph 75: SDBIP Human Resource Services

3.24 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The term ‘ICT’ does not refer solely to a division or a unit, or a specific group of technically-skilled people within the organisation. In the abstract, ICT is really a group of technologies, disciplines, processes and skills. Indeed sometimes ‘excellence’ may require that aspects of ICT are owned and embedded right across the organisation.

A three year district wide Enterprise License Agreement (ELA) with Esri South Africa, for Geographical Information Systems (GIS) software & support has been negotiated and is in the final stages of the negotiations. This multi-year agreement, makes provision for unlimited access to state of the art software and support from a world leader in the GIS industry and will be available to all B-Municipalities within the Eden District Municipal boundaries. The Enterprise License Agreement (ELA) is making it possible for Local Authorities to acquire GIS technology directly from the sole-suppliers at a reduced cost. With specialized support and guidance from Eden DM, B-Municipalities can develop and share in this technology for effective planning and service delivery to improve economic and social development.

The ICT section of Eden DM in conjunction with SITA has developed a Disaster Recovery Plan (DRP) for all B-Municipalities within our region. This was done as a Shared Services initiative, and it is being used and implemented in most of the B-Municipalities. Further to this we are currently investigating a five year strategy in line with the IDP to ensure that all systems within the region comply with the minimum legislative requirements. This will be done in the form of a Master Systems Plan (MSP) that will govern the development and management of all ICT systems throughout our region.

**SERVICE STATISTICS
INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

Details	2010/11	2011/12
	Actual No.	Actual No.
% of Software licensed	100 %	100 %
% of Back-ups done	100 %	100 %
% of Viruses attended to	100 %	100 %
% of Network downtime	1 %	1%
% of queries resolved with guidelines of the policy	77.17 %	77.89

Graph 76: Service Data for Information and Communication Technology (ICT) Services

CAPITAL EXPENDITURE – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

No capital projects for the 2011/12 financial year.

3.25 RISK MANAGEMENT AND INTERNAL AUDIT

The internal audit activity provides an independent, objective assurance and consulting service which is designed to add value and improve the organization’s operations.

The role of the Internal Audit in the municipality is to assist the Municipal Manager and the Council to meet their objectives and to discharge their responsibilities by providing an independent evaluation of the adequacy and effectiveness of Eden District Municipality’s network of risk management, control set by management and governance processes.

This evaluation should encompass the following:

- The information system environment;
- The reliability and integrity of financial and operational information;
- The effectiveness of operations;
- Safeguarding of assets; and
- Compliance with laws, regulations, council directives and controls.

The management has overall responsibility for ensuring that the risks are managed and it is their responsibility to create a separate risk management function including the appointment of the Chief Risk Officer (CRO), however because of the financial situation of the municipality the MM & the Internal Audit unit did assist facilitating this process. The IA cannot run the Risk Management as it is in contradiction with the MFMA, IIA Standards and the Internal Audit Charter.

SERVICE STATS - RISK MANAGEMENT AND INTERNAL AUDIT

Ref	KPI	Unit of Measure-ment	Wards	Actual perfor- mance 2010/ 11	Overall performance 2011/12		G
					Target	Actual	
TL61	Appropriate planning of internal audit activities in terms of an approved revised risk based audit plan	Plan revised by the end of June 2012	All	100%	1	1	G

Graph 77: SDBIP –Risk Management and Internal Audit

TOTAL EMPLOYEES – RISK MANAGEMENT AND INTERNAL AUDIT

Job Level	2010/11		2011/12		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	#	#	#	#	%
10 - 12	2	2	2	0	0
13 - 15	1	1	1	0	0

Graph 78: Employees –Risk Management and Internal Audit

CHAPTER 3

CAPITAL EXPENDITURE –RISK MANAGEMENT AND INTERNAL

No capital expenditures incurred for the 2011/2012 financial year.

3.26 LEGAL SERVICES

Areas of performance: - Supply legal opinions, management of legal actions, Scrutinise and distribution of Legislation changes & drafting of and verification of all legal agreements.

SERVICE STATISTICS – LEGAL SERVICES

Details	2010/11	2011/12	
	Actual No.	Estimate No.	Actual No.
All new legislation and proclamations distributed to all Departments	None	None	None
Promulgate by-laws	None	None	None
Provide legal opinions and input on policies, contracts, agreements, legislation, by-laws and authorities	None	Legal opinions: 103 Contracts: 70 (only new Contracts/ Agreements)	Legal opinions: 61 Contracts: 85 70 (only new Contracts/ Agreements)

Graph 79: Service Data for Property; Legal; Risk Management And Procurement Services

TOTAL EMPLOYEES –LEGAL SERVICES

Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	#	#	#	#	%
4 - 6	1	1	1	-	0
13 - 15	1	1	1	1	0
Total	2	2	2	1	0

Graph 80: Employees – Legal Services

CAPITAL EXPENDITURE –LEGAL SERVICES

No capital projects for the 2011/12 financial year.

CHAPTER 3

3.27 PROPERTY SERVICES

The property management unit was established in order to manage Council's fixed assets. The Eden District Municipality is the legal successor – in – title of properties formerly registered in the name of the divisional councils, the regional services councils or the district councils within the former Klein Karoo and South Cape areas of jurisdiction.

The top delivery priorities include the lease of certain portion of land, the consolidation of lease agreements and the compilation of a policy management policy. All these aforementioned targets have been met

SERVICE STATISTICS –PROPERTY SERVICES

Details	2010/11	2012/13
	Actual No.	Estimate No.
Advertisement to renew certain lease agreements	0	1
Advertisements to include additional land to be leased	0	1

Graph 81: *Service Data for Property Services*

CAPITAL EXPENDITURE –PROPERTY SERVICES

No budget was allocated to the Property department for the 2011/12 financial year.

CHAPTER 3

3.28 PROCUREMENT SERVICES

Enrolled all SCM Officials for the minimum competency courses as per MFM requirements. Performed the 1st Annual Policy and Process review by the Municipal Manager and the Extended Management Team. Established the Contract

Management Unit to oversee all Service Level Agreements for the formal and Informal tenders awarded. Adopted the code of conduct for the SCM officials and Finance Department is working towards a professional environment that will seek to adhere to compliance requirements. Finance department shares in the Municipality's vision of Excellence and working towards level 3 competence.

SCM Unit is responsible for providing procurement services to the rest of the municipality and as such endeavours to be a unit that prides itself with quality service that embodies value for money. SCM Unit continues to embody the five pillars of procurement as stated in section 217 of the constitution, to have a system and procurement process that is fair, equitable, transparent, competitive and cost effective.

All tenders awarded by the municipality, formal and informal, have been disclosed as per department.

SERVICE STATISTICS –PROCUREMENT SERVICES

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL57	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	All	0	0	0	G

Graph 82: SDBIP SCM

Details	2010/11	2012/13
	Actual No.	Estimate No.
Deviations for the Period	5 978 610.62	5 834 887.94
Unauthorised Expenditure	0	986 713
Fruitless & Wasteful Expenditure	0	0
Irregular Expenditure	60 822 678	13 401 873

Graph 83: Service Data for SCM

CAPITAL EXPENDITURE –PROCUREMENT SERVICES

No budget was allocated to the SCM department for the 2011/12 financial year.

3.29 SHARED SERVICES

The aim of Shared Services for 2011/2012 was to complete the Shared Services Audit in collaboration with Department of Local Government (Municipal Support and Capacity Building), GIZ and Ignite. The Audit was performed within the 7 B Municipalities and feedback was given of the findings and recommendations of the report at the Regional Municipal Managers Forum and various other platforms. Several initiatives for Eden Region were proposed as potential shared services initiatives.

SERVICE STATS – SHARED SERVICES

Ref	KPI	Unit of Measurement	Wards	Actual performance 2010/ 11	Overall performance 2011/12		
					Target	Actual	
TL74	Determine the potential regional shared services required with the completion of the readiness audit by the end of December	Final report on the potential services identified	All	New performance indicator for 2011/12. No comparatives available	1	0	R
TL73	Establish shared services partnerships before the end of June 2012	Commitment of partnership towards establishment of shared services	All	New performance indicator for 2011/12. No comparatives available	100%	0%	R
TL75	Facilitate and co-ordinate shared services in the district for the financial year	No of initiatives shared	All	New performance indicator for 2011/12. No comparatives available	4	0	R

Graph 84: SDBIP – Shared Services

TOTAL EMPLOYEES – SHARED SERVICES

Job Level	2010/11		2011/12		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	#	#	#	#	%
0 - 3	1	1	1	1	0
Total	1	1	1	1	0

Graph 85: Employees – Shared Services

CAPITAL EXPENDITURE –SHARED SERVICES

In view of the budget constraints experienced by various local authorities, Shared Services is regarded as the vehicle to enhance service delivery to communities in the Eden Region. The Department of Local Government Western Cape in collaboration with GIZ (funder) agreed to support Eden DM in the roll-out of Shared Services in the region.

Service Level Agreements for Shared Services include: Call Centre and Fire Fighting Services. Other inter-municipal cooperation agreements include ICT services, Collaborator, TASK evaluating system, and Minimum Competency Training.

Due to organisational restructuring processes, the Business Unit responsible for Shared Services were dissolved and only one official remained responsible for driving all Shared Services initiatives with no administrative support. No budget was allocated to Shared Services for the year 2011/2012.

COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

3.30 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2012/13

The main development and service delivery priorities for 2012/13 forms part of the Municipality's top layer SDBIP for 2012/13 and are indicated in the table below:

BUILD A CAPACITATED WORKFORCE AND COMMUNITIES

REF	KPI	Unit of Measurement	Wards	Annual Target
TL62	Implement inter-departmental strategic sessions with the management and middle management team	Number of sessions	All	4
TL23	Implement the EE Act measured by the number of people from employment equity target groups employed in the 3 highest levels of management in compliance with a municipality's approved EE plan	Number of people employed in the three highest levels of management	All	1
TL26	Implement the Workplace skills plan through the % of the budget spent by the end of June	% of the 1% workplace skills plan budget spent	All	100%

CHAPTER 3

REF	KPI	Unit of Measurement	Wards	Annual Target
TL24	Vacancy level as % of approved organogram to create an effective institution with sustainable capacity	% Vacancy level	All	8.50%
TL27	Facilitate in conjunction with the external role players the establishment of Eden Education Forum by the end of June	Established by the end of June	All	100%

Graph 86: Service Delivery Priorities for 2012/13 – Build a capacitated workforce and communities

CONDUCT REGIONAL BULK INFRASTRUCTURE PLANNING & IMPLEMENT PROJECTS, ROADS MAINTENANCE AND PUBLIC TRANSPORT; MANAGE AND DEVELOP COUNCIL FIXED ASSETS

REF	KPI	Unit of Measurement	Wards	Annual Target
TL32	Coordinate the district engineers forum meetings	Number of district engineers forum meetings	All	3
TL31	Prepare successful funding applications to source additional income for infrastructure development by the end of June	Number of funding applications implemented	All	1
TL30	Update and Implement the Eden Bulk Infrastructure Master Plan through a cross border feasibility study by the end of June	Study completed by the end of June	All	1
TL33	Coordinate the renewable energy forums	Number of renewable forum meetings	All	2
TL51	Review the spatial planning in the District	Number of reports submitted	All	2
TL36	Facilitate the implementation of the District Integrated Transport Master plan (DITP) through the number of projects completed	Number of projects	All	7
TL35	Implement the District Mobility strategy (integrated transport networks)	Number of initiatives implemented	All	1
TL34	Increase the maintenance on roads in terms of the budget spend	% of approved provincial roads maintenance budget spent	All	100%
TL37	Facilitate the implementation of the AARTO system, law enforcement, information systems (road signs & markings) through the number of initiatives	Number of engineering initiatives implemented	All	5

Graph 87: Services Delivery Priorities for 2012/13 - Conduct regional bulk infrastructure planning & implement projects, roads maintenance and public transport; manage and develop Council fixed assets

ENSURE FINANCIAL VIABILITY OF THE EDEN DISTRICT MUNICIPALITY

REF	KPI	Unit of Measurement	Wards	Annual Target
TL72	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	1.2
TL70	Financial viability measured in terms of the current assets to cover current liabilities (current assets/current liabilities)	Ratio achieved	All	2.1
TL73	Review the financial policies annually	Number of policies reviewed	All	4
TL75	Submit the adjustment budget to Council by the end of February	Submitted by the end of February	All	1
TL76	Submit the approved financial statements by the end of August	Submitted by the end of August	All	1
TL74	Submit the main budget to Council by the end of May	Submitted by the end of May	All	1
TL61	Implement revenue enhancement initiatives	Number of initiatives implemented	All	4
TL71	Address all recurring audit findings as addressed in the management letter/ audit report to work towards a clean audit by 2014	Number of audit findings addressed	All	10
TL68	Develop a fundraising strategy by the end of December	Strategy developed by the end of December	All	100%
TL69	Implement the fundraising strategy	Number of initiatives implemented	All	2
TL67	Procure services of an external fundraiser and sign agreement with service provider by the end of June	Number of agreements signed	All	1

Graph 88: Services Delivery Priorities for 2012/13 - Ensure financial viability of the Eden district municipality

GROW THE DISTRICT ECONOMY

REF	KPI	Unit of Measurement	Wards	Annual Target
TL86	Coordinate the District EPWP programmes with all local (B) municipalities through the monthly forum meetings	Number of meetings	All	10
TL87	Finalise the project plan for all internal (EPWP) projects by the end of June	Finalised by the end June	All	1
TL84	Implement the EPWP policies and procedures through the provincial steering committee	Number of reports submitted to Council	All	4
TL88	Implement the EPWP project plan through the monthly updating of the MIS system	Number of months updated	All	12
TL83	Job creation through the number of EPWP projects	Number of jobs created (person working days)	All	1.610
TL85	Sign a municipal protocol agreement and incentive agreement with the National minister for Public Works by the end of June	Number of agreements signed	All	2
TL82	Facilitate the development of a regional strategic plan for rural development and land reform	Number of engagements with the department	All	2
TL78	Develop a tourism marketing and development strategy by the end of September	Developed by the end of September	All	100%
TL80	Develop a Turnaround strategy for municipal resorts and approve by the end of June	Developed and approved by the end of June	All	100%
TL79	Implement the tourism marketing and development strategy through the number of initiatives	Number of initiatives coordinated and implemented	All	2

CHAPTER 3

REF	KPI	Unit of Measurement	Wards	Annual Target
TL81	Investigate tourism marketing options (utilise latest technology) by the end of June	Number of initiatives investigated by the end of June	All	1
TL77	Implement the district LED strategy by the end of June through the number of initiatives	Number of initiatives coordinated and implemented	All	1

Graph 89: Services Delivery Priorities for 2012/13 - Grow the District economy

HEALTHY AND SOCIALLY STABLE COMMUNITIES

REF	KPI	Unit of Measurement	Wards	Annual Target
TL18	Attend the NGO engagements and the social development forums per annum	Number of engagements	All	4
TL1	Develop a three year service level agreement with Dept. Water Affairs by the end of June	Developed by the end of June	All	1
TL3	Monitor the food premises through the number of samples taken per annum	Number of samples	All	640
TL4	Monitor the non-food premises through the number of inspections per annum	Number of inspections	All	3,880
TL2	Monitor the water quality through the number of samples per annum in the district as per the EQMS program	Number of samples	All	440
TL19	Implement the Eden HAST plan through the number of activities implemented	Number of activities	All	3
TL22	Implement the youth policy through the number of initiatives implemented	Number of initiatives	All	2
TL20	Review the HAST plan by the end of June	Reviewed by the end of June	All	100%
TL21	Sign a MOU with Dept. of Social Development by the end of June to assist with the social development programmes	MOU signed by the end of June	All	1

Graph 90: Services Delivery Priorities for 2012/13 - Healthy and socially stable communities

CHAPTER 3

PROMOTE GOOD GOVERNANCE

REF	KPI	Unit of Measurement	Wards	Annual Target
TL42	Develop new lease agreements by the end of June	Number of new agreements developed	All	10
TL39	Draft a process plan with regards to alienation and lease by the end of June	Plan drafted by the end of June	All	100%
TL38	Draft an immovable asset management (property) policy by the end of June	Policy draft by the end of June	All	100%
TL40	Establish Public-Private Partnerships in order to develop certain council properties by the end of June	Number of PPP's established	All	2
TL41	Review the existing lease agreements by the end of June	Number of agreements reviewed	All	10
TL43	Update and review council property database by the end of June	Updated by the end of June	All	100%
TL60	Implement the municipal turnaround strategy	Number of initiatives implemented	All	18
TL58	Implement the Performance Management System up to post level 3 by the end of June	% Of all agreements completed up to level 3	All	100%
TL59	Implement the PMS formal assessments with the section 56 and 57 management	Number of formal performance evaluations completed	All	3
TL25	Submit the annual report and oversight report before the end of January	Report submitted before the end of January	All	1
TL28	Engage with the trade unions on LLF agendas	Number of engagements	All	10
TL29	Set the Council meeting dates to meet legislative requirements by the end of December	Dates set by the end of December	All	1
TL53	Coordinate the functioning of District IGR forums	Number of DCF meetings coordinated	All	4

CHAPTER 3

REF	KPI	Unit of Measurement	Wards	Annual Target
TL54	Coordinate the Municipal Managers forum	Number of MMF meetings coordinated	All	4
TL52	Develop and implement a district communication strategy by the end of June	Developed by the end of June	All	100%
TL57	Sign Service level agreements for the procurement and roll out of ESRI GIS system in the District by the end of June	Number of SLA signed by the end of June	All	8
TL65	Identify new shared services initiatives by the end of June	Number of new shared services initiatives identified by the end of June	All	2
TL64	Implement Shared Services initiatives	Number of shared services (SS) initiatives implemented	All	4
TL63	Re-engineer (business case) the district shared services model by the end of June	Approved by the end of June	All	1
TL56	Approve the IDP process plan by the end of August	Approve by the end of August	All	1
TL55	Develop the district integrated development plan (IDP) and table for approval by the end of May	Table by the end of May	All	1
TL66	Finalise the service level agreements per initiative	Number of SLAs finalised by the end of June	All	6

Graph 91: *Service Delivery Priorities for 2012/13 - Promote good governance*

PROMOTE SUSTAINABLE ENVIRONMENTAL MANAGEMENT AND PUBLIC SAFETY

REF	KPI	Unit of Measurement	Wards	Annual Target
TL7	Coordinate the district waste management forums	Number of forums	All	5
TL10	Develop a waste to energy alternative technology process by the end of June	Developed by the end of June	All	1
TL8	Implement and coordinate the waste education initiatives	Number of initiatives	All	2

CHAPTER 3

REF	KPI	Unit of Measurement	Wards	Annual Target
TL9	Review the Integrated Waste Management (IWM) Plan by the end of June	Plan reviewed by the end of June	All	100%
TL14	Coordinate the Eden Air Quality Forum	Number of meetings	All	12
TL11	Implement the Air Quality Management (AQM) plan through the number of awareness campaigns	Number of awareness campaigns	All	4
TL5	Monitor diaries through quarterly inspections to ensure legislative compliance	Number of inspections	All	280
TL13	Monitor the air quality through the number of samples taken on a monthly basis	Number of monthly samples taken	All	60
TL6	Report monthly to the National Department of Health (Sinjani)	Number of reports	All	12
TL12	Review the Air Quality Management (AQM) plan by the end of June	Review the plan by the end of June	All	1
TL44	Coordinate the implementation of Fire Breaks on Council property and renew the MOU with fire protection agency by the end of September	MOU signed by the end of September	All	1
TL45	Implement a severe weather early warning sms system in collaboration with SA Weather Service by the end of December	Developed by the end of December	All	1
TL48	Forward risk assessment guidelines to the B-municipalities by the end of June	Number of guidelines forwarded	All	7
TL47	Sign a MOU with Petro SA for fire fighting training academy by the end of December	MOU signed by the end of December	All	1
TL46	Sign MOUs to render fire services to B-municipalities on a shared services basis by the end of July	Number of MOUs signed	All	2
TL49	Update the disaster management framework and contingency planning in collaboration with PDMC and local municipalities by the end of January	Updated by the end of January	All	1
TL15	Develop the Coastal Management Plan in terms of the integrated coastal management act by the end of June	Developed by the end of June	All	100%
TL16	Identify a Bio-sphere domain for the Garden Route initiative by the end of June	Domain identified by the end of June	All	100%
TL17	Implement climate change adaptation and mitigation initiatives	Number of initiatives implemented	All	4
TL50	Support and implement environmental awareness programmes in liaison with partners & civil society, NGO's, SANBI, Biosphere reserve and research institutions	Number of awareness initiatives supported	All	4

Graph 92: Service Delivery Priorities for 2012/13 - Promote sustainable environmental management and public safety

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2010/11	2011/12
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	104	96
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	1%	1%

Graph 93: National KPIs – Municipal Transformation and Organisational Development

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Eden District Municipality currently employs **651** permanent officials as at 30 June 2012, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

CHAPTER 4

4.2 EMPLOYMENT EQUITY VS. POPULATION

Description	African	Coloured	Indian	White	Total
Population numbers	826 691	2 146 109	40 376	821 551	3 834 727
% Population	29.7%	51.2%	0.9%	18.2%	100%
Number for positions filled	105	446	5	95	651
% for Positions filled	7.7%	67.84%	1.4%	8.41%	85.35%

Graph 94: EE population 2011/12

Note: The total population numbers is based on projection done by the Eden District municipality

4.3 OCCUPATIONAL CATEGORIES – RACE

Below is a table that indicate the number of employees by race within the specific occupational categories:

Posts filled									
Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	4	17	0	26	1	7	1	3	59
Professionals	2	14	0	4	2	12	0	3	37
Technicians and associate professionals	3	17	0	7	8	8	0	6	49
Clerks	3	12	0	1	4	19	1	6	46
Service and sales workers	3	25	0	6	3	15	0	1	53
Craft and related trades workers	0	14	0	10	0	0	0	0	24
Plant and machine operators and assemblers	10	49	0	10	0	0	0	0	69
Elementary occupations	39	79	0	2	14	52	0	0	186
Total permanent	64	227	0	66	32	113	2	19	523
Non- permanent	7	70	1	6	5	35	1	3	128
Grand total	71	297	1	72	37	148	3	22	651

Graph 95: Occupational Categories

4.4 OCCUPATIONAL LEVELS - RACE

The table below categories the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	2	5	0	18	1	2	1	2	31
Senior management	3	14	0	9	1	12	0	3	42
Professionally qualified and experienced specialists and mid- management	4	27	0	15	9	12	1	7	75
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	16	82	1	19	7	27	1	7	160
Semi-skilled and discretionary decision making	0	13	0	0	0	8	0	0	21

CHAPTER 4

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Unskilled and defined decision making	39	85	0	5	14	51	0	0	194
Total permanent	64	226	1	66	32	112	3	19	523
Non- permanent employees	7	70	1	6	5	35	1	3	128
Grand total	71	296	2	72	37	147	4	22	651

Graph 96: Occupational Levels

4.5 DEPARTMENTS - RACE

The following table categorises the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	0	5	0	5	2	5	0	4	21
Corporate Services	3	10	0	6	3	21	2	4	49
Financial Services	4	17	0	0	8	13	0	3	45
Strategic Services	1	27	0	5	3	24	1	2	63
Community Services	14	97	1	26	11	35	0	3	179
Technical Services	49	148	0	23	14	51	0	2	294
Total permanent	64	234	0	59	36	114	3	15	523
Non- permanent	7	70	1	6	5	28	1	5	128
Grand total	71	304	1	65	41	142	4	20	651

Graph 97: Department - Race

4.6 VACANCY RATE

The approved organogram for the municipality had **651** posts for the 2011/12 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **53** Posts were vacant at the end of 2011/12, resulting in a vacancy rate of **9.2%**.

Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant
MM & MSA section 57 & 56	2	4
Middle management	73	11
Professionals	76	17
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	259	11
Unskilled and defined decision making	41	6
General Workers	200	4
Total	651	53
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Office of the Municipal Manager	21	3
Corporate Services	49	5

PER POST LEVEL		
Post level	Filled	Vacant
Financial Services	45	4
Strategic Services	63	18
Community Services	179	10
Technical Services	294	13
Total	651	53

Graph 98: Vacancy rate per post and functional level

4.7 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a **decrease** from **11.67%** in 2010/11 to **4.92%** in 2011/12.

The table below indicates the turn-over rate over the last three years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2010/11	574	48	67	11.67%
2011/12	651	18	32	4.92%

Graph 99: Turnover Rate

The reason for the decrease in the turnover rate for the 2011/12 financial year is because: there were less retirements, dismissals and resignations & transfers. In 2010/11 the DMA/District Management Area was transferred to George Municipality

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.8 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a slight **decrease** for the 2011/12 financial year from **56** employees injured against **64** employees in the 2010/11 financial year.

Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty.

The table below indicates the total number of injuries within the different directorates:

CHAPTER 4

Directorates	2010/11	2011/12
Office of the Municipal Manager	1	0
Corporate Services	5	1
Financial Services	0	0
Strategic Services	2	4
Community Services	5	14
Technical Services	51	37
Total	64	56

Graph 100: *Injuries*

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.9 SICK LEAVE

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2011/12 financial year shows an **increase** when comparing it with the 2010/11 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2010/11	2011/12
Office of the Municipal Manager	138.41	121.12
Corporate Services	242.38	359.51
Financial Services	255.30	425.19
Strategic Services	322.00	395.65
Community Services	436.00	599.56
Technical Services	2 949.68	3 212.27
Total	4 343,77 days	6 073,30 days

Graph 101: *Sick Leave*

4.10 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/ revised
External Bursary Policy	30 May 2012
Policy on Bouquets for employees or their families	30 May 2012
Cell phone Policy	30 May 2012

Name of policy	Date approved/ revised
Travel & Subsistence Policy	30 May 2012
Policy on awards (gifts) for long service and retirement	17 Aug 2010
Induction training and staff orientation Policy	25 Oct 2005
Motor Vehicle Allowance Scheme Policy	29 Aug 2008
Private Work Policy	24 Aug 2005
Recruitment & Selection Policy	21 Apr 2011
Smoking Policy	31 Jan 2011
Policies still to be developed	
Name of policy	Proposed date of approval
Employees on contract Policy	March 2013
Overtime Policy	March 2013
OHS Policy	March 2013

Graph 102: HR policies and plans

The Human Resources department submits policies to the Local Labour Forum on a regular basis for review purposes.

4.11 EMPLOYEE PERFORMANCE REWARDS

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

- (1) The annual report for the financial year under review has been tabled and adopted by the municipal council;
- (2) an evaluation of performance in accordance with the provisions of regulation 23; and
- (3) approval of such evaluation by the municipal council as a reward for outstanding performance.

The Performance Management System was not rolled out to employees from post level 1 – 6 due to budget constraints.

No performance rewards (bonuses), were paid out during 2010/2011. An Item were presented at Council on 15 March 2012 as well as on 30 July, where on both occasions Council rejected the request.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

CHAPTER 4

4.12 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	2	2
	Male	5	5
Legislators, senior officials and managers	Female	2	2
	Male	17	17
Associate professionals and Technicians	Female	22	18
	Male	25	9
Professionals	Female	20	20
	Male	28	28
Clerks	Female	50	23
	Male	20	12
Service and sales workers	Female	8	8
	Male	31	31
Craft and related trade workers	Female	-	-
	Male	-	-
Plant and machine operators and assemblers	Female	3	3
	Male	62	31
Elementary occupations	Female	77	49
	Male	237	57
Sub total	Female	184	125
	Male	425	190
Total		609	315

Graph 103: Skills Matrix

The reason for the total work force not being trained is due to the following:

- Insufficient funds budgeted for training
- Shortage of staff to be released for training

The following training was provided for employees trained:

- Dangerous Goods
- Chain Shaw
- Grader Training
- Minimum competencies
- Local Government Accounting certificate
- Local Government Advance Accounting
- Internal audit
- Occupational health and safety training

CHAPTER 4

- Occupational Development Education Training Practitioner (ODETDP)
- Road Construction NQF 4
- Local Economic Development NQF 4
- Local Economic Development NQF 5
- Integrated Development Plan Training NQF 5
- Information Technology training
- Basic Life Skills Training
- Supply Chain Management
- Presiding Officer Training
- LLF and WSP
- PAYDAY
- Computer Skills
- Diesel Mechanic Learnership
- Labour Relations
- Drivers Licence
- Crane Truck
- Project Management

4.13 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S57	Female	1	-	-	1	1	1	1	-
	Male	4			4	4	4	4	-
Legislators, senior officials and managers	Female	2	-	-	2	2	2	2	-
	Male	17			17	17	17	17	-
Professionals	Female	20	3	3	17	17	20	20	-
	Male	28	5	10	18	18	28	28	-
Technicians and associate professionals	Female	22	-	-	18	22	18	22	82
	Male	25	-	-	9	25	9	25	36
Clerks	Female	50	10	25	8	25	23	50	46
	Male	20	7	10	5	10	12	20	60
Service and sales workers	Female	8	1	2	7	6	8	8	-
	Male	31	8	10	23	21	31	31	-
Craft and related trade workers	Female	-	-	-	-	-	-	-	-
	Male	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	Female	3	-	-	3	3	3	3	-
	Male	62	-	-	31	62	31	62	50

CHAPTER 4

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
Elementary occupations	Female	177	5	10	44	67	49	77	64
	Male	237	14	20	23	37	57	237	24
Sub total	Female	184	19	40	100	224	125	184	68
	Male	425	34	40	122	194	190	425	45
Total		609	53	80	222	418	315	609	58

Graph 104: Skills Development

MFMA: MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY LEVELS SIX MONTHLY IMPLEMENTATION REPORT: SCHEDULE

Every municipality must submit this schedule to National Treasury disclosing for the 6 months ending 31 December and 30 June:

1. the total number of financial and supply chain management officials employed by the municipality and each of its municipal entities, and of those officials;
2. how many have undertaken a competency assessment, and
3. how many have complying performance agreements, including the attainment of competencies as a performance target.
4. Should you wish to provide additional information please include comments in the box below or forward a separate letter to the National Treasury MFMA Implementation Unit, Private Bag X115, Pretoria, 0001.

The schedule must be submitted no later than one month after the 6 month period end (i.e. 30 January and 30 July). No extension of time will be given. This information must also be reflected in the municipality's Annual Report as at the end of the financial year to which the report relates. A municipal entity must submit its information to the parent municipality no later than 20 January and 20 July and also reflect this in its own Annual Report.

To save the file press the following keys at the same time with Caps Lock off: Ctrl-Shift-S. Save file as: Muncde_COM_ccyy_Sn.xls (e.g. GT411_COM_2008_S1.xls)

The electronic return must be emailed to lgdatabase@treasury.gov.za.

DECLARATION: The Municipal Manager/ Chief Executive Officer certifies this to be a true and accurate record of the implementation of the MFMA Municipal regulations on Competency Levels for officials in the municipality and/ or municipal entity for the six month period.						
Municipal Manager/ CFO name:	GW Louw			Email:	louwg@edendm.co.za	
Telephone:	044 803 1445			Date (ccyy/mm/dd):	2012/07/13	
Mun Code:	DC4			Municipality Name:	Eden	
Financial Year:	2011/12			Six Month Period:	S2 Jan - June	
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	0	0
Chief financial officer	0	0	0	0	0	0
Senior managers	2	0	2	2	0	0
Any other financial officials	43	0	43	27	0	0
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	0	0
Supply chain management senior managers	1	0	1	1	0	0
TOTAL	48	0	48	32	0	0
Comments	5 Financial Interns on minimum competency in process 5 Finance Officials complete the minimum competency program 17 Financial officials in process with minimum competency					

CHAPTER 4

MFMA: MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY LEVELS SIX MONTHLY IMPLEMENTATION REPORT: SCHEDULE

Every municipality must submit this schedule to National Treasury disclosing for the 6 months ending 31 December and 30 June:

1. the total number of financial and supply chain management officials employed by the municipality and each of its municipal entities, and of those officials;
2. how many have undertaken a competency assessment, and
3. how many have complying performance agreements, including the attainment of competencies as a performance target.

4. Should you wish to provide additional information please include comments in the box below or forward a separate letter to the National Treasury MFMA Implementation Unit, Private Bag X115, Pretoria, 0001.

The schedule must be submitted no later than one month after the 6 month period end (i.e. 30 January and 30 July). No extension of time will be given. This information must also be reflected in the municipality's Annual Report as at the end of the financial year to which the report relates. A municipal entity must submit its information to the parent municipality no later than 20 January and 20 July and also reflect this in its own Annual Report.

To save the file press the following keys at the same time with Caps Lock off: Ctrl-Shift-S. Save file as: Muncde_COM_ccyy_Sn.xls (e.g. GT411_COM_2008_S1.xls)

The electronic return must be emailed to lgdatabase@treasury.gov.za.

DECLARATION: The Municipal Manager/ Chief Executive Officer certifies this to be a true and accurate record of the implementation of the MFMA Municipal regulations on Competency Levels for officials in the municipality and/ or municipal entity for the six month period.						
Municipal Manager/ CFO name:	GW Louw			Email:	louwg@edendm.co.za	
Telephone:	044 803 1445			Date (ccyy/mm/dd):	2012/11/01	
Mun Code:	DC4			Municipality Name:	Eden	
Financial Year:	2011/12			Six Month Period:	S1 July - Dec	
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	0	0
Chief financial officer	1	0	1	1	0	0
Senior managers	4	0	4	4	0	0
Any other financial officials	38	0	38	15	0	0
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	0	0
Supply chain management senior managers	1	0	1	1	0	0
TOTAL	46	0	46	23	0	0
Comments	None of the finance / management officials have completed the Minimum Competency. In process.					

4.14 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R 890 665** were allocated to the workplace skills plan and that **100%** of the total amount was spent in the 2011/12 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spent
R92 082 385	R890 665	R890 665	100

Graph 105: Budget allocated and spent for skills development

The reason for the above is because of the non-availability of providers and the high cost of identified training.

LGSETA requires all municipalities to submit monthly training reports with evidence of attendance in order to ensure that actual training is taking place in terms of the Skills Development Plan submitted for the 2011/2012 financial year.

COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.15 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	(%)
2010/11	98 526	276 273	36
2011/12	93 937	132 766	71

Graph 106: Personnel Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2010/11		2011/12	
	Actual	Original Budget	Adjusted Budget	Actual
Description	R'000	R'000	R'000	R'000
Councillors (Political Office Bearers plus Other)				
Salary	3841	4459	5594	5198
Pension Contributions	142	140	85	93
Medical Aid Contributions	16	20	15	25
Motor vehicle allowance	1316	1446	1316	778
Cell phone allowance	193	9	247	234
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
Sub Total - Councillors	5 508	6 074	7 257	6 328
% increase/ (decrease)	-	10.3%	19.5%	(12.8%)
Senior Managers of the Municipality				
Salary	4 175	3 868	3 888	2 910
Pension Contributions	0	234	223	231
Medical Aid Contributions	0	64	20	29
Motor vehicle allowance	488	708	445	427
Cell phone allowance	0	0	0	0
Housing allowance	84	92	84	84
Performance Bonus	213	646	529	0

CHAPTER 5

Financial year Description	2010/11		2011/12	
	Actual R'000	Original Budget R'000	Adjusted Budget R'000	Actual R'000
Other benefits or allowances	88	65	191	40
In-kind benefits	0	0	0	0
Sub Total - Senior Managers of Municipality	5 048	5 677	5 380	3 721
% increase/ (decrease)	-	12.5%	(5.2%)	(30.8%)
Other Municipal Staff				
Basic Salaries and Wages	53 962	58 949	56 842	53 250
Pension Contributions	8 569	8 289	8 967	7 888
Medical Aid Contributions	6 448	8 336	6 110	5 810
Motor vehicle allowance	9 306	8 618	6 716	8 723
Cell phone allowance	0	71	472	0
Housing allowance	537	523	632	539
Overtime	973	913	1 114	1 081
Other benefits or allowances	8 175	4 731	7 095	6 597
Sub Total - Other Municipal Staff	87970	90430	87948	83888
% increase/ (decrease)	-	2.8%	(2.7%)	(4.6%)
Total Municipality	98526	102181	100585	93937
% increase/ (decrease)	-	3.7%	(1.6%)	(6.6%)

Graph 107: Personnel Expenditure

**Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.*

CHAPTER 5

HIGHLIGHTS OF THE YEAR

5.1 TECHNICAL SERVICES



Reseal - 20/2/2012
Bitumen spray tanker getting ready to spray bitumen and chipper team to follow.



Concrete works - 10/2/2011
Low water structure under construction.



Regravel - 19/10/2011
Grader busy mixing and placing gravel wearing course.



Regravel - 2/9/2011
Water tanker adding water for optimum moisture content to achieve compaction.



Reseal - 26/3/2012
Sprayed bitumen on road before chipping.

5.2 COMMUNITY SERVICES - ENVIRONMENTAL SERVICES - AIR QUALITY



DUST COMPLAINTS IN RIVERSDALE AND GEORGE

COMMUNITY SERVICES - SOCIAL SERVICES



Above: Madiba Day - 18/07/2011
Deputy Mayor, Cllr Lionel Esau congratulates one of the residents who's birthday it was on Madiba Day.



Left: Eden staff with caretakers after handing over 56 essential parcels to Dorothy Broster Child and Youth Care Centre.

COMMUNITY SERVICES - SOCIAL DEVELOPMENT



Eden District AIDS Council Strategic Session – 08-09/03/2012
Local AIDS Councils during a strategic session held at Calitzdorp Spa busy compiling their plans for 2012.



Ladies from Bitou Women Network: Kwanokuthula – 2011
Thirty (30) women from Bitou were spoiled with lunch during an IEC Women's Empowerment workshop.



Eden 16 days of Activism program nominated for an award – 6/2012

Ms Alma Kritzinger, Mossel Bay Municipality's Gender/Disability/Elderly and HIV/AIDS Officer, Ms Lulama Xingwana Minister of Women, Youth, Children and People with Disabilities, Ms Melanie Wilson, Eden's Manager: Social Development and Mr Mario Apples, Eden's Gender, Disability, Elderly Officer, during the Summit events.



16 Days of Activism Programme -25/11/2011 -10/12/2011
Anointed Dance group entertained guest during the final 16 Day of Activism programme competition that was held in George.



Deputy Mayor, Loinel Esau and Executive Manager, Clive Africa handed the trophy to Harold Hartnick, the overall winner of the competition.

COMMUNITY SERVICES - SOCIAL DEVELOPMENT



Opening of Powertown crèche – 16/05/2012

Eden's Portfolio Chairperson of Strategic Services, Councillor Henry McCombi, Executive Mayor of Mossel Bay, Alderlady Marie Ferreira, Executive Mayor of Eden, Wessie van der Wetshuizen, Ms Lena Williams, Deputy Chairperson of the Powertown Community Forum, Ms Luleka Mapisa, representative of the Department of Correctional Services, with the toddlers of the Powertown Crèche.



Items donated to crèches in the Eden region – 01/03/ 2012

Items including 45 blankets, 45 mattresses, 5 tables, 20 chairs and some educational materials were handed over by the Executive Mayor to Bumble Bees crèche in Bongolethu, Oudtshoorn.



Councillor Sharon May delivering a speech during the handover ceremony of a vegetable garden and two (2) water tanks to Slangrivier Primary School.



Rheenendal Tragedy – 24/09/2011

The Executive Manager from Community Services together with officials from Social Services contributed groceries to the families who lost their children during the bus accident.



New Eden District Youth Council, establish – 04/2012

The newly elected Eden District Youth Council together with Ms M Wilson (Manager Social Development), Mr C Africa (Executive Manager: Community Services), Cllr T Simmer (Portfolio Chairperson: Corporate Services) and Mr J Jafta (District Coordinator).

COMMUNITY SERVICES - MUNICIPAL HEALTH



Bio-Monitoring of Touwsriver
The Wilderness and Hoekwil Ratepayers Association during the bio monitoring process of the Touwsriver when determining possible problems with the water.



Clean-Up Campaign in Blanco
George Environmental Health Practitioners during a cleanup campaign in one of the suburbs in George.



World Environmental Health "Open Day" launch – 26/09/2011
Mthetho Sithonga and Lyndon Herwels, Environmental Health Practitioners of Knysna, educating residents of Hornlee.



World Environmental Health "Open Day" launch – 26/09/2011
Lyndon Herwels busy educating a member of the community about environmental health.



Pupils form Sunridge Primary School learn about Bio-Monitoring – 3/2012
10 Pupils from Sunridge Primary School in Hornlee, Knysna, participate in the Bio-Monitoring of a local river.



Informal Food Traders Incentives – 22/12/2011
Environmental Health Practitioner, Ms Aletta Vilakazi handing over incentive to Informal Food Handlers during a informative training session held in Mossel bay.



Community Sports Day Event – 10/2011
Eden Executive Mayor, Cllr Van der Westhuizen and the Deputy Mayor of Mossel Bay Municipality, Cllr Levendal, were among people who attended the Community Sportday event in Vleesbay.

COMMUNITY SERVICES - DISASTER MANAGEMENT



Refurbishment of the Riversdale Fire Station: Fire fighters jump in to help



Kouga Fire – 17/01/2012

Images of the fire at Hartebeesriver on the farm of Mr Eugene Smit which was caused by lightning activities on the Swartberg- en Kouga mountains.



Left: Hessequa Municipality established a Disaster Management Advisory Forum – 03/2012
Members of the Hessequa Disaster Management Advisory Forum.



Precautions to stop coastal erosion – 09/2011

Gabion basket wall being erected at Glentana after the shoreline was washed away by the rising sea levels.



Temporally closure of Meiringspoort – 14/03/2012

Disaster Management manages to return safely after assisting public to cross the flooded road.



Temporally closure of Meiringspoort – 14/03/2012

Due to a cloudburst in the Karoo, Meiringspoort was closed for traffic on both sides. Some members of the public were trapped and needed urgent assistance.

5.3 CORPORATE SERVICES



Transformational Leadership activities to improve staff
As part of their practical exercise, participant were requested to made a collage that symbolises their leadership roadmap. It also provided an opportunity for learners to discover their “inner self” by identifying personality and behaviour patterns, strengths and developmental areas.



The “famous” Calabash handover to NQF 2 delegates
A ‘hand-over’ of the Calabash from the previous NQF Level 2 delegates to the new NQF Level 2 delegates symbolised the acceptance of the new NQF Level 2 delegates into the larger learning community of Eden. Bernard Janse van Rensburg from the previous group leadership group hand the calabash over to Janine Saaiman.



Eden Officials undergo with First Aid Training – 08/05/2012
Officials from different department within Eden District Municipality were identify to undergo a First Aid Training presented by St John’s Ambulance Services.



Transformational Leadership Programme NQF-2 – 03/2012
Eden officials on the transformational leadership programme with their facilitator Roanda Bakhuizen from Nelson Mandela Metropolitan University.



Eden, the first municipality in the province and district to sign Workplace Skills Plan – 11/06/2012
Representative from Council, Unions and Administration during the signing of the Workplace Skills Plan.



5.4 STRATEGIC SERVICES - LOCAL ECONOMIC DEVELOPMENT



Participants who completed their NQF level 5 training in Local Economic Development on 20 July 2011.



A group of participants from the various municipalities who completed their NQF level 4 training in Local Economic Development. The training started off in 2008 where Municipalities requested Eden District Municipality to assist with the lack of capacity in the LED units within the various municipalities within the region.



Left: Sanec Business Directory 2012
Eden double page advertorial on Eden Economy in SANEC business directory of which 3000 copies were distributed within South Africa and the Netherlands.

STRATEGIC SERVICES - IDP



IDP Mini-Summit - 11/10/2011

An IDP Mini-Summit was held at Wilderness to identify critical development challenges and network with all relevant stakeholders relevant in compiling the IDP.



ESCA Students during practicals - 13/03/2012
Group 2 from Oudtshoorn and surrounds learning basic knife skills and cooking various dishes, as part of the programme by Eden School of Culinary Art - Francois Ferreira Academy.



Indaba 12/05/2012 - 15/05/2012
WESGRO organised entertainment for trade during the 3 day exhibitions to showcase what is offered in terms of Tourism and Entertainment in the Western Cape

CHAPTER 6

FINANCIAL PERFORMANCE

INTRODUCTION

FINANCIAL MATTERS

This is a financially challenging time for district municipalities who have limited own revenue sources and the main source of income after the abolishment of the RSC levies is the Equitable Share Replacement Grant. The replacement grant increases with 3% annually which is not in line with the increase in expenditure and alternative revenue sources must be identified.

A turnaround strategy was adopted by council in May 2012 to ensure Eden District Municipality remains financial sustainable.

T6.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The majority of outstanding debtors are sundry debtors. The majority of the consumer debtors (DMA debtors) were written off by Council as irrecoverable after the DMA was transferred to George Municipality.

Eden DM is 91% dependent on grants and has therefore limited own debtors/revenue. One of the measures identified in the turnaround strategy is to increase revenue from the operations of the resorts and rentals from properties.

All revenue is collected according to the credit control and debt collection policy of Council.

T6.1.0

6.1 STATEMENTS OF FINANCIAL PERFORMANCE

FINANCIAL SUMMARY

R' 000	Year 2010/11 Actual	Current Year: Year 2011/12 Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	Year 2011/12 Variance
Financial Performance							
Property rates							
Service charges							
Investment revenue	2 803	2 500	2 500	2 089	2 500	-16%	-16%
Transfers recognised - operational	236 745	124 952	149 850	249 305	149 850	100%	66%
Other own revenue	23 950	49 468	26 667	23 280	26 667	-53%	-13%
	263 498	176 920	179 017	274 674	179 017	55%	53%
Employee costs	93 018	96 106	92 082	91 969	92 082	4%	0%
Remuneration of councillors	5 508	6 074	7 257	6 327	7 257	-4%	13%
Depreciation & asset impairment	9 586	11 310	11 310	7 529	11 310	35%	35%
Finance charges	-	1 416	730	402	730	72%	45%
Materials and bulk purchases	-	2 224	2 775	-	2 775		
Transfers and grants	-	2 040	3 742	120 761	3 742	-5820%	-3127%
Other expenditure	168 161	67 429	59 508	46 110	59 508	35%	27%
	276 273	186 599	177 404	273 098	177 404	-45%	-52%
	-12 775	-9 679	1 613	1 576	1 613	143%	-159%
Contributions recognised - capital & contributed assets							
	-12 775	-9 679	1 613	1 576	1 613	143%	-159%
Loss on transfer of DMA				-99 783			
	-12 775	-9 679	1 613	-98 207	1 613	-888%	6027%

Free services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cost of Free Basic Services provided	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Revenue cost of free services provided	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1									
									T6.1.1

FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

R '000	Year 2010/11		Year 2011/12		Year 2011/12 Variance		Adjustments Budget
Description	Actual	Original Budget	Actual	Adjustments Budget	Original Budget	Adjustments Budget	Adjustments Budget
Operating Cost							
Executive and Council	48 623	46 642	38 549	135 080	184%	-243%	
Budget and Treasury	52 372	18 645	19 445	20 078	8%	-3%	
Corporate		30 023	29 767	24 245	-19%	19%	
Planning and Development	17 321	15 351	12 104	11 535	-25%	5%	
Public Safety	20 456	25 365	24 976	21 252	-16%	15%	
Health	24 094	22 599	21 168	22 093	-2%	-4%	
Community and Social Services	8 583	6 100	4 326	4 091	-33%	5%	
Sport and Recreation	9 368	8 087	8 623	8 030	-1%	7%	
Waste Management	-	3 410	-	-	-100%		
Road Transport	6 987	1 200	1 395	598	-50%	57%	

Waste Water Management	1 453	21	2 861	1 863	8 771%	35%
Electricity	4 778					
Water	2 271	912	458	31	-100%	100%
Environmental Protection	1 948	8 200	14 449	3 007	-63%	79%
Other	3	37	3	3	-92%	0%
Total Expenditure	198 258	186 592	178 124	251 919	34%	-40%
In this table a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						
T 6.1.2						

DMA transferred to George municipality and subsequently there are no income from property rates and service charges.

Budget Comparisons (Only main variances are highlighted)

Revenue by source	2012 Actual	2012 Budget	2012 Variance	2012 %
Government Grants Received	126,394,881	27,687,641	98,725,478	357%

The majority of the unspent grants is the electricity demand side management grant. This project was included in the forensic investigation and will only commence in 2012/2013. Included in the actual revenue is the grant from Public transport for the rendering of the agency function on their behalf and with the compilation of the financial statements, this amount must be consolidated in the financial statements.

Rental of facilities & equipment	1,265,673	1,520,000	(302,327)	-20%
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The rental from properties is part of the turnaround strategy adopted by council in May 2012. Properties will be investigated and alternative revenue sources will be identified to increase revenue from rentals in 2012/2013.

CHAPTER 6

Interest earned – external investments	2,089,886	2,500,000	(410,114)	-16%
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Interest received less than budgeted for due to lower interest rate

TASK Contributions

Municipalities	196,257	(196,257)	-100%
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This is treated as part of the unspent grants and have been transferred at year end to the unspent grant vote on the TB

Expenditure by Nature	2012 Actual	2012 Budget	2012 Variance	2012 %
Remuneration of Councillors	6,326,927	7,056,668	(729,741)	-10%

Council decided that councillors will forfeit their increase for 2011/2012 in view of the current financial constraints

Impairment of Trade

Receivables	380,212	1,000,000	(619,788)	-62%
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Council approved the write off of long outstanding debtors in May 2012, therefore the provision decreased as the gross balances of debtors decreased

Actuarial Loss	562,626	5,223,500	(4,660,874)	-89%
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Actuarial loss less than budgeted for, budget based on 2010/2011 assumptions/loss. Difficult to determine the loss as this is influenced by various factors, e.g. interest rate, market factors, etc.

Depreciation	6,481,585	11,309,617	(4,967,709)	-44%
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Depreciation based on 2010/2011 figures, less due to review of useful life, transfer of assets to George Municipality due to the DMA transfer, etc.

Contracted services	5,692,604	13,029,138	(7,338,924)	56%
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Due to financial constraints, the use of consultants were limited

Roads – Grants and Subsidies utilized	120,761,442	120,761,442		100%
---------------------------------------	-------------	-------------	--	------

GRAP/year end transaction – Roads are consolidated at year end in Eden's financial statements.

General expenses	28,514,535	38,739,259	(10,619,146)	-27%
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Due to financial constraints, where possible savings on expenditure were identified and implemented

T5.1.3

6.2 GRANTS

GRANT PERFORMANCE

R' 000	Year 2010/11	Year 2011/12	Adjustments Budget	Actual	Year 2011/12 Variance	Adjustments Budget (%)
Description	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	115 001	124 952	124 952	123 869	1%	1%
Equitable share	113 776	122 912	122 912	122 912	0%	0%
Municipal Systems Improvement	189	790	790	283	64%	64%
Financial Management Grant	1 036	1 250	1 250	674	46%	46%
Department of Water Affairs						
Levy replacement						
Other transfers/grants [insert description]						
Provincial Government:	6 836	-	-	3 326		
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
Work for Water (Agency function)	6 836			3 326		

Other roll over grants	4 121	-	-	577					
Roads (Agency function)				120 761					
LGESTA Re-imbursments	96			-					
Task Contributions	150			274					
Total Operating Transfers and Grants	125 958	124 952	124 952	248 807			-99%		-99%
Variances are calculated by dividing the difference between actual and original/ adjustments budget by the actual.									T5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The Provincial grants are rollover grants from previous year (unspent grants). Spending incurred is in line with the grant conditions. Project Managers are designated and is responsible for the management of the spending of the grants.

GRANTS RECEIVED FROM SOURCES OTHER THAN DIVISION OF REVENUE ACT (DoRA)

Details of Donor	Actual Grant Year 0	Actual Grant Year 1	Year 1 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
DME project	6000	0				

T6.2.3

6.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset Management is the strategic management of physical assets during their life in the organisation. Physical assets have a life: they are planned and created, used, managed and maintained, and when no longer required prepared for disposal.

Section 63 of the MFMA clearly states that the accounting officer of the municipality is responsible for the management of the assets of the municipality, including the safeguarding and maintenance of those assets.

Eden has an asset manager, responsible for the management of all assets. Each official is also responsible to safeguard assets allocated to them.

REPAIR AND MAINTENANCE EXPENDITURE: YEAR 1

R' 000	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	2 224	2 775	2 168	-0

T6.3.4

6.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Liquidity ratios measure the municipality’s ability to pay its bills and are calculated by dividing the current assets, due within one year by the municipality’s current liabilities, payable within one year. The higher the ratio the better it is for the organisation.

For 2011 is was 0.83: 1 and for 2012 it slightly improved to 1.02:1. The norm is 2:1 and best practice for municipalities are 3:1.

CHAPTER 6

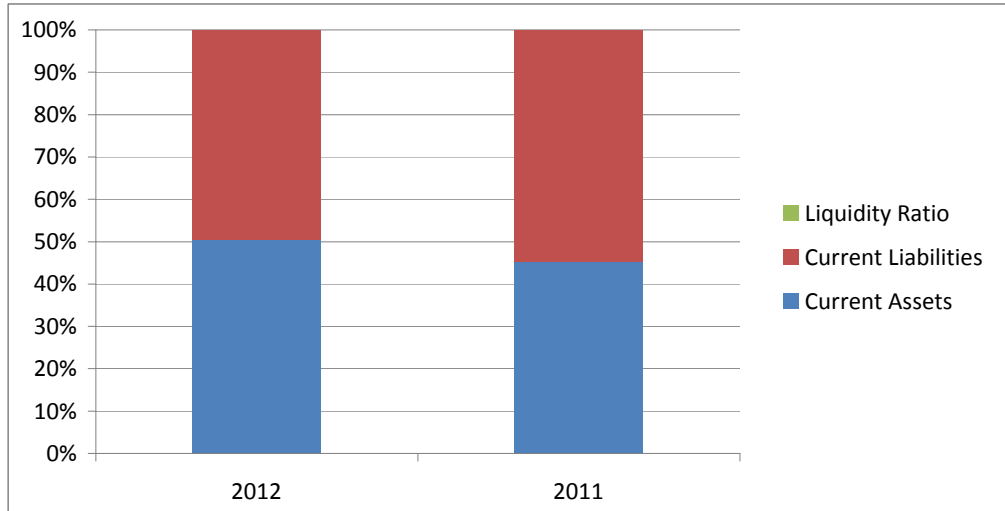
RATIO ANALYSIS

2012

2011

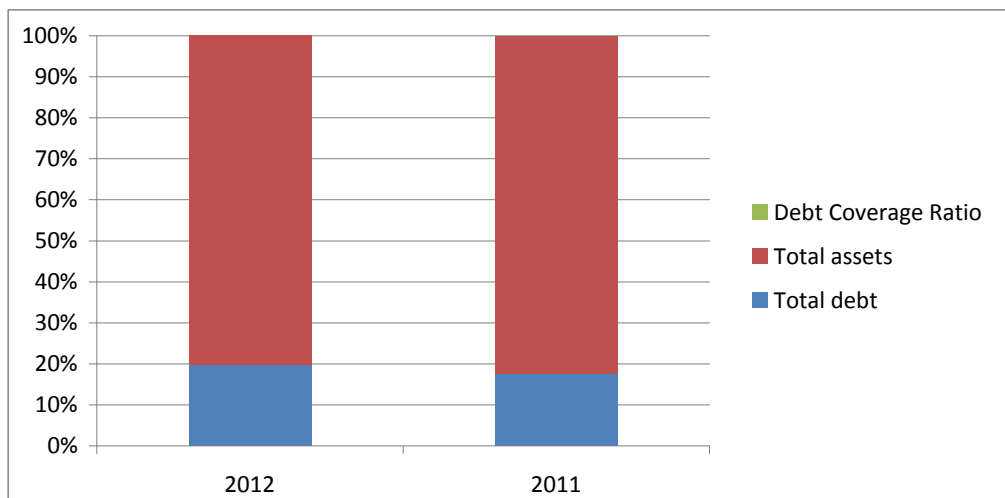
6.4.1

Liquidity Ratio	2012	2011
Current Assets	53 723 404.00	49 279 731.00
Current Liabilities	52 477 382.00	59 603 207.00
	1.02	0.83
	1.02 : 1	0.83 : 1



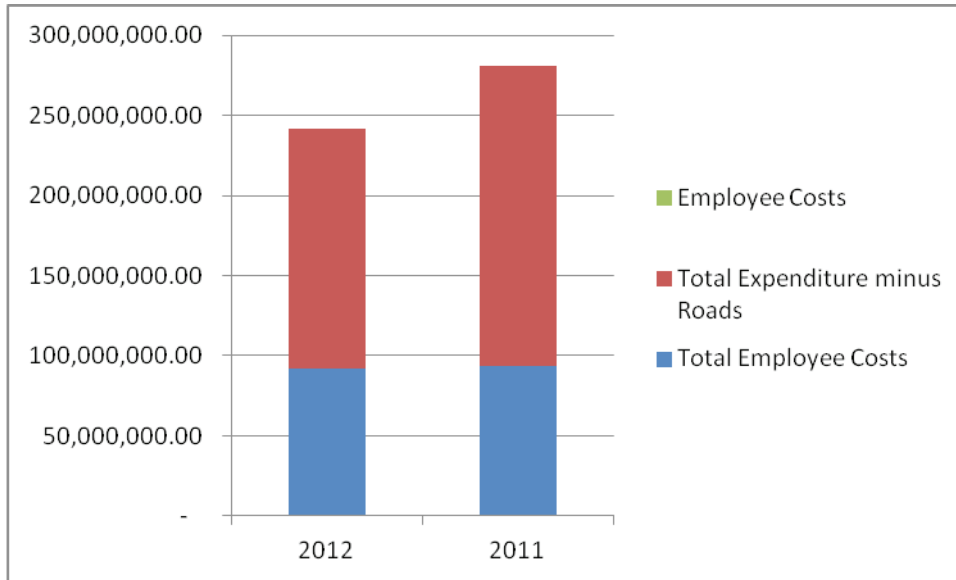
6.4.2

Debt Coverage Ratio	2012	2011
Total debt	150 067 340.00	152 752 131.00
Total assets	613 189 851.00	714 081 955.00
	24%	21%

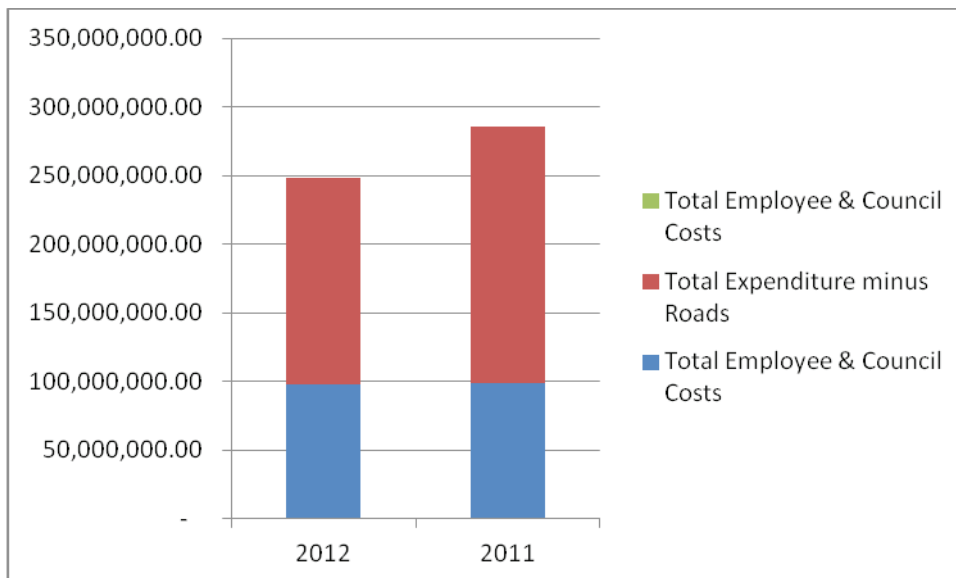


6.4.3

Employee Cost Ratio	2012	2011
Total employee cost (Staff)	91 969 470.00	93 698 704.00



The total employee costs together with the Councilors remuneration for 2011 are was 53% and for 2012 it increased to 66%.



Included in the turnaround strategy is the:

- restructuring of the macrostructure
- restructuring of the microstructure
- decreasing the % of employee related cost to the norm within the next three years.

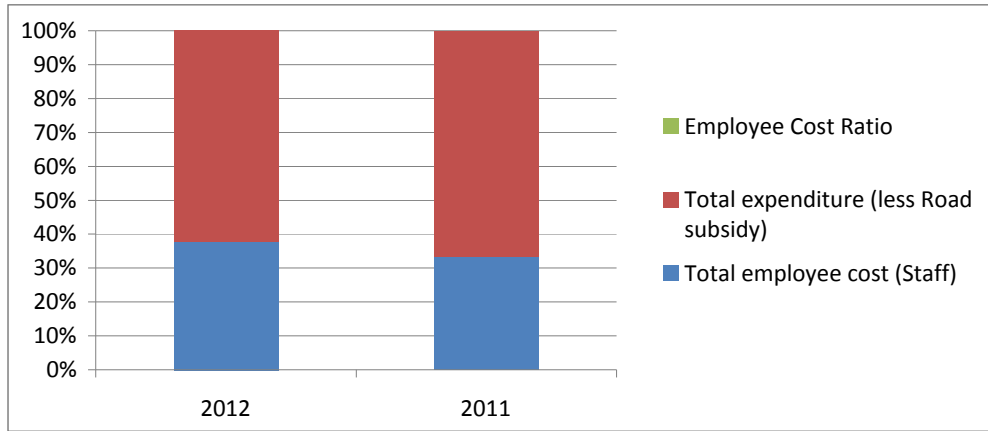
T6.4.7

Repairs and maintenance represents the portion of operating expenditure spent and is calculated by dividing the total repairs and maintenance over total expenditure (excluding the Roads grant).

For 2011 is was 3% and for 2012 it decreased to 2%. This is below the norm, but due to the financial constraints, limited funding is available for repairs and maintenance. Maintenance plans will be compiled in 2012/2013 for the assets.

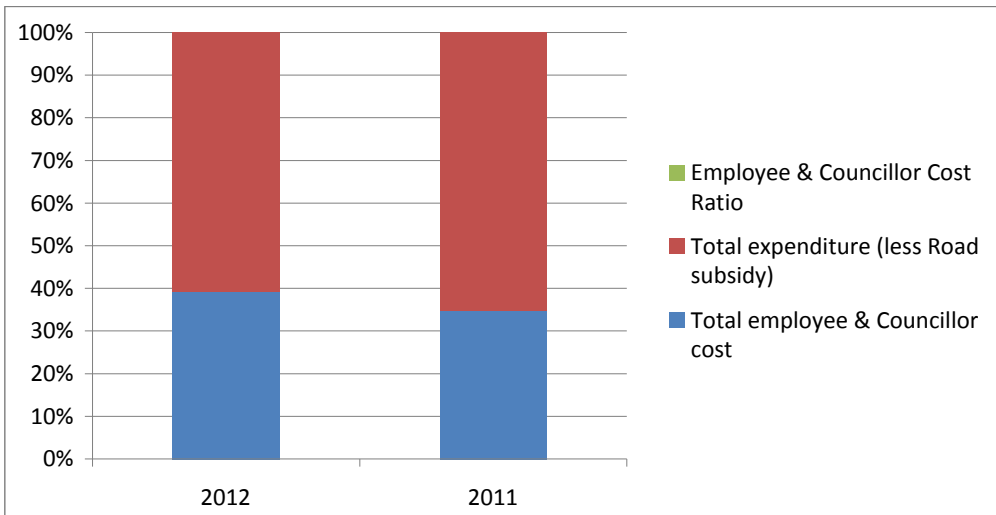
CHAPTER 6

Total expenditure (less Road subsidy)	152 336 799.00	186 916 158.00
	60%	50%



6.4.4

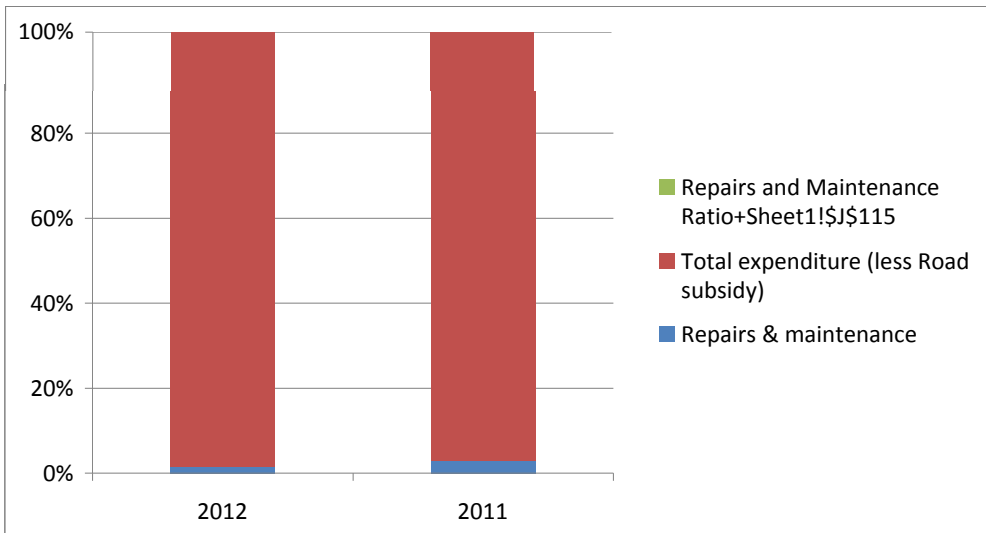
Employee and Councillor Cost	2012	2011
Total employee & Councillor cost	98 296 397.00	99 206 543.00
Total expenditure (less Road subsidy)	152 336 799.00	186 916 158.00
	65%	53%



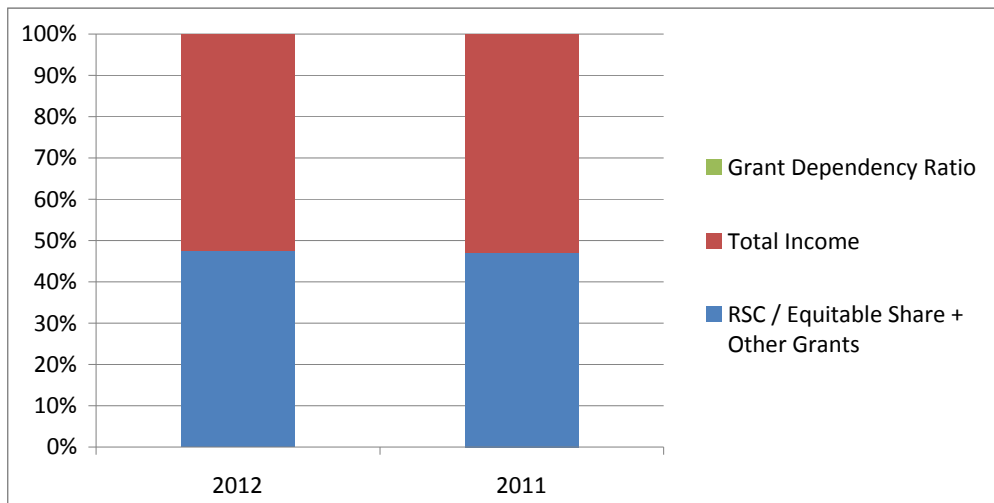
6.4.5

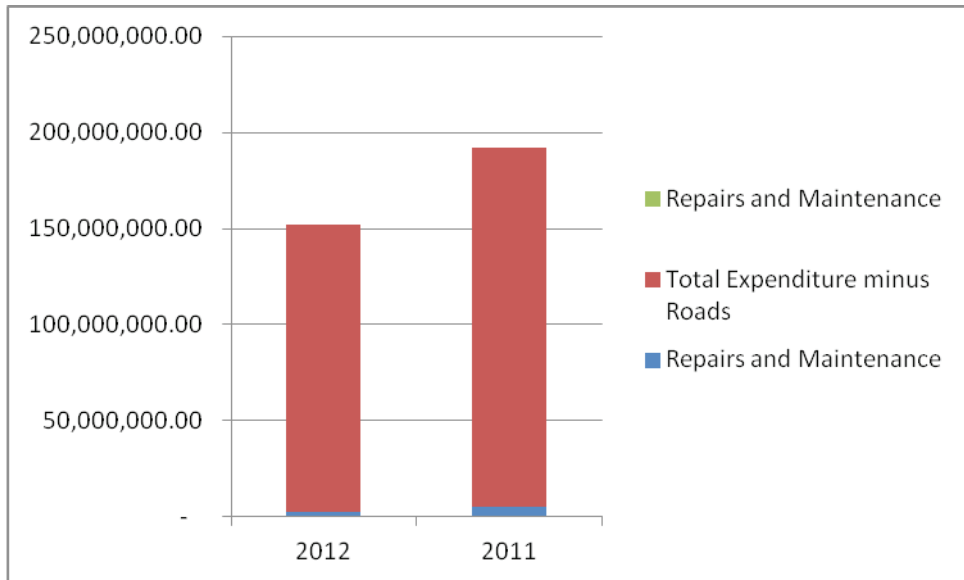
Repairs and Maintenance	2012	2011
Repairs & maintenance	2 167 853.00	5 300 633.00
Total expenditure (less Road subsidy)	152 336 799.00	186 916 158.00
	1%	3%

CHAPTER 6



Grant Dependency Ratio	2012	2011
RSC / Equitable Share + Other Grants	249 305 881.00	236 535 863.00
Total Income	274 674 106.00	264 125 532.00
	91%	90%

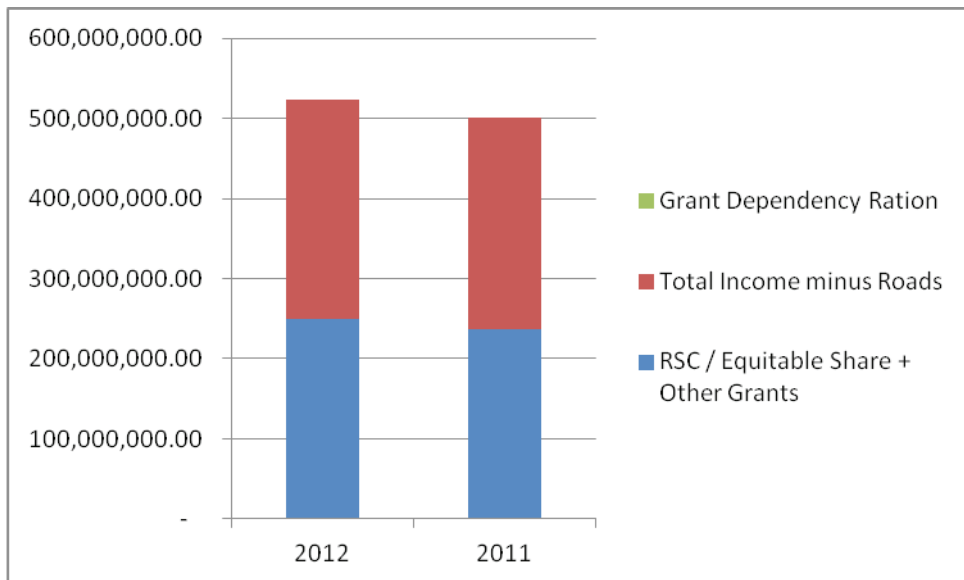




Grant Dependency Ratio

The Grant Dependency Ratio determines how dependent the municipality is on grant income.

For 2011 it was 90% and for 2012 it increased to 91%. District municipalities are highly dependent on grants and alternative revenue sources must be identified. Included in the turnaround strategy is the additional generation of revenue from resorts and properties.



T6.4.8

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

6.5 CAPITAL EXPENDITURE

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to Appendices M (relating to the new works and renewal programmes), N (relating to the full programme of full capital projects, and O (relating to the alignment of projects to wards).

T5.5.0

6.6 SOURCES OF FINANCE

With the current financial constraints limited funding is available to fund capital expenditure. Given the current financial position, it is not envisioned that capital expenditure will be funded by the taking up of external loans.

CAPITAL EXPENDITURE - FUNDING SOURCES YEAR 2010/11 - 2011/12

R' 000	Year 2010/11	Year 2011/12	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Details	Actual	Original Budget (OB)	Budget			
Source of finance						
External loans			0			
Public contributions and donations			0			
Grants and subsidies		12 000	11 490	0		
Own sources		7 000	2 400	669	-66%	95%
Total	0	19 000	13 890	669	-27%	95%
Percentage of finance						
External loans		0%	0%	0%	0%	0%
Public contributions and donations		42%	0%	0%	0%	0%
Grants and subsidies		21%	0%	0%	0%	0%
Other		37%	100%	100%	100%	100%
Capital expenditure						
Water and sanitation				0		
Electricity				0		
Housing				0		
Roads and storm water				0		
Other		19000	13890	669	-27%	-96%
Total	0	19000	13890	669	-27%	-96%
Percentage of expenditure						
Water and sanitation		0	0	0	0	0
Electricity		0	0	0	0	0
Housing		0	0	0	0	0

Roads and storm water		0	0	0	0	0
Other		1	1	1	1	1
T6.6.1						

COMMENT ON SOURCES OF FUNDING:

The majority of the capital expenditure is sourced by grants. Included in the grants is the DME grant/project which was placed on hold due to a forensic investigation.

6.1.1

6.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS

R' 000	Name of Project	Current Year: Year 2011/12		Variance Current Year: Year 1		Adjustment variance (%)
		Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	
	Public Safety		236	196	#DIV/0!	17%
	Sport and Recreation	700		170	76%	42%
	Corporate services	550	503	303	45%	40%
	Electricity	4 000	11 490	0	100%	100%
	IT equipment	3 602	700	0	100%	100%
T6.7.1						

COMMENT ON CAPITAL PROJECTS:

Electricity

Due to the forensic investigation with regards to the DME project, this was placed on hold until the finalization of the investigation.

IT Equipment

Due to the delay in the SCM processes, the IT equipment will only be purchased in 2012/2013.

Sport & Recreation

The results are part of the turnaround strategy adopted by Council. Maintenance of the resorts was placed on hold until the detailed turnaround strategy has been developed as the resorts are operating at a loss.

T6.7.1.

6.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Not applicable to Eden District Municipality (C-Municipality)

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

6.9 CASH FLOW

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow refers to the management and analysis of a municipality's cash flows. Careful cash flow management allows the municipality to estimate the amount of cash that it will have on hand at any one time, project trends in cash inflow and cash outflow, and evaluate whether a shortfall or surplus in cash could potentially occur.

Investments refer to the act of placing capital into a project or business with the intent of making a profit on the initial placing of capital. An investment may involve the extension of a loan or line of credit, which entitles one to repayment with interest, or it may involve buying an ownership stake in a business, with the hope that the business will become profitable. Investing may also involve buying a particular asset with the intent to resell it later for a higher price. Many types of investing exist, and each is subject to greater or lesser regulation in the jurisdiction in which it takes place. Legally, investing requires the existence and protection of individual property rights. Investing wisely requires a combination of astuteness, knowledge of the market, and timing.

T6.9.0

CASH FLOW OUTCOMES				
R'000				
Description	Year 2010/11	Current Year: Year 2011/12		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	35 761			43 820
Government - operating	217 122			249 306
Government - capital	19 414			
Interest	2 803			2 089
Dividends				
Payments				
Suppliers and employees	-265 785			-266 706
Finance charges	-1 133			-402
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	8 182	0	0	28 107
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				

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Proceeds on disposal of PPE	245			
Decrease (Increase) in non-current debtors	-2822			-9 965
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments	-2 234			-34
Payments				
Capital assets	17 654			-635
NET CASH FROM/(USED) INVESTING ACTIVITIES	-22 466	0	0	-10 634
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing	-2 718			
Increase (decrease) in consumer deposits	5			-1846
Payments				
Repayment of borrowing				
NET CASH FROM/(USED) FINANCING ACTIVITIES	-2 714	0	0	-1846
NET INCREASE/ (DECREASE) IN CASH HELD	-16 998	0	0	15 627
Cash/cash equivalents at the year begin:	44 143			27 145
Cash/cash equivalents at the year end:	27 145	0	42 773	
Source: MBRR SA7				T6.9.1

COMMENT ON CASHFLOW OUTCOMES

Cash flow management is the process of monitoring, analyzing, and adjusting your organisation's cash flows.

The most important aspect of cash flow management is avoiding extended cash shortages, caused by having too great a gap between cash inflows and outflows. You won't be able to stay in business if you can't pay your bills for any extended length of time.

Section 13 of the MFMA clearly states that the Minister acting with the concurrence of the Cabinet member responsible for local government, may prescribe a framework within which municipalities must conduct their cash management and investments and invest money not immediately required.

RECALCULATION OF CASH BALANCE AT 30 JUNE 2012

Cash and Cash equivalents	Note 21	42,772,619
LESS:		-34,185,357
- Roads Bank Account	Note 21	-14,494,484
- Unspent Conditional Grants	Note 10	-7,883,177

CHAPTER 6

- Current portion long term liabilities	Note 3	-537,128
- Provision for staff leave	Note 7	-4 244 637
- Current Portion: Post Retirement Benefits	Note 4 & 7	-2,117,086
- Current Portion: Alien Vegetation	Note 8	-2,368,639
- Trade Payables	Note 9	-2,489,692
- Councillor transport allowances	Note 9	-50,514
		8,587,262
PLUS:		4,985,745
- VAT Receivable	Note 11	1,754,629
- Receivables Exchange	Note 19	1,314,981
- Other Receivables Non Exchange	Note 20	1,916,135
Receivable balances after impairment		13,573,007
		-12,068,307
LESS: ADDITIONAL MATTERS		
- Performance Bonus (10/11 & 11/12)	Note 7	-1,106,005
- Shortfall on Pension Fund	Note 9	-3,571,756
- Capital Replacement Reserve	SOCNA	-7,390,546
Net Cash		1,504,700

Herewith an extract of Eden DM's Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012		
	Note	2012
		R
NET CASH FROM OPERATING ACTIVITIES		28,107,298
NET CASH FROM INVESTING ACTIVITIES		(10,633,655)
NET CASH FROM FINANCING ACTIVITIES		(-1,846,336)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		15,627,308

T5.9.1.1

CHAPTER 6

6.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Total outstanding long term liabilities are with regard to DBSA. The amount is R3, 050,068. No new loans were taken up for 2011/2012 and no new loans will be taken up in 2012/2013.

Investments are made according to the Cash and Investment Policy of Council.

ACTUAL BORROWINGS YEAR 2009/12			
R' 000			
Instrument	Year 2009/10	Year 2010/11	Year 2011/12
Municipality			
Long-Term Loans (annuity/reducing balance)	4 167	3 646	3 050
Long-Term Loans (non-annuity)	N/A	N/A	N/A
Local registered stock	N/A	N/A	N/A
Instalment Credit	N/A	N/A	N/A
Financial Leases	3 190	1 120	0
PPP liabilities	N/A	N/A	N/A
Finance Granted By Cap Equipment Supplier	N/A	N/A	N/A
Marketable Bonds	N/A	N/A	N/A
Non-Marketable Bonds	N/A	N/A	N/A
Bankers Acceptances	N/A	N/A	N/A
Financial derivatives	N/A	N/A	N/A
Other Securities	N/A	N/A	N/A
Municipality Total	7 357	4 766	3 050
Municipal Entities	N/A	N/A	N/A
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total			

T6.10.2

CHAPTER 6

The Long Term Liabilities refers to the DBSA loans. No new loans were taken up during the year.

LONG TERM LIABILITIES	
	<u>2012</u>
Capitalised Lease Liability - At amortised cost	(0)
DBSA Loans - At amortised cost	3,287,198
Sub-total	3,287,198
Less: Current portion transferred to currents liabilities	537,128
Capitalised Lease Liability - At amortised cost	-
DBSA Loans - At amortised cost	635,168
Current Portion of Unamortised Charges to Loans	(98,040)
Less: Unamortised Charges to Loans	237,130
Balance 1 July	349,784
Adjustment for the Year	(112,654)
Change in Accounting Policy - Note 32	-
Less: Less liability associated with Discontinued Operations - Note 15	-
Total Long-term Liabilities - At amortised cost using the effective interest rate method	2,512,940

T6.10.3

Total outstanding long term liabilities are with regard to DBSA. The amount is R2, 512,940.

Investments are made according to the Cash and Investment Policy of Council. Refer to recalculation of cash balance at 30 June 2012.

CHAPTER 6

RECALCULATION OF CASH BALANCE AT 30 JUNE 2012

Cash and Cash equivalents	Note 21	42,772,619
LESS:		-33,885,357
- Roads Bank Account	Note 21	-14,494,484
- Unspent Conditional Grants	Note 10	-7,883,177
- Current portion long term liabilities	Note 3	-537,128
- Provision for staff leave	Note 7	-4,244,637
- Current Portion: Post Retirement Benefits	Note 4 & 7	-2,117,086
- Current Portion: Alien Vegetation	Note 8	-2,368,639
- Trade Payables	Note 9	-2,489,692
- Councillor transport allowances	Note 9	-50,514
		8,887,262
PLUS:		4,985,745
- VAT Receivable	Note 11	1,754,629
- Receivables Exchange	Note 19	1,314,981
- Other Receivables Non Exchange	Note 20	1,916,135
Receivable balances after impairment		
		13,873,007
LESS: ADDITIONAL MATTERS		-12,068,307
- Performance Bonus (10/11 & 11/12)	Note 7	-1,106,005
- Shortfall on Pension Fund	Note 9	-3,571,756
- Capital Replacement Reserve	SOCNA	-7,390,546
Net Cash		1,804,700

T6.10.3

6.11 PUBLIC PRIVATE PARTNERSHIPS

220 Not applicable to Eden District Municipality (C-Municipality).

COMPONENT D: OTHER FINANCIAL MATTERS

6.12 SUPPLY CHAIN MANAGEMENT

Supply Chain Management as a tool for procurement remains a conduit for Service Delivery and as such a critical channel in how public resources are expended. It is in this light that Supply Chain Management across the public sector continues to be marred by controversy, poor service delivery; fraud and corruption have become synonymous with supply chain management. The 2010/11 Audit Outcomes for MFMA period as published by the Auditor General have highlighted the following as prevalent findings across the different municipalities:

- Uncompetitive or unfair procurement process;
- Awards to employees, councilors or other state officials;
- Awards to close family members of employees and councilors; and
- Inadequate contract management and inadequate controls.

The potential for collusion continues to undermine the control environment across board and to this day remains a major risk factor for fraud and corruption. Those that are key decision makers in the awarding of contracts should constantly be weary of undue influence that erodes fair competitive practice. Public officials occupying these positions should strive to ensure that public resources are expended in manner that is reflective of being efficient, effective and economical with a total display for absolute value for money.

It is in this light that Eden District Municipality continues to strive to uphold the five pillars of procurement as entrenched in section 217 of the Constitution, to have a Procurement Policy and System which is:

- Fair
- equitable,
- transparent,
- competitive and
- Cost effective.

With stern Leadership from the Office of the Municipal Manager, much ground has been gained in addressing the findings from the 2010/11 Audit Outcomes and management understands the need for commitment to this process as a working in progress in order to achieve the National Objective of Clean Audit Outcomes. Several corrective measures have been put in place to effect the recommendations from the office of the Auditor General and we trust that these will be reflected in the 2011/12 Audit Outcomes. As part of Eden's responsiveness towards Auditor General 2010/11 Audit findings, Corporate Services has subsequently established a Contract Management unit within Legal Services and that should bode well in the current year against a surge of prior year Irregular Expenditure resulting from services obtained without valid Service Level Agreements being in place.

Eden District Municipality aligns itself with the National Treasury's short to medium term objective, to operate at a level three of the financial capability model by 2015, to achieve this objective the management of Eden has realised the importance of tapping into the number of established Help Desks of Provincial Government and utilising these resource of expertise to its benefit. For the first time Eden underwent a Supply Chain Management Policy and Process review by the Municipal Manager and the extended management team which not only sought to customize the Supply Chain Policy to Eden's environment but also served as a process to induct management on their roles and responsibility regarding procurement. This process was also geared to ensure an improvement in minimising the incurrence of Fruitless and Wasteful expenditure or irregular expenditure in the future.

07 December 2011 witnessed the implementation of the Preferential Procurement Policy Framework Act, 200 (Act No. 5 of 2000). This act effected a migration in how Broad Based Black Economic Empowerment was evaluated for preference points allocation and ensured a greater level of control and uniformity in this process across board. The use of B-BBEE certificates has taken away the burden of potential for fraud and corruption on Municipalities and the function has been delegated to independent accredited agencies. Entities are now being measured as a "B-BBEE status level contributor"; this means B-BBEE status received by entity is based on the entity's overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of Broad Based Black Empowerment Act. There however remains a significant level of trust bestowed upon accounting officers of Exempted Micro Enterprises to execute this process in an ethical manner and

ensure that this band of entities is evaluated according to set guidelines

The challenge remains in ensuring that the ever increasing presence of “tenderpreneurs” can contribute towards existing industries and not be middleman eroding profits or exchanging substandard services or goods with uncompetitive pricing. Eden District Municipality supports Local Economic Development and strives to implement preferential procurement system fully and will continue to play its part in contributing to the National objective of economic transformation.

A change in Council’s new mission statement, “Eden, A future empowered through excellence”, is a commitment from the Leadership to ensure that there is no regression in the gains that have been made thus far and as such overall compliance becomes the norm rather than the exception. The clear lines of delegations remain upheld and procurement process remains a function fully executed by supply chain unit without any political interference.

In order for council to keep making strides, we need not only to highlight the key milestones of success but also to undertake a true reflection on the current and previous challenges. Continuous professional development remains a challenge for capacitation due to limitation of resources, however currently council has ensured that all the supply chain management officials are at minimum enrolled for Treasury’s Minimum Competency Training. It is work in progress to reach the minimum prescribed levels as required by Municipal Finance Management Act Competency Regulation Guidelines. The lessons learnt in forensic investigations have alerted management for the need to maintain and enforce compliance to policy and legislative framework. Previous indulgence in the use of section 36 of the Supply Chain Management Regulation and Supply Chain Policy as a means to circumvent procurement process should see a decline as management is put to task on using emergency process as an excuse for poor planning. The Office of the Municipal manager has undertaken a control measure to address such ills of the past and we should see fewer occurrences of contravention of regulations in the future.

Eden District Municipality looks forward to the establishment of the Provincial Supply Chain Management Focus group / working committee, this will see a greater standardisation of processes and Policies within municipal frame work that will witness a lot more cohesion and synergy amongst supply chain management practitioners. The objective will be to establish desired standards across board as a subset of financial management and improving financial governance within local sphere. Creating a platform for the combination of theory with practical challenges and experience and at the same time ensuring standardisation, uniformity and practicality.

Prospectively, Council looks forward to creating a culture of excellence and efficiency however retrospectively we look at the year that has passed with its many challenges, as a learning, I do a great mile in creating institutional wisdom for years to come. We trust that supply chain management will continue to grow in its capacity to effect a service of quality to the rest of the Municipality.

6.13 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The financial statements for 2011/2012 were prepared according to the applicable GRAP standards and was submitted on 31 August 2012. The audit report for 2011/2012 will be issued by the Auditor General by 30 November 2012 as per MFMA regulations. Refer to attach financial statements.

Regular GRAP steering committee meetings took place where the relevant GRAP issues were discussed and progress monitored.

T5.13.1

CHAPTER 7

AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2010/11

7.1 AUDITOR GENERAL REPORTS YEAR 2010/11 (PREVIOUS YEAR)



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

FINAL MANAGEMENT REPORT EDEN DISTRICT MUNICIPALITY 2011-06-30

FINAL MANAGEMENT REPORT TO THE ACCOUNTING OFFICER ON THE AUDIT OF THE EDEN DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2011

INTRODUCTION

1. This management report includes audit findings arising from the audit of the financial statements, reporting on predetermined objectives and compliance with laws and regulations for the year ended 30 June 2011 which were communicated to management and includes their response to these findings. The report also includes information on the internal control deficiencies that were identified. Addressing these deficiencies will assist in ensuring an improvement in the audit outcomes.
 2. The management report consists of an executive summary and detailed audit findings which are contained in annexures A, B and C.
-

THE AUDITOR-GENERAL'S RESPONSIBILITIES

1. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 92 of Municipal Finance Management Act No. 56 of 2003, our responsibility is to express an opinion on the consolidated financial statements and to report on findings relating to our audit of the report on predetermined objectives and compliance with material matters in laws and regulations applicable to the entity. Our engagement letter sets out our responsibilities in detail. These include the following:
 - Performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements, the report on predetermined objectives and compliance with laws and regulations applicable to the entity. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, the report on predetermined objectives and material non-compliance with laws and regulations.
 - Considering internal controls relevant to the entity's preparation and fair presentation of the financial statements, the report on predetermined objectives and compliance with laws and regulations.
 - Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management.
 - Evaluating the appropriateness of systems and processes that ensure the accuracy and completeness of the financial statements, the report on predetermined objectives and compliance with laws and regulations.
2. Because of the test nature and other inherent limitations of an audit, we do not guarantee the completeness and accuracy of the consolidated financial statements or the report on predetermined objectives or compliance with all applicable laws and regulations.
3. Having formed an opinion on the financial statements, we may include additional communication in the auditor's report that does not have an effect on the auditor's opinion. These may include:
 - an emphasis of matter paragraph to draw users' attention to a matter presented or disclosed in the financial statements which is of such importance that it is fundamental to their understanding of the financial statements.
 - an additional matter paragraph to draw users' attention to any matter, other than those presented or disclosed in the financial statements, that is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report.

THE ACCOUNTING OFFICER'S RESPONSIBILITIES

4. The accounting officer's responsibilities are set out in detail in the engagement letter. These include the following:

- The preparation and fair presentation of the consolidated financial statements in accordance with the Generally Recognised Accounting Practise.
 - Planning, monitoring of and reporting on performance against predetermined objectives.
 - Review and monitoring of compliance with laws and regulations and disclosing known instances of non-compliance or suspected non-compliance with laws and regulations.
 - Designing, implementing and maintaining proper record keeping and internal controls necessary to enable the preparation of consolidated financial statements and the report on predetermined objectives that are free from material misstatement whether due to fraud or error, and compliance with laws and regulations.
 - Designing and implementing formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information.
 - Implementing appropriate risk management activities to ensure that regular risk assessments are conducted.
 - Disclosing all matters concerning any risk, allegation or instance of fraud.
 - Accounting for and disclosing related-party relationships and transactions.
 - Providing access to all information that is relevant to the preparation of the financial statements and performance information, such as records and documents.
-

EXECUTIVE SUMMARY

SECTION 1: Meetings with oversight bodies and those charged with governance

5. During the audit cycle we met with key stakeholders to communicate matters relating to the audit outcomes of the municipality and emerging risks. Insight was provided on the key controls that impact these audit outcomes to enable corrective action to be taken.
6. Audit Steering Committee Meetings were conducted on the following dates:
 - 24 August 2011
 - 22 September 2011
 - 23 January 2012
7. At these meetings commitments were made to address improvements in the internal control environment with the objective of achieving clean administration. Progress made on these commitments is discussed later in this report.

SECTION 2: MATTERS RELATING TO THE AUDITOR'S REPORT**PART A – MISSTATEMENTS IN THE FINANCIAL STATEMENTS**

8. Material misstatements in the financial statements were identified during the audit. These misstatements were not prevented or detected by the municipality's system of internal control. These material misstatements also constitute non-compliance with the MFMA.

Financial statement item	Material misstatements		Impact R	Internal control deficiency
	Finding (brief description of misstatements as per findings and audit report)			
Material misstatements corrected				
Deviations from SCM Policy (Disclosure)	Not all submitted deviations to the accounting officer were disclosed		3 081 380	Financial Management The financial statements are not adequately reviewed by responsible individuals to ensure that they are valid, accurate and complete.
Irregular Expenditure (Disclosure)	Irregular expenditure was identified during the audit as result of non compliance with Supply Chain Management, and contracts not being signed between the municipality and the service providers.		60 822 800	Financial Management The policy and the guidelines are not being adhered to by the supply chain officials. There is not sufficient training given to the supply chain officials.
Grants and Subsidies Utilised	General expense accounts such as Audit Fees, Plant Hire, etc, as well as capital asset accounts were incorrectly accounted for.		2 632 813	Financial Management The financial statements are not adequately reviewed by responsible individuals to ensure that they are valid, accurate and complete.
Dr. Long-term receivables	Long-term debtor accounted for as current debtor		33 764 096	Financial Management
Cr. Short-term receivables	Long-term debtor accounted for as current debtor		(33 764 096)	The financial statements are not adequately reviewed by responsible individuals to ensure that they are valid, accurate and complete.

Financial statement item	Material misstatements	Finding	Impact	Internal control deficiency
	(brief description of misstatements as per findings and audit report)		R	
Material misstatements uncorrected				
None				

PART B – MATTERS TO BE BROUGHT TO THE ATTENTION OF THE USERS**EMPHASIS OF MATTER PARAGRAPHS**

An emphasis of matter paragraph will be included in our auditor's report to highlight the following matters to the users of the financial statements:

Restatement of corresponding figures

9. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of correction of errors in terms of GRAP 3. The municipality utilised Transitional Provisions of Directive 4, issued by the Accounting Standards Board, during the year ended 30 June 2010 in the financial statements of the Eden District Municipality.

Significant uncertainties

10. As disclosed in note 46.1 to the financial statements, Haarlem Community has claimed R35 million against the municipality. The claim relates to the commonage where the Municipality contracted the services of a service provider to harvest the plantation on the commonage. The claimants are of the view that the commonage belongs to the community and they should have been consulted and be allowed to harvest the plantation in question.

Material losses

11. As disclosed in note 43.4 to the financial statements, material losses of electricity with the value of R3 470 456 (48.61%) was incurred.

ADDITIONAL MATTER PARAGRAPHS

An additional matter paragraph will be included in our auditor's report to highlight the following matters to the users of the financial statements:

Unaudited supplementary schedules

12. The supplementary information set out on pages (Annexure A to C) does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

PART C – REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**FINDINGS ON THE REPORT ON PREDETERMINED OBJECTIVES**

Included below are the findings raised during our audit of the report on predetermined objectives.

Presentation of information

13. The reported performance information was deficient in respect of the following criteria:

- Performance against predetermined objectives was not reported using the National Treasury guidelines.

14. The following audit finding relate to the above criteria:

- No measures were documented in the APR to improve performance on Key Performance Indicators (KPIs) that did not achieve planned targets as required by the Municipal Planning and Performance Management Regulations 2001, Regulation 13 (2) (c).

Usefulness of information

15. The reported performance information was deficient in respect of the following criteria:

- Consistency: The reported objectives, indicators and targets are not consistent with the approved integrated development plan.

16. The following audit finding relate to the above criteria:

- Additional indicators and targets were reported on as opposed to the approved integrated development plan. These additional indicators and targets were not approved subsequent to the strategic planning process.

Reliability of information

17. The reported performance information was deficient in respect of the following criteria:

- Validity: The reported performance did not occur and does not pertain to the entity
- Accuracy: The amounts, numbers, and other data relating to reported actual performance have not been recorded and reported appropriately
- Completeness: All actual results and events that should have been recorded have not been included in the reported performance information.

18. The following audit finding relate to the above criteria:

- For the selected programme, 62% of the reported indicators were not valid, accurate and complete based on the source information or evidence provided.

FINDINGS ON COMPLIANCE WITH LAWS AND REGULATIONS

Included below are findings on material non-compliance with laws and regulations applicable to the municipality.

Annual financial statements

19. The accounting officer did not submit the annual financial statements of the municipality for auditing, within two months after the end of the financial year as required by section 126(1)(a) of the Municipal Finance Management Act.
20. Contrary to the requirements set out in section 122 of the MFMA, the municipality did not prepare financial statements that fairly present the state of affairs of the municipality, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year as the financial statements reviewed for audit were subject to material corrections during the audit process.

Expenditure Management

21. The accounting officer did not take reasonable steps to prevent irregular expenditure, as required by section 62(1)(d) of the Municipal Finance Management Act.

Procurement and contract management

22. Goods and services with a transaction value of between R10 000 and R200 000 were procured without obtaining written price quotations from at least three different prospective providers as per the requirements of SCM regulation 17(a) & (c).
23. Awards were made to suppliers who did not submit a declaration on their employment by the state or their relationship to a person employed by the state as per the requirements of Municipal SCM regulation 13(c).
24. Sufficient appropriate audit evidence could not be obtained that awards were made to providers whose tax matters have been declared by the South African Revenue Services to be in order as required by SCM regulation 43.
25. Awards were made to suppliers without a written contract or agreement that stipulates the terms and conditions of the agreement as required by section 116 of the MFMA.

**COMPONENT B: AUDITOR - GENERAL OPINION 2011/12
(CURRENT YEAR)****7.2 AUDITOR GENERAL REPORT YEAR 2011/12****REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL
PARLIAMENT AND THE COUNCIL ON EDEN DISTRICT MUNICIPALITY****REPORT ON THE FINANCIAL STATEMENTS****Introduction**

1. I have audited the financial statements of the Eden District Municipality set out on pages 289 to 392, which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

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

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eden District Municipality as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP)] and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act (DoRA).

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

8. Enquiries of management and the attorneys revealed that the following claims have been instituted against Eden District Municipality:
- Haarlem Community – R35 000 000
 - Lefatshe Computer Systems- R3 449 236
 - Uniondale Correction Facility on behalf of Department of Public Works- R8 300 000
9. The outcome of these claims cannot be determined at present and no provision has been made for any liability that may result. The municipality correctly disclosed these lawsuits as contingent liabilities.

Restatement of corresponding figures

10. As disclosed in note 30 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of errors discovered during 30 June 2012 in the financial statements of Eden District Municipality at, and for the year ended, 30 June 2011.

Material Impairments

11. The municipality had receivables for non-exchange receivables and exchange receivables totalling R16 379 225 and R3 935 341 respectively, which had been outstanding for more than 12 months. The recoverability of these amounts is doubtful and was correctly included in note 19 and 20 for the as the provision for doubtful debts.
12. Included in note 19 are bad debts written off of R12 792 599 due to the debt owed to the municipality assessed as no longer recoverable.

Material under spending of the capital budget

13. The municipality has materially under spent its capital budget. At the date of this report, under spending amounted to R13 201 082. The under spending relates to the electricity demand side management project which was placed on hold until the forensic investigation was completed.

Additional matters

14. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

15. The supplementary information set out on pages 393 to 395 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 57 to 169 of the annual report.
18. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

19. The material finding is as follows concerning the reliability of the information.

Reliability of information

20. The National Treasury Framework for managing programme performance information (FMPPPI) requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. A total of 78% of the actual reported indicators relevant to the Community Services were not accurate when compared to source information. This was due to a lack of monitoring by senior management.

Compliance with laws and regulations

21. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Procurement and contract management

22. Sufficient appropriate audit evidence could not be obtained that bid adjudication was always done by committees which were composed in accordance with SCM regulation 29(2).
23. Awards were made to providers who are persons in service of other state institutions or whose directors are persons in service of other state institutions, in contravention of SCM regulations 44.

Expenditure management

24. The accounting officer did not take effective steps to prevent irregular expenditure, as required by section 62(1)(d) of the Municipal Finance Management Act

Internal control

25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the finding on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

26. The accounting officer did not take adequate steps to mitigate the risk of non compliance in the supply chain unit by evaluating the supply chain practices of the municipality against the requirements of the legislation.
27. The accounting officer did not perform adequate monitoring processes to ensure that the performance reported in the annual performance report could be verified or agrees to the supporting documentation.

Financial and performance management

28. Control measures put in place to achieve compliance with supply chain processes were not adhered to by officials resulting in non compliance with the supply chain management regulations.
29. Management did not adequately perform their responsibilities when reporting performance, this resulted in the performance report being unreliable as reported in paragraph 21 of this report.

Auditor-General

Cape Town

30 November 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

7.3 ACTION PLANS FOR AUDIT FINDINGS 2011/2012

SUMMARY OF COMAF ACTION PLANS - 2011/2012

No	Finding	Legislation	Action Plan	Responsible person	Due Date
1.	<p><u>Disclosure of the provision</u></p> <p>The financial statements did not provide a description of the provision for burrow pits and further no reconciliation of the opening and closing amount for this provision was provided. Further no supporting evidence could be obtained for the comparative of the provision for the burrow pits of R126 218. Through discussion with the preparers of the financial statements it was identified that the amount was a typing error.</p>	<p>GRAP 19 Paragraph 107 & 108</p>	<p>This has been resolved.</p>	<p>Deputy Manager: Financial statements</p>	
2.	<p><u>Measurement of provisions</u></p> <p>During the audit of the provision for alleviation of the alien vegetation it was identified that the hourly rate used per the employees to perform the clearing of the alien vegetation was incorrect.</p> <p>Through further inspection of the EPWP (expanded public works programme) it was identified that hourly rate per employee varied between R103 and R174 per hour while the rate used to perform the calculation was R264.</p> <p>The following refers to:</p> <p>Based on the above, the provision for the alleviation of alien vegetation is overstated with R3 239 478.</p>	<p>GRAP 19 Paragraph 49 -51</p>	<p>This has been resolved, the AG agreed with the basis of our calculation.</p>	<p>Deputy Manager: F i n a n c i a l statements</p>	

CHAPTER 7

No	Finding	Legislation	Action Plan	Responsible person	Due Date
3.	<p><u>Deviations from the supply chain management policy s36(2)</u></p> <p>Whilst performing audit work on the approved deviations in Note 46 of the annual financial statements for the period ended 30 June 2012, the following deviations were found to have insufficient reasons to explain the nature of the deviation as per the Supply Chain Management Policy, paragraph 36 (1) (a) and (b):</p> <p>In this regard measures were taken to facilitate the deviation process to affected parties. This resulted in deviations being processed and approved electronically. However since using this electronic platform the memorandum previously used to communicate the approval of deviations was found to be absent. This resulted in failure to communicate specific reasons for the deviations since using the electronic platform.</p> <p>Refer to Supply Chain Policy, paragraph 36 (1)(a) & (2)(b).</p>	<p>SCM policy Section 36 (2)</p>	<p>Work in progress – The matter has been raised with the Municipal Manager to address it at MANCOM. Due to the bulk of transactions that occur, SCM Policy has been structured in such a manner it gives final authority of approval to Executive managers for their respective departments for all deviations below R10k. Therefore Municipal Manager has taken corrective measures of addressing all deviations at MANCOM with the respective Executive Managers.</p>	<p>TM Mpuru: Deputy Manager: SCM, Stores, Assets.</p>	<p>Work in progress.</p>
4.	<p><u>Listing criteria for prospective suppliers</u></p> <p>Management did not review and monitor compliance with applicable laws and regulations. The fact that the Supply Chain Management policy does not contain the listing criteria for suppliers results in non-compliance with the Supply Chain Management Regulations.</p>	<p>SCM Regulation Section 14(1)(b)</p>	<p>Municipal Manager with the extended management team performed an extensive review of the SCM Policy. The SCM Database registration form will attached to the Policy as an annexure as this will provide the wide scope to which suppliers can be listed and the criteria used.</p>	<p>TM Mpuru: Deputy Manager: SCM, Stores, Assets</p>	

CHAPTER 7

No	Finding	Legislation	Action Plan	Responsible person	Due Date
5.	<p><u>Failure to yearly invite prospective suppliers</u></p> <p>During the testing of Supply Chain Management we confirmed that the prospective suppliers are invited via the municipal website and local newspapers. The last invitation was placed on the website in the 2010/2011 financial year. This was confirmed through inspection of the advert on the municipal website. The date on which this advert was posted on the website was 8 July 2010.</p> <p>Since no invitation was made in the 2011/12 financial year, this would result in non-compliance with the Municipal Supply Chain Management Regulations.</p>	<p>S C M Regulations 14(1)(a)(ii)</p>	<p>There is a permanent advert on the website inviting service providers to list on the Municipality's website. Government in all its three spheres has gone on a massive advertising campaign requesting that all service providers who look to render business to government to register in the respective databases of the specific entities. With each and every tender advertised we also request that prospective service providers to register on our SCM database.</p>	<p>TM Mpuru: Deputy Manager: SCM, Stores, Assets</p>	<p>Ongoing</p>
6.	<p><u>Disclosure of accounts receivable (note 43)</u></p> <p>In performing the audit on the disclosure of the accounts receivable it was identified that the amounts disclosed in note 43 were incorrect.</p> <p>The following differences were identified: Current year</p> <p>The 2012 provision for doubtful debts balance on the risk exposure note (note 43) does not agree to the total provision for doubtful debts as per note 20. Further testing confirmed that the debtor, JP Zeelie, for an amount of R463 059 was omitted on the risk exposure note.</p> <p>The corresponding figures for the provision of bad debts as per note 43 do not agree to the signed financial statements of 2011.</p>		<p>This item has been resolved</p>	<p>Deputy Manager: Financial Statements</p>	

CHAPTER 7

No	Finding	Legislation	Action Plan	Responsible person	Due Date																
7.	<p><u>Provision for doubtful debts</u></p> <p>In performing our audit on the provision for doubtful debts we identified the following difference between the amount in the financial statements and the amount per our recalculation:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Provision for doubtful debts</th> <th style="width: 20%;">Amount per AFS (R)</th> <th style="width: 20%;">Amount per our recalculation (R)</th> <th style="width: 30%;">Difference (R)</th> </tr> </thead> <tbody> <tr> <td>Exchange receivables</td> <td style="text-align: right;">3,935,341</td> <td style="text-align: right;">5,514,724</td> <td style="text-align: right;">(1,579,383)</td> </tr> <tr> <td>Non- exchange receivables</td> <td style="text-align: right;">16,379,225</td> <td style="text-align: right;">15,182,671</td> <td style="text-align: right;">1,196,554</td> </tr> <tr> <td></td> <td style="text-align: right;">20,314,566</td> <td style="text-align: right;">20,697,395</td> <td style="text-align: right;">(382,829)</td> </tr> </tbody> </table>	Provision for doubtful debts	Amount per AFS (R)	Amount per our recalculation (R)	Difference (R)	Exchange receivables	3,935,341	5,514,724	(1,579,383)	Non- exchange receivables	16,379,225	15,182,671	1,196,554		20,314,566	20,697,395	(382,829)		<p>Review of recalculation of doubtful Debts by Deputy Manager J Adams.</p>	<p>J Adams: Deputy Manager: Income, Expenditure, BTO.</p>	<p>15 July 2013.</p>
Provision for doubtful debts	Amount per AFS (R)	Amount per our recalculation (R)	Difference (R)																		
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Non- exchange receivables	16,379,225	15,182,671	1,196,554																		
	20,314,566	20,697,395	(382,829)																		
	<p>Our recalculation was based on the method used by the client to identify doubtful debts.</p> <p>Further enquiry from the preparers of the financial statement confirmed that the suspense account-stock of an amount R268288 was incorrectly excluded from the provision for doubtful debts.</p> <p>The suspense account- stock relates to the obsolete stock identified at year end.</p>																				
8.	<p><u>Accounts payable – payment of creditors</u></p> <p>During the audit of accounts payable, we identified that the following invoices or statements were not paid within 30 days as required by section 65 of the MFMA:</p> <p>The fact that the money was not paid within 30 days of receiving the relevant invoice or statement, results in non-compliance with section 65 of the MFMA.</p>	<p>MFMA Section 65 (2) (e)</p>	<p>The Chief accountant must ensure that all creditors are paid within 30 days after receipt of invoice or statement. (E Wildeman)</p> <p>The deputy manager (J Adams) must review the creditors to ensure that there are no creditors for outstanding than longer than 30 days on a monthly basis.</p>	<p>J Adams: Deputy Manager: Income, Expenditure, BTO.</p>	<p>Ongoing.</p>																

CHAPTER 7

No	Finding	Legislation	Action Plan	Responsible person	Due Date
9.	<p><u>Expenditure – payment of invoices</u></p> <p>During the audit expenditure, it was identified that a number of invoices or statements (Annexure A) were not paid within the 30days of receipt as required by section 65 of the MFMA.</p> <p>The fact that the money was not paid within 30 days of receiving the relevant invoice or statement, results in non-compliance with section 65 of the MFMA.</p> <p>Recommendation:</p> <p>Management should implement monitoring controls to ensure that the municipality is in compliance with applicable laws and regulations.</p>	<p>MFMA Section 65</p>	<p>The Chief accountant must ensure that all creditors are paid within 30 days after receipt of invoice or statement. (E Wildeman)</p> <p>The deputy manager (J Adams) must review the creditors to ensure that there are no creditors for outstanding than longer than 30 days on a monthly basis.</p>	<p>J Adams: Deputy Manager: Income, Expenditure, BTO</p>	<p>Ongoing</p>
10.	<p><u>Provision for staff leave</u></p> <p>During the audit of provision for staff leave we identified that the incorrect amount of days were used in the calculation. The PAYDAY system uses 250 days while the provision is calculated using 248 days. This was confirmed through inspection of the actual leave payments which was paid on 250 days.</p> <p>The effect of not using 250 days to calculate the provision results in a projected understatement of R498 145 for the provision.</p>	<p>GRAP 19 Section 49-50</p>	<p>This issue has been resolved</p>	<p>Deputy Manager: Financial Statements</p>	

CHAPTER 7

No	Finding	Legislation	Action Plan	Responsible person	Due Date
11.	<p><u>Actuarial gains and losses</u></p> <p>During the audit of actuarial gains and losses included in the statement of financial performance. We identified that the amounts disclosed did not agree to the actuarial gains and losses as per the actuarial reports as follows:</p> <p>The effect of these difference is that the actuarial gains are overstated by R2 865 107 and the actuarial losses are understated by R4 790975.</p>		This item has been resolved with AG	Deputy Manager: Financial Statements	
12.	<p><u>Unspent conditional grants and receipts</u></p> <p>In performing our audit on the unspent conditional grants and receipts we identified that the following grants are not recoverable and should therefore not be included in the statement of financial position as a current asset:</p>	GRAP 1 Section (a) & (c)	This item has been resolved	Deputy Manager: Financial Statements	

CHAPTER 7

No	Finding	Legislation	Action Plan	Responsible person	Due Date
13.	<p><u>Investment property</u></p> <p>(i) During the audit of investment property we could not verify the following investment properties included on the investment asset register on the geographical information system (GIS):</p> <p>The effect of not being able to verify these properties could result in investment property being overstated by R18 213 337 and a projected overstatement of R18 300 157.</p> <p>(ii) We identified that the property description of the following investment property was incorrect on the fixed asset register. By inquiry from the management of regional development we identified that the correct description of the property was Farm 185- George Road.</p>	<p>M F M A Section 63</p>	<p>This item has been resolved with AG.</p>	<p>TM Mpuru: Deputy Manager SCM, Stores, Assets</p>	
14.	<p><u>Employee cost</u></p> <p>During the audit of employee cost we identified that an amount of R39 137 was incorrectly disclosed as a performance bonus for Z. Ntile. Further testing confirmed that the amount relates to the leave payment of the employee and not the performance bonus. The effect of this is that the disclosure for key management personnel is not correct.</p>		<p>This issue has been resolved</p>	<p>Deputy Manager: Financial Statements</p>	

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No	Finding	Legislation	Action Plan	Responsible person	Due Date
15.	<p><u>Employee cost-minimum competency</u></p> <p>During the audit of employee cost we identified that the annual report of the municipality did not reflect the information on compliance with prescribed minimum competency as at the end of the financial year to which it relates.</p> <p>The omission of such required disclosure on the minimum competency levels results in non-compliance with the municipal regulations on minimum competency levels.</p> <p>Recommendation</p> <p>Management should implement monitoring controls to ensure that the municipality's disclosures, with regards to minimum competency levels are in compliance with applicable laws and regulations.</p>	<p>Municipal Regulation On minimum</p> <p>Competency level reg.</p> <p>14(2) (b) & (4)</p>	<p>Matter has been resolved.</p>	<p>T Holtzhausen/R Davids</p>	
16.	<p><u>Employee cost – disciplinary for senior managers</u></p> <p>During the audit of employee cost we identified that the municipality did not, in writing, notify the Minister and the MEC responsible for local government in the province on the suspensions and reasons therefore of Mr Blaauw and Mr Vollenhoven within a period of seven days after their suspension.</p> <p>The municipality also did not submit quarterly reports on the status of disciplinary cases to the aforementioned MEC.</p>	<p>Local Government Disciplinary Reg. for Senior managers Sections (6)(5)(b) & (19)(1) Gazette 34213 Municipal Structures Act</p> <p>Section 82</p>	<p>Misters Blaauw and Vollenhoven were not appointed in terms of section 56 of the Municipal Systems Act ,2000 but by means of the SALGBC Collective Agreement. Their misconduct was treated in terms of the Disciplinary Code and not in terms of the Regulations for Senior Managers.</p> <p>This matter is resolved.</p>	<p><u>Responsible person</u></p> <p>T Holtzhausen/G W Louw</p>	<p><u>Due Date</u></p>

CHAPTER 7

No	Finding	Legislation	Action Plan	Responsible person	Due Date
17.	<p><u>Human resources – Internal control deficiencies</u></p> <p>During the audit of employee cost we identified the following internal control deficiencies:</p> <p>No review of final payment of contract workers</p> <p>Through the inspection of the employee files and records of the contract workers we identified that no senior review takes place on the final payment to the contract workers. The accounting assistant performs the final payment of the contract workers with no further review on his work.</p> <p>This could result in possible overpayments to the contract workers.</p> <p>Appointment of employees</p> <p>During the testing of the appointment processes we identified that employee F Snell (employee number 1189) did not sign her appointment letter and that the document was only signed by the municipal manager.</p> <p>This could result in possible fictitious employees being appointed.</p>		<p>That all contract workers will be reviewed by the senior accountant salaries (D Smith) before payments are made.</p> <p>The Deputy Manager (J Adams) will review on a monthly basis to ensure that the review has been performed by the salary section</p>	J Adams: Deputy Manager: Income, Expenditure, BTO	Ongoing

CHAPTER 7

No	Finding	Legislation	Action Plan	Responsible person	Due Date																												
18.	<p><u>Rental of facilities and equipment</u></p> <p>During the audit of rental of facilities and equipment, it was identified that debtors outstanding for longer than 180 days, were not handed over to the attorneys or included in the provision for doubtful debt. The table below details the list of debtors outstanding for more than 180 days which should have been included in the provision for doubtful debts:</p>	GRAP 26 Paragraph 19	This has been resolved with the AG.	J Adams - Deputy Manager: Income, Expenditure, BTO																													
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #92d050;">Lease Term</th> <th style="background-color: #92d050;">Name</th> <th style="background-color: #92d050;">Detail of Plot Description</th> <th style="background-color: #92d050;">Amount</th> </tr> </thead> <tbody> <tr> <td>1/2/96 - 31/10/07</td> <td>VODACOM</td> <td>GED ERF 354 U/DALE</td> <td>R104,585</td> </tr> <tr> <td>1/6/06 - 31/5/2011</td> <td>TELKOM</td> <td>GED ERF 99 HAARLEM TOERUSTINGKAMER</td> <td>R5,976</td> </tr> <tr> <td>1/7/07- 30/6/2008</td> <td>U/DALE ADVIES KOM STENEMAKERY</td> <td>ERF 800 UNIONDALE</td> <td>R1,087</td> </tr> <tr> <td>1 July 1997 - 30 June 2002</td> <td>JH Stander</td> <td>Ptn 64 of Farm Moerasrivier 233</td> <td>R1,190</td> </tr> <tr> <td>1 Dec 2009 - 30 Nov. 2010</td> <td>Lindsay & Lindsay</td> <td>Ptn 1 of Farm 185 (Kiosk Swartvlei)</td> <td>R7,000</td> </tr> <tr> <td>1 Nov. 2004 - 30 Oct 2005</td> <td>Vuka Wenze Projects</td> <td>Ptn 37 of Farm Nooitgedagt 30 (De Hoek)</td> <td>R51,881</td> </tr> </tbody> </table>					Lease Term	Name	Detail of Plot Description	Amount	1/2/96 - 31/10/07	VODACOM	GED ERF 354 U/DALE	R104,585	1/6/06 - 31/5/2011	TELKOM	GED ERF 99 HAARLEM TOERUSTINGKAMER	R5,976	1/7/07- 30/6/2008	U/DALE ADVIES KOM STENEMAKERY	ERF 800 UNIONDALE	R1,087	1 July 1997 - 30 June 2002	JH Stander	Ptn 64 of Farm Moerasrivier 233	R1,190	1 Dec 2009 - 30 Nov. 2010	Lindsay & Lindsay	Ptn 1 of Farm 185 (Kiosk Swartvlei)	R7,000	1 Nov. 2004 - 30 Oct 2005	Vuka Wenze Projects	Ptn 37 of Farm Nooitgedagt 30 (De Hoek)	R51,881
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19.	<p><u>Rental income – Hessequa Municipality</u></p> <p>During the audit of exchange revenue we identified that the Hessequa Municipality underpaid on their rental from 2006 to 2012. After discussion with management of regional development we confirmed that a written letter has been sent to the council to discuss this matter. The project portfolio approved the letter on this matter. The outstanding balance of R300 000 was not recorded in the financial records of the municipality:</p> <p>This resulted that the accounts receivable for the municipality was understated with R300 000.</p>		The Hessequa debtor's account was corrected by the Income section on receipt of the signed contract.	JAdams: Deputy Manager: Income, Expenditure, BTO																													

CHAPTER 7

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20.	<p><u>Procurement of banking services</u></p> <p>During the Audit of competitive bidding process to procure the services of standard bank, It was detected that the procurement of this contracted services did not commence within the required period 9 nine months.</p> <p>The commencement of the procurement process started when the bid specifications meeting was held on 19 September 2011. On enquiry and inspection of the letter of extension from 1 July 2011 to 31 March 2012, approved by the Municipal manager, of the then. ABSA commenced rendering services up until 31 March 2012. This was therefore not within 9 months of the existing contract.</p>	SCM policy 30 (2)	A tender register has been compiled as pilot run for 2 year and 1 year tenders for Roads services; this will be extended to the rest of the organisation to allow monitoring of tenders with hindsight to enable planning for new tenders to be initiated within plausible time. We should be able to synchronise tender process to be concluded in alignment to the termination period of current tender.	TM Mpuru: Deputy Manager: SCM, Stores, Assets.	Work in progress.
21.	<p><u>Municipal accounts in arrears for greater than three months</u></p> <p>During the audit of the competitive bidding processes followed by the municipality it was discovered that no internal control exists to test whether bidders accounts are not greater than three months in arrears with Eden District Municipality or any other municipality or municipal entity.</p> <p>On inspection of the bid specifications prepared per tender, no specification exists for bidders to provide their municipal statements to verify whether the recommended bidder's account is not outstanding for greater than three months.</p> <p>Due to there not being any procedure in place that will allow the accounting officer to determine whether the municipal account of a bidder is greater than three months in arrears, may lead to the abuse of the SCM Policy.</p>	SCM Regulations 28 (1) (C) & Section 38 (1) (D) (I)	Matter to be discussed with the MM and the CFO and discussion to be held with the B Municipality regarding this matter to ensure uniformity. i.e., should accounts be in arrears for either the entity or its directors payments to be apportioned and ceded to respective B Municipality and so forth, however the matter to be discussed with legal officer to ensure its legality.	TM Mpuru: Deputy Manager: SCM, Stores, Assets	Work in progress

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22.	<p><u>Bid Adjudication committees - SCM regulations 29 (2) (ii)</u></p> <p>During the audit of the competitive bids processed during the financial year ended 30 June 2012, the bid adjudication committees relating to the following formal tenders did not include at least one senior supply chain management practitioner who is an official of the municipality:</p> <table border="1"> <thead> <tr> <th>Tender</th> <th>Description</th> <th>Expenditure for the year ended 30 June 2012</th> </tr> </thead> <tbody> <tr> <td>E/04/11-12</td> <td>Provision of Commercial Banking Services</td> <td>R6 010 000</td> </tr> <tr> <td>E/08/11-12</td> <td>Connecting remote offices to Eden District Municipality network with Wireless VPN connections</td> <td>R429 493</td> </tr> <tr> <td>R/08/11-12</td> <td>Supply of Herbicides</td> <td>R471 016</td> </tr> <tr> <td>R/15/11-12</td> <td>Supply of Bulbs & Electrical Accessories</td> <td>R3 544</td> </tr> <tr> <td>R/06/11-12</td> <td>Supply of Gabion Rock</td> <td>R3 544</td> </tr> <tr> <td>E/07/11-12</td> <td>Provision of Water Sample Analyses</td> <td>R1 491 262</td> </tr> </tbody> </table> <p>This results in irregular expenditure of R8 431 262.</p>	Tender	Description	Expenditure for the year ended 30 June 2012	E/04/11-12	Provision of Commercial Banking Services	R6 010 000	E/08/11-12	Connecting remote offices to Eden District Municipality network with Wireless VPN connections	R429 493	R/08/11-12	Supply of Herbicides	R471 016	R/15/11-12	Supply of Bulbs & Electrical Accessories	R3 544	R/06/11-12	Supply of Gabion Rock	R3 544	E/07/11-12	Provision of Water Sample Analyses	R1 491 262		<p>SCM officials have always served as advisors to the BAC and as a result no BAC meeting ever took place in the absence of an SCM Official. In our view the role played by Senior SCM officials has been sufficient and officially making them Members of the BAC will not materially change anything. Substance over matter is all relevant input is made at any structure to ensure that decisions are taken from a well-informed premise.</p>	<p>TM Mpuru: Deputy Manager: SCM, Stores, Assets</p>	<p>Prerogative of the Municipal Manager</p>
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CHAPTER 7

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23.	<p><u>Repairs and Maintenance</u></p> <p>During the audit of the repairs and maintenance we could not obtain supporting documentation for the repairs and maintenance incurred as below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #92d050;">General ledger date</th> <th style="background-color: #92d050;">Item description</th> <th style="background-color: #92d050;">Amount (R)</th> </tr> </thead> <tbody> <tr> <td>13/06/2012</td> <td>24216</td> <td>9 354.61</td> </tr> <tr> <td>08/12/2011</td> <td>22571</td> <td>196 143.26</td> </tr> <tr> <td>14/06/2012</td> <td>D0023299</td> <td>11 384.72</td> </tr> <tr> <td>Total</td> <td></td> <td>216 882.59</td> </tr> </tbody> </table> <p>The above items were requested on the request for information number 29 on the 13 September 2012 and were therefore outstanding for 30 days. Management informed us that they could not provide us with the documentation. This resulted in a limitation of scope of a projected amount of R544 075.40.</p> <p>Recommendation</p> <p>It is recommended that management implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available.</p>	General ledger date	Item description	Amount (R)	13/06/2012	24216	9 354.61	08/12/2011	22571	196 143.26	14/06/2012	D0023299	11 384.72	Total		216 882.59		The item has been resolved with the AG.	J Adams: Deputy Manager: Income, Expenditure, BTO	
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24.	<p><u>Repairs and maintenance – classification</u></p> <p>During the audit of repairs and maintenance we identified the following expenditure which was incorrectly classified as repairs and maintenance:</p>		This item has been resolved with the AG.	TM Mpuru: Deputy Manager: SCM, Stores, Assets																																					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #92d050;">Invoice number</th> <th style="background-color: #92d050;">Description</th> <th style="background-color: #92d050;">Amount (R)</th> <th style="background-color: #92d050;">Nature of expense</th> </tr> </thead> <tbody> <tr> <td>D0020977</td> <td>Datacentrix (Pty) Ltd.</td> <td style="text-align: right;">20 517.30</td> <td>Computer expenses</td> </tr> <tr> <td>D115681</td> <td>Fujitsu Services (Pty) Ltd.</td> <td style="text-align: right;">111 771.36</td> <td>Licence fees</td> </tr> <tr> <td>DH019864</td> <td>Oudtshoorn Munisipaliteit</td> <td style="text-align: right;">7 459.78</td> <td>General expenses</td> </tr> <tr> <td>DH022157</td> <td>Oudtshoorn Munisipaliteit</td> <td style="text-align: right;">13 927.19</td> <td>General expenses</td> </tr> <tr> <td>DH022292</td> <td>Oudtshoorn Munisipaliteit</td> <td style="text-align: right;">13 115.79</td> <td>General expenses</td> </tr> <tr> <td>D0021139</td> <td>Fujitsu Services (Pty) Ltd</td> <td style="text-align: right;">12 825.75</td> <td>Computer expenses</td> </tr> <tr> <td>D0021164</td> <td>Payday Software Systems (Pty) Ltd</td> <td style="text-align: right;">101 343.00</td> <td>Licence fees</td> </tr> <tr> <td>D0021139</td> <td>Fujitsu Services (Pty) Ltd</td> <td style="text-align: right;">12 825.75</td> <td>Computer expenses</td> </tr> </tbody> </table>	Invoice number	Description	Amount (R)	Nature of expense	D0020977	Datacentrix (Pty) Ltd.	20 517.30	Computer expenses	D115681	Fujitsu Services (Pty) Ltd.	111 771.36	Licence fees	DH019864	Oudtshoorn Munisipaliteit	7 459.78	General expenses	DH022157	Oudtshoorn Munisipaliteit	13 927.19	General expenses	DH022292	Oudtshoorn Munisipaliteit	13 115.79	General expenses	D0021139	Fujitsu Services (Pty) Ltd	12 825.75	Computer expenses	D0021164	Payday Software Systems (Pty) Ltd	101 343.00	Licence fees	D0021139	Fujitsu Services (Pty) Ltd	12 825.75	Computer expenses				
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	<p>The repairs and maintenance is overstated with an amount of R293 785.92. The projected misstatement is R736 996.41.</p>																																								

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25.	<p><u>Completeness of accounts receivable</u></p> <p>During the audit of accounts receivable we identified that the following receipts obtained from the July and August 2012 bank statements, which relates to income from the prior year, was not included in the accounts receivable at year end:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #92d050;">Bank statement description</th> <th style="background-color: #92d050;">Amount (R)</th> </tr> </thead> <tbody> <tr><td>Absa Card 00174151032 CC</td><td style="text-align: right;">6 829.00</td></tr> <tr><td>Absa Card 00174151033 CC</td><td style="text-align: right;">4 186.00</td></tr> <tr><td>Oudts Muni 143455</td><td style="text-align: right;">142 500.00</td></tr> <tr><td>Cashfocus 005120</td><td style="text-align: right;">39 673.28</td></tr> <tr><td>Credit transfer L690706579 Lgseta MA</td><td style="text-align: right;">57 059.67</td></tr> <tr><td>Basw03 Wc: Health 000363803</td><td style="text-align: right;">17 516.05</td></tr> <tr><td>Cashfocus 005120</td><td style="text-align: right;">28 859.20</td></tr> <tr><td>loa lion release 64036</td><td style="text-align: right;">30 601.48</td></tr> <tr><td>Basw03 Wc: Health 000366836</td><td style="text-align: right;">70 776.96</td></tr> <tr><td>Mosselbaai Mun</td><td style="text-align: right;">5 764.00</td></tr> <tr><td>38000518 - Lbk (Haarlem Huur)</td><td style="text-align: right;">42 967.15</td></tr> <tr><td>Bitou Municipality</td><td style="text-align: right;">110 967.60</td></tr> <tr><td>Total</td><td style="text-align: right;">557 700.49</td></tr> </tbody> </table> <p>The accounts receivable is therefore understated with R557 700.49.</p>	Bank statement description	Amount (R)	Absa Card 00174151032 CC	6 829.00	Absa Card 00174151033 CC	4 186.00	Oudts Muni 143455	142 500.00	Cashfocus 005120	39 673.28	Credit transfer L690706579 Lgseta MA	57 059.67	Basw03 Wc: Health 000363803	17 516.05	Cashfocus 005120	28 859.20	loa lion release 64036	30 601.48	Basw03 Wc: Health 000366836	70 776.96	Mosselbaai Mun	5 764.00	38000518 - Lbk (Haarlem Huur)	42 967.15	Bitou Municipality	110 967.60	Total	557 700.49		Ensure that all receipts relating to the previous year's income will be recorded accordingly by the Income Section. The Deputy Manager (J Adams) will review on a monthly basis to ensure the receipts are captured in the correct accounting period as well as at year end the deputy manager will review the recording of receipts to ensure proper cut off.	J Adams: Deputy Manager: Income, Expenditure, BTO	Ongoing
Bank statement description	Amount (R)																																
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26.	<p><u>Disclosure of unspent conditional grants</u></p> <p>During the audit of unconditional grants and receipts we identified that the comparative of R2 954 032 for the unconditional grants and receipts did not agree to the prior year signed financial statements.</p> <p>Further inquiry with the consultants and inspection of the prior year financial statements confirmed that the entire balance was included in the unspent conditional grants and receipts.</p> <p>The preparers of the financial statements confirmed that they decided to separately disclose the liability and receivable in the current year. This was however not disclosed as a re-statement or a correction of error in the current year and this results that the financial statements is not comparable for the users of the financial statements.</p>		The item has been resolved	Deputy Manager: Financial Statements																													

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No	Finding	Legislation	Action Plan	Responsible person	Due Date																				
27.	<p><u>Intangible assets – intangible assets not impaired</u></p> <p>During the verification of Intangible assets we identified that the following asset are not in use and has not been considered for impairment:</p>	GRAP 26 MFMA Section 63	Discussion to be undertaken with the CFO and IT manager regarding valuation of IT Software and its remaining useful life.	TM Mpuru: D e p u t y Manager: SCM, Stores, Assets																					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #92d050;">Purchase Date</th> <th style="background-color: #92d050;">Asset No.</th> <th style="background-color: #92d050;">Item Description</th> <th style="background-color: #92d050;">Purchase price (R)</th> <th style="background-color: #92d050;">Amount (R)</th> </tr> </thead> <tbody> <tr> <td>2011/01/01</td> <td>X0661</td> <td>COMPUTER SOFTWARE</td> <td>99.130.00</td> <td>50.596.48</td> </tr> <tr> <td>2010/05/18</td> <td>T2233</td> <td>ARCVIEW Version 9</td> <td>15.000.00</td> <td>1.282.69</td> </tr> <tr> <td>2010/06/25</td> <td>T2234</td> <td>ARCVIEW Version 9</td> <td>15.000.00</td> <td>11.938.04</td> </tr> </tbody> </table>					Purchase Date	Asset No.	Item Description	Purchase price (R)	Amount (R)	2011/01/01	X0661	COMPUTER SOFTWARE	99.130.00	50.596.48	2010/05/18	T2233	ARCVIEW Version 9	15.000.00	1.282.69	2010/06/25	T2234	ARCVIEW Version 9	15.000.00	11.938.04
Purchase Date	Asset No.	Item Description	Purchase price (R)	Amount (R)																					
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2010/06/25	T2234	ARCVIEW Version 9	15.000.00	11.938.04																					
	<p>As a result the net book value of assets are overstated by R 63 817.21. The projected misstatement is R 70 473.12.</p>																								
28.	<p><u>Property plant and equipment – Disposal not authorised</u></p> <p>During the audit of PPE the following disposals could not be traced to council resolution DC 85/08/11 for the authorization thereof by council:</p> <p>The projected misstatement amount to R 551 560.54.</p>			TM Mpuru: D e p u t y Manager: SCM, Stores, Assets																					
30.	<p><u>Other Assets – Completeness</u></p> <p>During the audit of other assets the following assets could not be traced to the fixed asset register for completeness:</p> <p>Note: Average cost was used to project the total misstatement over the population.</p> <p>As a result other assets are overstated by R 531 570.78. The projected estimated cost amounts to R 169 464 764.66.</p>			TM Mpuru: D e p u t y Manager: SCM, Stores, Assets																					

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No	Finding	Legislation	Action Plan	Responsible person	Due Date
31.	<p><u>Trade payables</u></p> <p>During the audit of trade payables we could not obtain supporting documentation for the orders listed below:</p> <p>The above items were requested from the creditor department. The department informed us that they could not find the documentation on the system or on file. This resulted in a limitation of scope of a projected amount of R3 024 467.</p>		That a register be updated by the creditors section where all documents been removed from the creditors information will be recorded and the person removing such document(s) must sign for it. On return such documents are then recorded by the creditors department together with the date of return. Chief Accountant Creditors to ensure register are updated and records are safeguarded. (E Wildeman)	J Adams: Deputy Manager: Income, Expenditure, BTO	Ongoing
32.	<p><u>Trade payables – completeness</u></p> <p>During the audit of the accounts payable, we identified that the balance as at year end was not complete. The following expenditure were incurred during the 2011/12 financial year and not recorded in the accounts payable balance:</p> <p>This resulted in misstatement of creditors of R911 014.64.</p>	MFMA Section 62 (1) (b)	The Chief Accountant Creditors (E Wildeman) must ensure that all expenses for are reviewed and recorded accordingly on a monthly basis as well as at year end. The deputy Manager (J Adams) must review the transactions to ensure proper cut off.	J Adams: Deputy Manager: Income, Expenditure, BTO	Ongoing
33.	<p><u>Disclosure of investment property</u></p> <p>In performing our audit on the disclosure of investment property (note 13) we identified that the disclosure of investment property was inadequate.</p> <p>The financial statements did not inform the user of the financial statements on the rental income derived from Investment Property.</p> <p>Recommendation</p> <p>It is recommended that the necessary adjustments be made by management to ensure that complete and accurate information on the investment property is disclosed.</p>	GRAP 16 Paragraph 84 (i)	This items has been resolved	D e p u t y M a n a g e r : F i n a n c i a l S t a t e m e n t s	

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No	Finding	Legislation	Action Plan	Responsible person	Due Date
34.	<p><u>Business with suppliers who did not submit information as required by the SCM policy, paragraph 13 and failure to register the providers on the supplier database</u></p> <p>During the audit work performed regarding the procurement processes of the municipality, the following suppliers were made use of but they do not exist on the municipality's database:</p> <p>These suppliers were never registered as accredited prospective providers of the municipality and it can also be concluded.</p>	SCM Policy Paragraph 13	On various occasions there have been transaction that occurred where the particular service provider for that service are not listed on our SCM Database. That could be to one of many reasons, either they are not interested register on the Database due to administrative burden of completing the forms, or they are not interested in doing long term business with the Municipality	TM Mpuru: Deputy Manager: SCM, Stores, Assets	
35.	<p><u>Failure to retrieve supplier documentation for audit purposes</u></p> <p>During the audit of the supply chain management, the following original supporting documentation (original application forms) of the following prospective providers could not be found.</p> <p>Accredited providers application forms (Original documentation):</p> <p>Supporting documentation could not successfully be recovered from the data storage room, since inadequate storage and filing processes are in place.</p> <p>This resulted in irregular expenditure of R14 167 792.</p>		That a register be updated by the creditors section where all documents been removed from the creditors information will be recorded and the person removing such document(s) must sign for it. On return such documents are then recorded by the creditors department together with the date of return. Chief Accountant Creditors to ensure register are updated and records are safeguarded. (E Wildeman)		Ongoing
36.	<p><u>Awards to close family members of persons in service of the state</u></p> <p>The following awards to close family members in service of the state were identified during the Information Systems Audit procedures performed:</p> <p>No supplier declaration was obtained for Suid Kaap Waardeeders.</p> <p>There is a lack of effective controls to identify awards to close family members of persons in service of the state during the procurement process.</p>	SCM Regulation Section 45	This matter is transversal across local government entities as there is currently no single consolidated source or system to enable us to perform cross referencing. All awards to be checked against HR records to ensure that no employees of EDM are trading wit EDM		

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No	Finding	Legislation	Action Plan	Responsible person	Due Date
37.	<p><u>Irregular expenditure relating to the irregular appointment of certain prospective suppliers in the prior year</u></p> <p>During the audit of supply chain management, we identified that the following prospective providers were appointed irregularly: Annexure B</p> <p>The following transactions and payments to these prospective providers were identified:</p> <p>The total value of these payments amounts to R 439 101.</p> <p>The irregular expenditure for the current year consists of the irregular expenditure detected in the prior year audit and the forensic investigation and the SCM deviations disclosed in Note 46 of the notes to the Annual Financial Statement. The above transactions were not included in the irregular expenditure for the current year ended 30 June 2012.</p> <p>During the prior financial periods, prospective providers have been appointed in contravention of the requirements of the SCM Policy of the municipality.</p> <p>This has led to irregular expenditure regarding payments made to these providers. However, the above mentioned irregular expenditure has not been disclosed in the notes to the Annual Financial Statements.</p>	MFMA Chapter 1 Irregular Expenditure	Matter to be discussed with the CFO on irregular appointments and corrective measures to be put in place to address these issues	TM Mpuru: Deputy Manager: SCM, Stores, Assets	
38.	<p><u>No fraud prevention plan in place at Eden DM</u></p> <p>During the audit of the internal controls surrounding the Supply Chain Management function it was detected that the municipality does not have fraud detection and prevention plan in place. This was confirmed by an official from the Internal Audit unit.</p> <p>The lack of a functional fraud prevention and detection plan within the municipality could result in various cases of fraudulent behaviour and incidences which initially could have been prevented with the implementation of the plan.</p>		An Anti Corruption policy is in place and A Service Provider has been appointed to establish a Hot line, which will assist in the detection and prevention of fraud.	T Holtzhausen/ GW Louw	

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No	Finding	Legislation	Action Plan	Responsible person	Due Date										
39.	<p><u>Pavment amount greater than the Quoted amount</u></p> <p>During the audit of the supply chain management, the following transaction was identified, where the quoted amount and the amount paid according to the remittance advice differs.</p>	SCM Policy Paragraph 5	Matter to be addressed with all personnel with financial delegation authority.	TM Mpuru: Deputy Manager: SCM, Stores, Assets											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #92d050;">Supplier</th> <th style="background-color: #92d050;">Transaction Description</th> <th style="background-color: #92d050;">Date</th> <th style="background-color: #92d050;">Invoice Date</th> <th style="background-color: #92d050;">Amount (R)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">LEADING EDGE</td> <td>AANKOOP VAN 3M TEARDROP BANNER</td> <td style="text-align: center;">22/06/2012</td> <td style="text-align: center;">16/05/2013</td> <td style="text-align: right;">5.999.00</td> </tr> </tbody> </table>	Supplier	Transaction Description	Date	Invoice Date	Amount (R)	LEADING EDGE	AANKOOP VAN 3M TEARDROP BANNER	22/06/2012	16/05/2013	5.999.00				
Supplier	Transaction Description	Date	Invoice Date	Amount (R)											
LEADING EDGE	AANKOOP VAN 3M TEARDROP BANNER	22/06/2012	16/05/2013	5.999.00											
	<p>The transaction was for the purchase of a Tear Drop 3M Banner. Leading Edge was the supplier to quote the lowest amount and was awarded the transaction.</p> <p>However the quoted amount submitted by from Leading Edge 224 CC trading as Shot it supplies and services amounted to R5 244. Indicating that there was an amount of R755 more than the quoted amount supplied and no supporting documents could be found that approves payment for the payment above the quoted amount.</p>														

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40.	<p><u>Contingent liabilities not accurate</u></p> <p>During the audit of contingent liabilities, we identified that the municipality did not assess what the possible outflow was for the following contingent liabilities:</p> <p>GHJ Kruger</p> <p>The contingent liability and the information disclosed on the liability remained the same as in the prior year and the liability was not assessed in the current year to determine whether the possible outflow remained the same in the current year.</p> <p>Haarlem Community</p> <p>The summons was issued in January 2010 and the case is currently dormant as the claimants can't pay a cost order. The municipality did not assess what the possible outflow for the case was in the current year.</p> <p>NW Botha</p> <p>We confirmed with the office of the legal advisor that the possible liability for this case is R50 000; however the municipality disclosed an amount R917 746 in the financial statements.</p> <p>Further we identified that the municipality did not assess what the possible outflow for the Hoogbaard/Delo and the Lefatshe cases were, and only disclosed the actual claim for these cases in the financial statements.</p> <p>This results that the contingent liabilities might be overstated.</p>		This item has been resolved with the AG.	J De Klerk/T Holtzhausen	

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No	Finding	Legislation	Action Plan	Responsible person	Due Date
41.	<p><u>Property plant and equipment – existence</u></p> <p>During the audit of PPE the following assets could not be traced to the Geographical Information System (GIS) for the existence there of:</p> <p>As a result the property, plant and equipment is overstated by R 5 187 003.71. The projected misstatement is R7 082 288.96.</p>	MFMA Section 63	This item has been resolved with the AG.	TM Mpuru: D e p u t y Manager: SCM, Stores, Assets	
42.	<p><u>Business with suppliers who have been deregistered, have been dissolved and are insolvent</u></p> <p>During the audit of supply chain management, it was identified that the municipality conducted business with 42 suppliers who have been deregistered, dissolved or insolvent.</p> <p>The total amount for these transactions was R1 776 932.37 for the 2011/2012 period.</p>	SCM Policy Paragraph 14 (1) (a)	Control measure to be delivered with the CFO	TM Mpuru: D e p u t y Manager: SCM, Stores, Assets	
43.	<p><u>Property Plant and Equipment – Existence</u></p> <p>Existence testing for PPE could not be completed to physically verify the assets listed below:</p> <p>Request for information no.59 was sent out on the 02 October 2012 for assistance from the asset management team to complete the existence testing for PPE. The assets management team did not avail themselves to complete the existence testing of the assets listed above.</p> <p>This resulted in a limitation of scope of a projected amount of R 4 881 148.48.</p>	MFMA section 63		TM Mpuru: D e p u t y Manager: SCM, Stores, Assets	

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No	Finding	Legislation	Action Plan	Responsible person	Due Date									
44.	<p><u>Plant Property and Equipment – Additions</u></p> <p>During the audit of additions to property, plant and equipment the following assets could not be traced to the additions listing as per the annual financial statements:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #76b82a; color: white;">Order no.</th> <th style="background-color: #76b82a; color: white;">Item description</th> <th style="background-color: #76b82a; color: white;">Amount (R)</th> </tr> </thead> <tbody> <tr> <td>D0023383</td> <td>Bromide Technologies</td> <td style="text-align: right;">24.417.70</td> </tr> <tr> <td>D0021826</td> <td>ISM</td> <td style="text-align: right;">2.280.70</td> </tr> </tbody> </table> <p>As a result the additions to property, plant and equipment is understated with R 26 698.40. The projected misstatement is R 117 472.96.</p>	Order no.	Item description	Amount (R)	D0023383	Bromide Technologies	24.417.70	D0021826	ISM	2.280.70	MFMA Section 63 (2) (a) & (c)	The item has been resolved with the AG.	TM Mpuru: Deputy Manager: SCM, Stores, Assets.	
Order no.	Item description	Amount (R)												
D0023383	Bromide Technologies	24.417.70												
D0021826	ISM	2.280.70												
45.	<p><u>Provision for performance bonus</u></p> <p>During the audit of current employee benefits, it was identified that the provision for performance bonus for 2010/2011 financial year was incorrectly included in the current year provision. It was determined that performance bonus will not be paid out to the managers for the 2010/2011 financial year.</p> <p>Through further inspection it was determined that the provision included employees that were not an employee of the municipality anymore.</p> <p>The current employee benefits are therefore overstated with the following amounts:</p> <table style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 80%;">Roads – Performance bonus</td> <td style="text-align: right;">R84 598</td> </tr> <tr> <td>Performance bonus</td> <td style="text-align: right;"><u>R680 445</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">R765 043</td> </tr> </table>	Roads – Performance bonus	R84 598	Performance bonus	<u>R680 445</u>	Total	R765 043	Local Government Performance Regulations R805 of 2006	The item has been resolved with the AG.	Deputy Manager: Financial Statements				
Roads – Performance bonus	R84 598													
Performance bonus	<u>R680 445</u>													
Total	R765 043													

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No	Finding	Legislation	Action Plan	Responsible person	Due Date
46.	<p><u>Inventory</u></p> <p>During the annual stock count numerous adjustments were made to the inventory as a result of shortages and surpluses that were discovered at the stock count.</p> <p>The municipality did not disclose any details of the adjustments made to stock records which lead to write downs, therefore the disclosure on the inventory does not fairly represent the movements during the year.</p> <p>Further the municipality also did not disclose any write downs due to damaged and obsolete inventory in terms of paragraph 45 of GRAP 12.</p>	GRAP 12 Paragraph 45	Revisit inventory control processes and reconciliation mechanism in place to ensure accuracy and completeness account of inventory.	TM Mpuru: D e p u t y Manager: SCM, Stores, Assets	
47.	<p><u>Inventory</u></p> <p>During the annual stock count numerous adjustments were made to the inventory. We identified that management only perform a stock count at the year end and not on a monthly or regular basis to ensure that the stock records on the system agrees to the actual stock in the stores.</p> <p>Therefore it resulted in numerous differences were identified at year end.</p>	MFMA Section 63 (1) (a) & (2) (c)	Revisit inventory control processes and reconciliation mechanism in place to ensure accuracy and completeness account of inventory.	TM Mpuru: D e p u t y Manager: SCM, Stores, Assets	
48.	<p><u>Inventory</u></p> <p>During the audit of inventory, the following requisition vouchers and goods received vouchers could not be traced to the inventory listing.</p>	MFMA Section 63	This item has been resolved.	TM Mpuru: D e p u t y Manager: SCM, Stores, Assets.	
49.	<p><u>Correction of error: Unspent Grants</u></p> <p>During the audit of unspent liabilities from conditional grants, we identified that a correction of error was disclosed in the financial statements, that did not have accompanying supporting documentations, and therefore we can't confirm the validity of the correction.</p>	GRAP 3 Paragraph 51	This item has been resolved.	D e p u t y M a n a g e r : F i n a n c i a l S t a t e m e n t s	

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No	Finding	Legislation	Action Plan	Responsible person	Due Date
50.	<p><u>Awards to persons in the service of the state</u></p> <p>During the audit of supply chain management, the following transactions with suppliers in which persons in service of other state institutions have an interest, were identified.</p> <p>As per the supply chain management regulation GNR.868 of May 2005, section 44 and the supply chain management policy of the municipality, that an amount of R 263 518.00, has been identified relating to these transactions as irregular expenditure in accordance with the MFMA, No. 56 of 2003.</p>			TM Mpuru: Deputy Manager: SCM, Stores, Assets.	
51.	<p><u>IT Governance</u></p> <p>IT management had not formally designed mechanisms to monitor, review and measure the IT services rendered by the vendors.</p> <p>Without formal mechanisms in place to monitor performance of vendors, the effectiveness, efficiency and consistency of the IT services delivered cannot be reviewed and measured against agreed targets. This may lead to increased costs incurred for poor delivery of services.</p> <p>The matter was reported in the prior year and no steps have been taken to date to implement the recommendation.</p>		Please refer to the "SLA" process developed on the Collaborator system. Currently in implementation phase.	K Niewoudt/T Holtzhausen	
52.	<p><u>Inconsistency between the planned and reported targets of key performance indicators</u></p> <p>A municipality is required to maintain consistency between the planned and the final reported targets of key performance indicators.</p> <p>For the following key performance indicators (i.e. KPI's), the planned and reported targets were not consistent between the annual performance 2011/2012 and top level service delivery and budget implementation plan 2011/2012:</p>		This issue has been resolved. Ongoing checks are done on Department's updates and reports (where necessary) are submitted to the Municipal Manager. Inconsistency on the current SDBIP will be addressed within the Sec72 Report, to be submitted during January 2013.	I Abrahams/GW Louw	

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No	Finding	Legislation	Action Plan	Responsible person	Due Date
53.	<p><u>Non-compliance with the SCM policy, paragraph 14 (2)</u></p> <p>During the audit of the supply chain management we identified that the municipality made use of the following training service:</p> <p>Concordia Training Centre (Pty) Ltd was awarded the above listed tenders relating to training within the Municipality and all the tender awards are in close timeframes.</p> <p>Sufficient efforts to locate and approach new prospective suppliers to attend to the training needs of the municipality, is not in place.</p>	SCM Policy Paragraph 14 (2)	We are constantly in search of broadening our horizon with regards to new suppliers however certain fields are specialised or have limited number of service providers, unfortunately those are market conditions that we partake in.	TM Mpuru: Deputy Manager: SCM, Stores, Assets	
54.	<p><u>Roads Expenditure – payment of suppliers</u></p> <p>During the audit of Roads - Expenditure, we identified that the following invoices or statements were not paid within the 30 days as required by section 65 of the MFMA:</p>	MFMA Section 65 (2) (e)	The fact that the money was not paid within 30 dates of receiving the relevant invoice or statement, results in non-compliance with section 65 of the MFMA.	J Adams: Deputy Manager: Income, Expenditure, BTO	Ongoing
55.	<p><u>Presentation of Long-Term Receivables</u></p> <p>During the audit of long- term receivables we identified that the disclosure on the long term receivables were inaccurate.</p> <p>Knysna Municipality (Hornlee) The loan agreement states that the loan is repayable over a period of 20 years and bears interest at 10% per annum, but the annual financial statements disclosed that the loan bears no interest.</p> <p>Mosselbay Municipality (D’Almeida) The loan agreement states that the loan is repayable over 15 years but the annual financial statements disclosed that the loan is repayable over 30 years.</p> <p>Recommendation It is recommended that the necessary adjustments be made by management to ensure that the accurate information on the long term receivables is disclosed.</p>		The issue has been resolved	Deputy Manager: Financial Statements	

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No	Finding	Legislation	Action Plan	Responsible person	Due Date
56.	<p><u>No declaration of interest in the bidding documentation</u></p> <p>During the audit of supply chain management we identified that no declaration of interest was provided by the winning bidder</p> <p>Recommendation</p> <p>Greater care should be exercised during the procurement processes to ensure complete compliance to the relevant policies and regulations.</p>	SCM Policy Paragraph 13(c)	All successful bids from valuation committee to be subjected to further scrutiny regarding declarations of interest.	TM Mpuru: Deputy Manager: SCM, Stores, Assets	
57.	<p><u>No compliance with the SCM policy, paragraph 13 (3)</u></p> <p>During the audit of supply chain management, we identified that the three quotations were not obtained for the following supplier.</p> <p>The duration of the service period is less than three years. The value of the procurement is below R 30 000 and the amount is clear according to the quoted amount provided by the prospective supplier.</p> <p>There has been an incorrect implementation of the SCM Policy during the procurement of the above listed procurement events.</p>		Reviewed EDM SCM Policy to be taken to council and circulated to the rest of EDEN DM. All those that have financial delegations to be made aware of the procurement process regarding sourcing of quotations. To discuss the matter with Business Engineering – Collaborator and see if a control can be built into the system to address this matter.	TM Mpuru: Deputy Manager: SCM, Stores, Assets	End of March 2013
58.	<p><u>Misstatement – Cape Joint Pension Fund</u></p> <p>During the audit of the accounts payable, a difference of R38 700.64 was identified between the confirmation from the Shortfall on the Cape Joint Pension Fund and the balance as per the annual financial statements.</p>		This issue has been resolved with AG	Deputy Manager: Financial Statements	
		Balance as per	Amount (R)		
		Cape Joint Pension Fund	4 198 703.64		
		AFS (Includes Eden & Roads)	4 237 404.28		
		Difference	37 700.64		

CHAPTER 7

No	Finding	Legislation	Action Plan	Responsible person	Due Date																																			
59.	<p><u>GRAP 24: Budget Disclosure</u></p> <p>During the audit of budget disclosure it was found that the budgeted amounts disclosed in the annual financial statements do not correspond with the amounts as per the approved adjusted budget as per the council resolution DC 182/01/12.</p>	GRAP 24 Paragraph 19	That a review will be undertaken by the senior accountant BTO (S Stanley) to ensure that the budget approved by the council corresponds with the budget on ABAKUS on a monthly basis. The Deputy Manager (J Adams) must review this to ensure no unauthorized changes has been made on the system on the budgeted figures	J Adams: Deputy Manager: Income, Expenditure, BTO	Monthly																																			
60.	<p><u>Internal Control deficiency with maintaining lease contracts</u></p> <p>In performing our audit on exchange revenue we could not obtain the following contracts listed on the contract register and therefore we could not verify the validity of the revenue recognised. During tests performed we confirmed that the employees could not obtain these contracts for our verification.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #92d050;">No</th> <th style="background-color: #92d050;">Description</th> <th style="background-color: #92d050;">Contract Status</th> <th style="background-color: #92d050;">Monthly / Yearly</th> <th style="background-color: #92d050;">Annual Amount (R)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>No Contract</td> <td>TJ Hops</td> <td>Yearly</td> <td>R 1,516.00</td> </tr> <tr> <td>2</td> <td>No Contract</td> <td>Herbertsdale Bakery</td> <td>Monthly</td> <td>R 2,400.00</td> </tr> <tr> <td>3</td> <td>No Contract</td> <td>Mun. Heidelberg Toetsstasie</td> <td>Monthly</td> <td>R 43,248.00</td> </tr> <tr> <td>4</td> <td>Valid (No contract)</td> <td>Hessequa Mun. Brandweer Stasie</td> <td>Monthly</td> <td>R2,758,800</td> </tr> <tr> <td>5</td> <td>Valid (No Contract)</td> <td>P.J Braaf</td> <td>Monthly</td> <td>R750.00</td> </tr> <tr> <td>6</td> <td>Valid (No Contract)</td> <td>Vodacom / MTN</td> <td>Yearly</td> <td>Not Disclosed</td> </tr> </tbody> </table>	No	Description	Contract Status	Monthly / Yearly	Annual Amount (R)	1	No Contract	TJ Hops	Yearly	R 1,516.00	2	No Contract	Herbertsdale Bakery	Monthly	R 2,400.00	3	No Contract	Mun. Heidelberg Toetsstasie	Monthly	R 43,248.00	4	Valid (No contract)	Hessequa Mun. Brandweer Stasie	Monthly	R2,758,800	5	Valid (No Contract)	P.J Braaf	Monthly	R750.00	6	Valid (No Contract)	Vodacom / MTN	Yearly	Not Disclosed		A Contract Manager was appointed to manage the contracts and maintain the contract register (including the renewal and termination dates). The said Contract Manager reports to the Legal Advisor, who renders a supervisory function within the Support Services Department. In addition the Collaborator system was implemented and contracts will be available electronically on the said system. An objective of this system includes that flags / reminders will pop up when a contract needs to be renewed / will terminate. An automated message will be send to the relevant person to draw his / attention to the relevant contract that requires their action.	J De Klerk/T Holtzhausen	
No	Description	Contract Status	Monthly / Yearly	Annual Amount (R)																																				
1	No Contract	TJ Hops	Yearly	R 1,516.00																																				
2	No Contract	Herbertsdale Bakery	Monthly	R 2,400.00																																				
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CHAPTER 7

No	Finding	Legislation	Action Plan	Responsible person	Due Date
61.	<p><u>Verification of the performance information</u></p> <p>During the audit of performance information we identified differences between the actual performance and the evidence submitted for the key performance indicators listed in Annexure C1.</p> <p>Further we could not verify the performance against the targets for the key performance indicators listed in Annexure C2 as no supporting documentation or inadequate evidence was provided to verify the key performance indicator.</p> <p>This was due to lack of control over monitoring and review of actual performances achieved of Key Performance Indicators.</p>		<p>Sessions were held (dates available in my office) with Departments and A. Potgieter (member of the AC for Performance Management) to address this issue. We have come across quite a few problems with regards to the POE's to be submitted and the POE's wanted by the Internal Audit unit. This will be corrected within the Sec72 Report for the half yearly performance of the Municipality.</p>	I Abrahams/GW Louw	
62.	<p><u>Specific and measurable targets not set for key performance indicators</u></p> <p>Refer to 53</p>		<p>Sessions are complete and all the changes required for this issue, will be implemented during the 1st week of February 2013. Notifications will serve as an indication of the completed process.</p>	I Abrahams/GW Louw	
63.	<p><u>Reconciliation of property, Plant and Equipment</u></p> <p>During the audit of property, plant and equipment we identified a net difference of R 92 670 221 between the Annual Financial statements and the asset register.</p>		<p>Currently in a process to migrate from Baud Premium to Baud Fox pro, better system for accurate account of assets. Will be keeping an excel spread-sheet and updating it in the same manner as the asset management system and do monthly reconciliation to ensure that the output of asset management system is accurate.</p>	TM Mpuru: Deputy Manager: SCM, Stores, Assets.	

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> Service delivery & infrastructure Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation

GLOSSARY

Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ul style="list-style-type: none"> a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

ABBREVIATIONS

ARMS:	Audit & Risk Management Solutions	IPWT:	Infrastructure, Public Works and Transport
AG:	Auditor-General	ITP:	Integrated Transport Plan
BEE:	Black Economic Empowerment	JOC:	Joint Operational Centre
BIMP:	Bulk Infrastructure Master Plan	KPA's	Key Performance Areas
BSD:	Basic Service Delivery	KPI's	Key Performance Indicators
BVM:	Eden District Municipality	LED:	Local Economic Development
CAPEX:	Capital Expenditure	LGSETA:	Local Government Sector Education and Training Authority
CBD:	Central Business District	LTO:	Local Tourism Office
CBP:	Community Based Planning	LTA:	Local Tourism Association
CFO:	Chief Financial Officer	MAYCOM:	Mayoral Committee
CRDP:	Comprehensive Rural Development Programme	MDMC:	Municipal Disaster Management Centre
CRR:	Cash Reserve Ratio	MFMA:	Municipal Finance Management Act
CTRU:	Cape Town Routes Unlimited	MFVM:	Municipal Financial Viability and Management
DBSA:	Development Bank of South Africa	MIG:	Municipal Infrastructure Grant
DCF:	District Coordinating Forum	MM:	Municipal Manager
DMA :	District Management Area	MMC:	Member of the Mayoral Committee
DWAE:	Department of Water Affairs and Environment	MMMTTs:	Municipal Mitigation Monitoring Task Teams
DWAF:	Department of Water Affairs and Forestry	MSA:	Municipal Systems Act No. 32 of 2000
DPLG:	Department of Local Government	MTECH:	Medium Term Expenditure Committee
ECC:	Emergency Control Centre	MPRA:	Municipal Property Rates Act
ECDC:	Early Childhood Development Centre	NGO:	Non-governmental organisation
EDENDM:	Eden District Municipality	NQF:	National Qualifications Framework
EDM:	Eden District Municipality	NSDP:	National Spatial Development Perspective
EDMMF:	Eden District Municipal Managers Forum	NT:	National Treasury
EE:	Employment Equity	NTod:	National Department of Transport
EIA:	Environmental Impact Assessment	OPEX:	Operating expenditure
EMF:	Environmental Management Framework	PAYE:	Pay As you Earn
EMP:	Environmental Management Policy	PCF:	Premier's Coordinating Forum
EMS:	Emergency Medical Services	PDMC:	Provincial Disaster Management Centre
EMSDP:	Environmental Management and Spatial Development and Planning	PMS:	Performance Management System
EOC:	Emergency Operations Centre	PP:	Public Participation
EPWP:	Extended Public Works Programme	PPP:	Public Private Partnership
EQM:	Environmental Quality Management	PT:	Provincial Treasury
ESS:	Early Warning System	RSDF:	Regional Spatial Development Framework
ETD:	Economic and Tourism Development	SALGA:	South African Local Government Organisation
EWD:	Early Warning Display	SAMDI:	South African Management Development Institute
FRM:	Finance and Resource Mobilization	SAPS:	South African Police Services
FPA:	Fire Protection Associations	SCFPA:	Southern Cape Fire Protection Association
GAMAP:	Generally Accepted Municipal Accounting Practice	SCM:	Supply Chain Management
GDP:	Gross Domestic Product	SDBIP:	Service Delivery and Budget Implementation Plan
GIS:	Geographic Information System	SDF:	Spatial Development Framework
GIZ:	German International Corporation	SITA:	State Information Technology Agency
GGID:	Good Governance and Institutional Development	TAS:	Turn Around Strategy
GGPP:	Good Governance and Public Participation	WED:	World Environmental Day
GRAP:	General Recognised Accounting Practices	WESSA:	Wildlife and Environmental Society of South Africa
GSC:	Council for Geosciences	WIT:	Wage Incentive Teams
HR:	Human Resources	WWF:	World Wildlife Fund
ICT:	Information Communication Technology	UIF:	Unemployment Insurance Fund
IDASA:	Institute for Democracy in South Africa		
IDP:	Integrated Development Plan		
IFRS:	International Financial Reporting Standards		
IGR:	Intergovernmental Relations		
IMFO:	Institute for Municipal Finance Officers		

APPENDICES

APPENDIX A - COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

2011/2016 TERM - COUNCIL

2011

PARTY	PR	PART	30-Jun	14-Jul	10, 22 & 26 Aug	SEPT: NO MEETING	28-Oct	28-Nov	DEC: NO MEETING	TOTAL
ANC	✓		NM Tanda	NM Tanda	NM Tanda		NM Tanda	NM Tanda		7
ANC	✓		S de Vries	S de Vries (absent on 22/8 and 26/8)	S de Vries (absent on 22/8 and 26/8)		S de Vries	S de Vries (absent)		7
ANC	✓		M Fielies	M Fielies	M Fielies		M Fielies	M Fielies		7
ANC	✓		NA Bityi	NA Bityi	NA Bityi (absent on 26/8)		NA Bityi	NA Bityi (absent)		7
ANC	✓		D Xego	D Xego	D Xego		D Xego	D Xego		7
ANC	✓		P Luiters	P Luiters	P Luiters		P Luiters (absent)	P Luiters (absent)		7
DA	✓		HJ McCombi	HJ McCombi	HJ McCombi		HJ McCombi	HJ McCombi		7
DA	✓		H Floors	H Floors	H Floors		H Floors	H Floors		7
DA	✓		JJA Koegeleberg	JJA Koegeleberg	JJA Koegeleberg (absent on 26/8)		JJA Koegeleberg	JJA Koegeleberg		7
DA	✓		TA Simmers	TA Simmers	TA Simmers		TA Simmers (absent)	TA Simmers		7
DA	✓		NP Ngenmtu	NP Ngenmtu	NP Ngenmtu		NP Ngenmtu	NP Ngenmtu		7
DA	✓		CM Skietekat	CM Skietekat	CM Skietekat		CM Skietekat	CM Skietekat		7
DA	✓		JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg		JG Janse van Rensburg	JG Janse van Rensburg		7
DA	✓		SF May	SF May	SF May		SF May	SF May		7

Oudshoorn	✓					VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	7
Bitou	✓				LL Mvimbi	LL Mvimbi	LL Mvimbi (absent)	LL Mvimbi	7	
Bitou	✓				AR Olivier	AR Olivier	AR Olivier	AR Olivier	7	

2012

		27-Jan	29-Feb	30-Mar	APR: NO MEETING	30-May	28-Jun	30-Jul	27-Aug	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
PARTY	PR	PART												
ANC	✓	NM Tanda	NM Tanda(absent)	NM Tanda	NM Tanda	NM Tanda	NM Tanda	NM Tanda	NM Tanda	NM Tanda	NM Tanda	NM Tanda	NM Tanda	
ANC	✓	S de Vries	S de Vries(absent)	S de Vries	S de Vries (absent)	S de Vries	resigned on 31 Jul 2012	resigned on 31 Jul 2012	Waxa appointed by IEC on 7 Aug 2012	M Fielles	M Fielles	M Fielles	M Fielles	
ANC	✓	M Fielles	M Fielles	M Fielles	M Fielles	M Fielles	M Fielles	M Fielles	M Fielles	M Fielles	M Fielles	M Fielles	M Fielles	
ANC	✓	NA Bityi	NA Bityi	NA Bityi	NA Bityi	NA Bityi	NA Bityi	NA Bityi	NA Bityi	NA Bityi	NA Bityi	NA Bityi	NA Bityi	
ANC	✓	D Xego(absent)	D Xego	D Xego	D Xego	D Xego	D Xego	D Xego	D Xego	D Xego	D Xego	D Xego	D Xego	
ANC	✓	P Luiters(absent)	P Luiters (absent)	P Luiters	P Luiters	resigned on 30 Jun 2012	resigned on 30 Jun 2012	CN Ngalo-appointed by IEC on 13 July 2012	CN Ngalo	CN Ngalo	CN Ngalo	CN Ngalo	CN Ngalo	
DA	✓	HJ McCombi	HJ McCombi	HJ McCombi	HJ McCombi	HJ McCombi	HJ McCombi	HJ McCombi	HJ McCombi	HJ McCombi	HJ McCombi	HJ McCombi	HJ McCombi	
DA	✓	H Floors	H Floors	H Floors	H Floors	H Floors	H Floors	H Floors	H Floors	H Floors	H Floors	H Floors	H Floors	
DA	✓	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg (sick leave)	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg	
DA	✓	TA Simmers	TA Simmers	TA Simmers	TA Simmers	TA Simmers	TA Simmers	TA Simmers	TA Simmers(absent)	TA Simmers	TA Simmers	TA Simmers	TA Simmers	
DA	✓	NP Ngenmtu	NP Ngenmtu	NP Ngenmtu	NP Ngenmtu	NP Ngenmtu	NP Ngenmtu	NP Ngenmtu	NP Ngenmtu	NP Ngenmtu	NP Ngenmtu	NP Ngenmtu	NP Ngenmtu	
DA	✓	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat	
DA	✓	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg	
DA	✓	SF May	SF May	SF May	SF May	SF May	SF May	SF May	SF May	SF May	SF May	SF May	SF May	

Oudshoorn	✓	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen	VI van der Westhuizen
Bitou	✓	LL Mvimbi	LL Mvimbi	LL Mvimbi	LL Mvimbi	Resign as cllr on 17/7/12 as cllr	Resign as cllr on 17/7/12 as cllr	LL Mvimbi	LL Mvimbi	JWG Brummer appointed by IEC on 12/7/12	JWG Brummer appointed by IEC on 12/7/12	JWG Brummer	JWG Brummer	JWG Brummer
Bitou	✓	AR Olivier	AR Olivier	AR Olivier(absent)	Resigned on 9/6/12	Resigned on 9/6/12	Resigned on 9/6/12	Resigned on 9/6/12	Resigned on 9/6/12	Resigned on 9/6/12	Resigned on 9/6/12	Resigned on 9/6/12	Resigned on 9/6/12	Resigned on 9/6/12

APPENDIX B - COMMITTEES AND COMMITTEE PURPOSES

EDEN DISTRICT MUNICIPALITY - SECTION 80 COMMITTEES : AS AT MARCH 2012

	TANDO	BONISILE	REHANA	REHANA	REHANA	TANDO	REHANA	TANDO
PAR-TIES	COMMUNITY SERVICES	INFRASTRUCTURE SERVICES	FINANCIAL SERVICES	CORPORATE SERVICES	STRATEGIC SERVICES	LOCAL ECONOMIC DEVELOPMENT SERVICES	POVERTY ALLEVIATION & RURAL DEV	
CHAIR	AR OLIVIER	J Du TOIT	JJA KOEGELEBERG	TA SIMMERS	HJ MCCOMBI	J MAXIM	SF MAY	
DA	GC Niehaus	JJA Koegelenberg	JG Janse van Rensburg	NP Ngermtu	LBC Esau	HJ McCombi	H Floors	
	LN Qupe	H Floors	JJ Gerber	JJ Gerber	NP Ngermtu	NC Booisen	AR Olivier	
	T Simmers	NC Booisen	SF May	SF May	GC Niehaus	AR Olivier	R Johannes	
		JG Janse van Rensburg			CMA Skietekat	R Johannes	LN Qupe	
ANC	ME Gombo	P van der Hoven	D Xego	T Teyisi	LL Mvimbi	S de Vries	N Bityi	
COPE	MN Tanda	D Abrahams	P van der Hoven	S Mbandezi	P van der Hoven	M Fielies	P van der Hoven	
	J Maxim							
ICOSA				Vacant			W Meshoa	
ACDP			D van Rensburg	D van Rensburg				
				J du Toit				
TOTAL	7	7	7	8	7	7	8	8

SECTION 79 COMMITTEES

OTHER COMMITTEES IN TERMS OF LEGISLATION			
WORKPLACE & RESTRUCTURING	BASIC CONDITIONS OF SERVICES	HUMAN RESOURCE DEV COMMITTEE	AUDIT COMMITTEE
CHAIR	DAPHNE	DAPHNE	J STOFFELS
DA			JW Alberts ABJ Dippenaar
ANC			
COPE			
ICOSA			
ACDP			
SAMWU	Patrick Masango Geraldine Campher	D Baartman M April	
IMATU	P Raath P Koopman	S Nel P Koopman	

OTHER COMMITTEES

	Public Transport Council representatives	Road Agency	DAC
	Chairperson of Infrastructure (J du Toit)	Chairperson of Infrastructure (J du Toit)	
DA	NC Booisen as secundus	NC Booisen as secundus	
ANC			
COPE			
ICOSA			
ACDP			

APPENDIX C - THIRD TIER ADMINISTRATIVE STRUCTURE

Creation Date
05/06/2012

Last Modified
06/11/2012

**EDEN DISTRICT MUNICIPALITY
ORGANOGRAM: OFFICE OF MUNICIPAL MANAGER**

COUNCIL

EXECUTIVE MAYOR

OFFICE OF THE MUNICIPAL MANAGER
PURPOSE: TO ENSURE THAT MUNICIPAL SERVICES ARE ADMINISTERED IN ACCORDANCE
1 X MUNICIPAL MANAGER
CONTRACT SECTION 56

ADMINISTRATIVE COMPONENT
1 x PERSONAL ASSISTANT
1 x ADMINISTRATIVE ASSISTANT

INTERNAL AUDIT SERVICES
1 x CHIEF INTERNAL AUDITOR/REGIONAL FACILITATOR
1 x INTERNAL AUDITOR
1 x ASSISTANT INTERNAL AUDITOR

SDBIP/ORGANISATIONAL PERFORMANCE MANAGEMENT
1 X PERFORMANCE MANAGEMENT OFFICER

DEPARTMENT: SUPPORT SERVICES
1 X EXECUTIVE MANAGER SUPPORT SERVICES
CONTRACT SECTION 56

DEPARTMENT: MANAGEMENT SERVICES
1 X EXECUTIVE MANAGER
CONTRACT SECTION 56

DEPARTMENT: FINANCIAL SERVICES
1 X CHIEF FINANCIAL OFFICER (CFO)

DEPARTMENT: ROADS SERVICES (AGENCY FUNCTION)
1 X MANAGER

APPENDIX D - FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
---------------------	---	--

Constitution Schedule 4, Part B functions:

Air pollution	Yes	Eden Community Services Department
Building regulations	No	B - Municipal/Provincial Government Function
Child care facilities	Yes	Eden Community Services
Electricity and gas reticulation	Yes	Eden Technical Services Department
Firefighting services	Yes	Eden Disaster Management Section
Local tourism	Yes	Eden Tourism Section
Municipal airports	No	B - Municipal Function
Municipal planning	Yes	Eden Strategic Services Department
Municipal health services	Yes	District Municipal Function
Municipal public transport	Yes	Eden Technical Services Department
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	Eden EPWP Section
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	B - Municipal Function
Stormwater management systems in built-up areas	Yes	Eden Technical Services Department
Trading regulations	No	B - Municipal Function
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	B - Municipal Function

Constitution Schedule 5, Part B functions:

Beaches and amusement facilities	No	B - Municipal Function
Billboards and the display of advertisements in public places	No	B - Municipal Function
Cemeteries, funeral parlours and crematoria	No	B - Municipal Function
Cleansing	No	B - Municipal Function
Control of public nuisances	No	B - Municipal Function
Control of undertakings that sell liquor to the public	No	B - Municipal Function
Facilities for the accommodation, care and burial of animals	No	B - Municipal Function
Fencing and fences	No	B - Municipal Function
Licensing of dogs	No	B - Municipal Function
Licensing and control of undertakings that sell food to the public	Yes	Eden Municipal Health Section
Local amenities	No	B - Municipal Function
Local sport facilities	No	B - Municipal Function

Markets	No	B - Municipal Function
Municipal abattoirs	No	B - Municipal Function
Municipal parks and recreation	No	B - Municipal Function
Municipal roads	Yes	Eden Technical Services Department
Noise pollution	No	B - Municipal Function
Pounds	No	B - Municipal Function
Public places	No	B - Municipal Function
Refuse removal, refuse dumps and solid waste disposal	No	B - Municipal Function
Street trading	No	B - Municipal Function
Street lighting	No	B - Municipal Function
Traffic and parking	No	B - Municipal Function

T D

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2011/2012

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

Date of Committee	Committee recommendations during Year 2011/12	Recommendations adopted (enter Yes) If not adopted (provide explanation)
19 August 2011	The Internal Audit provides recommendations to Management based on the findings that have been identified during audits performed.	Yes, follow-up reports are performed to ensure that management implements the recommendations
14 November 2011	The Internal Audit provides recommendations to Management based on the findings that have been identified during audits performed.	Yes, follow-up reports are performed to ensure that management implements the recommendations
22 February 2012	The Internal Audit provides recommendations to Management based on the findings that have been identified during audits performed.	Yes, follow-up reports are performed to ensure that management implements the recommendations
22 March 2012	The Internal Audit provides recommendations to Management based on the findings that have been identified during audits performed.	Yes, follow-up reports are performed to ensure that management implements the recommendations
12 June 2012	The Internal Audit provides recommendations to Management based on the findings that have been identified during audits performed.	Yes, follow-up reports are performed to ensure that management implements the recommendations

APPENDIX K (I) - REVENUE COLLECTION PERFORMANCE BY VOTE

REVENUE COLLECTION PERFORMANCE BY VOTE						
Vote Description	Year 2010/11	Current Year: Year 2011/12			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Executive and Council	263 498	172 079	173 111			
Finance						
Corporate		428	507			
Planning and Development						
Public Safety						
Health Services		108	100			
Community and Social						
Sport and Recreation		4 198	5 093			
Housing						
Waste Management						
Road Transport						
Waste Water Management						
Water						
Electricity						
Environmental Management		106	206			
Total Revenue by Vote	263 498	176 919	179 017	-	-	-

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3 T K.1

APPENDIX K (II) - REVENUE COLLECTION PERFORMANCE BY SOURCE

R '000	Description	Year 2010/11		Year 2011/12			Year 2011/12 Variance		
		Actual		Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
	Property rates								
	Property rates - penalties & collection charges								
	Service Charges - electricity revenue								
	Service Charges - water revenue								
	Service Charges - sanitation revenue								
	Service Charges - refuse revenue								
	Service Charges - other								
	Rentals of facilities and equipment	1 912		1 227					
	Interest earned - external investments	2 803		2 500	2 500	2 089	-16%	-16%	
	Interest earned - outstanding debtors								
	Dividends received								
	Fines	41							
	Licences and permits	17							
	Agency services	10 492		10 000					
	Transfers recognised - operational	236 745		124 952	149 850	249 305	100%	66%	
	Other revenue	11 481		38 241	26 667	23 280	-53%	-13%	
	Gains on disposal of PPE	8							
	Environmental Protection								
	Total Revenue (excluding capital transfers and contributions)	263 499		176 920	179 017	274 674	55%	53%	
	Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.							T K.2	

APPENDIX L - CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG									
R' 000									
Details	Budget	Adjust-ments Budget	Actual	Variance	Adjust-ments Budget		Major conditions applied by donor (continue below if necessary)		
Local Government Financial Management Grant	1 250	1250	1250	0 %	0%				
LGSETA: LED Learnerships	200	200	415	108 %	108 %				
Global fund		58	0	0%	%				
Libraries Grant - Facilities	140	140	0	0%	0%				
Task contributions municipalities	0	0	219	0%	0%				
Roads dept of transport	0	0	120 761	0%	0%				
Work for water	11 705	11 705	3 651	68 %	68 %				
Electricity demand side management	4 000	4 000	0	0%	0%				
MSIG (Municipal System Improvement Grant)	790	790	790	0%	0%				
Total	6380	6380	127 087						
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/ adjustments budget by the actual.									
									T L

APPENDIX M - CAPITAL EXPENDITURE - NEW & UPGRADE / RENEWAL PROGRAMMES

CAPITAL EXPENDITURE - FUNDING SOURCES YEAR 2010/11- 2011/12							
R' 000	Year 2010/11 Actual	Year 2011/12 Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans				0			
Public contributions and donations		8 000		0			
Grants and subsidies		4 000		0			
Own sources		7 000	13 890	669	98%	95%	
Total	0	19 000	13 890	669	98%	95%	
Percentage of finance							
External loans		0%	0%	0%	0%	0%	
Public contributions and donations		42%	0%	0%	0%	0%	
Grants and subsidies		21%	0%	0%	0%	0%	
Other		37%	100%	100%	100%	100%	
Capital expenditure							
Water and sanitation				0			
Electricity				0			
Housing				0			
Roads and storm water				0			
Other		19000	13890	669	-27%	-96%	
Total	0	19000	13890	669	-27%	-96%	
Percentage of expenditure							
Water and sanitation		0	0	0	0	0	
Electricity		0	0	0	0	0	
Housing		0	0	0	0	0	
Roads and storm water		0	0	0	0	0	
Other		1	1	1	1	1	
T5.6.1							

CAPITAL SPENDING ON 5 LARGEST PROJECTS

CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS*

R' 000	Current Year: Year 2011/12	Adjustment Budget	Actual Expenditure	Variance Current Year: Year 1	
Name of Project	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Public Safety		236	196	#DIV/0!	17%
Sport and Recreation	700	291	170	76%	42%
Corporate services	550	503	303	45%	40%
Electricity	4 000	11 490	0	100%	100%
IT equipment	3 602	700	0	100%	100%
					T5.7.1

APPENDIX M (II) - CAPITAL EXPENDITURE - FUNDING SOURCES YEAR 2010/11 - 2011/12

CAPITAL EXPENDITURE - FUNDING SOURCES YEAR 2010/11 - 2011/12							
R' 000	Year 2010/11 Actual	Year 2011/12 Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans				0			
Public contributions and donations		8 000		0			
Grants and subsidies		4 000		0			
Own sources		7 000	13 890	669	98%	95%	
Total	0	19 000	13 890	669	98%	95%	
Percentage of finance							
External loans		0%	0%	0%	0%	0%	
Public contributions and donations		42%	0%	0%	0%	0%	
Grants and subsidies		21%	0%	0%	0%	0%	
Other		37%	100%	100%	100%	100%	
Capital expenditure							
Water and sanitation				0			
Electricity				0			
Housing				0			
Roads and storm water				0			
Other		19000	13890	669	-27%	-96%	
Total	0	19000	13890	669	-27%	-96%	
Percentage of expenditure							
Water and sanitation		0	0	0	0	0	
Electricity		0	0	0	0	0	
Housing		0	0	0	0	0	
Roads and storm water		0	0	0	0	0	
Other		1	1	1	1	1	

T5.6.1

APPENDIX O - DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY: YEAR 2011/12				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 1 R' 000	Total Amount committed over previous and future years
No loans were made by the municipality				
* Loans/Grants - whether in cash or in kind				T R

APPENDIX Q - NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Development of Regional Bulk Water Supply and Wastewater master plans	100%
	Development of Integrated Waste Management Master Plan	100%
	Establish a Renewable energy forum in the district	100%
	Development of Bulk Sanitation Masterplan	100%
	Plan and develop a regional landfill site with a hazardous cell	35%
	Draft by-laws and policy for waste management in the region	60%
	Developed an Air Quality Masterplan	100%
	Developed a Disaster Management Plan	100%
	Render a Municipal Health Service	100%
	Development of a District Integrated Transport Plan (DITP)	90%
	District Non-motorised Transport Plan developed	100%
	Eden Mobility Strategy developed	100%
	Maintenance of district municipal roads	100%
	Appointment of District EPWP Coordinator	100%
Develop an EPWP strategy	45%	
Output: Deepen democracy through a refined Ward Committee model	As District Municipality (Category C Municipality), the Eden District Municipality does not have Ward Committees. 90% of all B - Municipalities residing within the district, however, do have fully functional Ward Committees.	
	IDP review for 2011/12	100%
	Financial statements submitted by legislative deadline	100%
	Unqualified audit report for 2010/11	100%
	Implement performance management system (not organisational)	80 - 90%
	Implement IT system integration	80%
	Disaster Recovery Infrastructure	100%
	Develop a land asset system	65%
	Institutionalization of participation structures	50%
	Implement disability programmes	60%
Output: Administrative and financial capability	Human resource administration	90%
	Regional HR forum operational	100%
	Workplace skills plan for 2011/12 submitted	100%
	SALGA- Corporate Working group	100%
	Regional Skills Development Forum	100%
	Conduct skills audit for the region	100%

* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.

APPENDIX S - DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA SECTION 71 RETURNS NOT MADE DURING YEAR 1 ACCORDING TO REPORTING REQUIREMENTS

Return	Reason Return has not been properly made on due date
AM2012	Information in terms of Assets / Financial statements is not in the required format and difficulty completing the return

APPENDIX T

REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

We present our report for the financial year ended 30 June 2012

RESPONSIBILITY

The EDEN DISTRICT MUNICIPALITY has constituted its Audit and Performance Audit Committee (hereinafter referred to as the "Audit Committee") to function in terms of the provisions of Section 166 of the Municipal Finance Management Act, 2003 (MFMA) and to fulfil the functions of a Performance Management Audit Committee constituted in terms of Regulation 14(2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

TERMS OF REFERENCE

The Audit Committee is constituted in terms of the requirements of sound corporate governance practices and operates in accordance with a written charter that incorporates the specific requirements of section 166 of the MFMA. The Committee amended the charter to reflect the revised membership composition as approved by the Council. The Municipal Manager has signed the charter as confirmation.

COMPOSITION OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

The Audit Committee comprises of four independent members. Council appointed an independent member to chair the committee. Both the internal and external auditors had unrestricted access to the Audit Committee.

The Audit Committee consisted of the following members during the financial year ended 30 June 2012:

1. Mr. J. Stoffels - independent Member and Chairperson – re-appointed 1 September 2011
2. Mr. JRN Metelerkamp – Independent Member - appointed 1 September 2011
3. Mr G. Harris – Independent Member - appointed 1 September 2011
4. Mr RA Barrell – Independent Member - appointed 1 September 2011

These appointments were made for a term of three years.

ACTIVITIES

The Audit Committee met 6 times during the financial year ended 30 June 2012, and carried out the following functions in terms of our charter:

1. Reviewed and amended the Audit and Performance Audit Committee Charter, and referred it to Council for approval. The Municipal Manager signed the Charter as confirmation.
2. Reviewed and approved the rolling and annual internal audit plans including the definition of audit units, audit universe, and prioritization of audit coverage taking into account the outputs of the risk assessments performed.
3. Reviewed executive summaries of all internal audit reports issued.
4. Reviewed the reporting by internal audit on performance management and performance information.
5. Issued reports and recommendations to Council on performance management and performance information.
6. Reviewed the annual financial statements at 30 June 2012, the Final Management Report of the Auditor General, as well as the report of the Auditor-

General on the annual financial statements and the findings of the Auditor General on pre-determined objectives and compliance with certain laws and regulations, and their detailed management letter.

7. Performed assessments on the effectiveness of the Committee for review and comment by the Municipal Manager and for presentation to the Council.
8. Reviewed various forensic reports in order to advise Council.
9. Considered other matters as deemed appropriate.

After the financial year-end, we also started having regular monthly meetings with the municipal manager to discuss issues of mutual concern. In December 2012 we had a meeting with the Executive Mayor, where we raised the following critical issues :

- (a) The lack of capacity within the Internal Audit unit, which compromises the integrity of the Internal Audit Plan ;
- (b) To consider the appointment of a senior manager within the office of the municipal manager to provide administrative support to the municipal manager. We feel that the latter is being burdened with too many mundane activities that impact negatively on his role and function as accounting officer of the municipality.

AUDITOR GENERAL'S REPORT AND FINAL MANAGEMENT LETTER

Report on the Annual Financial Statements

The Auditor General's Report for the financial year ended 30 June 2012 report comprises of the following :

- (a) The Report on the Financial Statements ;
- (b) The Report on Other Legal and Regulatory Requirements ;
- (c) The Report on Internal Control ;
- (d) Other Reports.

The Committee has taken note of the unqualified audit report and Final Management Letter issued by the Auditor General, and the responses of Management and Council to the report. We are also mindful of the fact that EDEN DM did not receive a clean audit.

OTHER FINDINGS AND RECOMMENDATIONS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

Revenue

Revenue from operations increased from R 264 million in 2011 to R 275 million in 2012, an increase of 4.1%, based on the consolidated figures.

Based on the unconsolidated figures, revenue from operations decreased from R173m in 2011 to R154m in 2012 a decrease of 11% based on the unconsolidated figures. The latter include only Eden District Municipality's figures. The decrease was due to :

- Government grants and levies which decreased from R 32 million in 2011 to R 5 million in 2012, an decrease of 84% ;

- The Regional Services Levies Equitable Share which increased from R 114 million in 2011 to R 123 million in 2012. Included in the figures for 2011 is the DMA equitable share allocation that Eden received, but these functions have been transferred to George Municipality from May 2011.
- Decrease in revenue from exchange transactions from R28m in 2011 to R 25m in 2012.

The expected increase for 2013 for the Regional Services Levies Equitable Share is in the region of 3%. It must be noted however that the increase of 3% is below the rate of inflation and that over 90% of total revenue is derived from grant funding from government.

Expenditure

Employer related costs represents 60% of total expenditure, based on the unconsolidated figures (R92m of R 152m) and this will increase as current vacancies are filled. The restructuring which took place during the 2011/2012 financial year resulted in a decrease of R 1,7 million in employee related costs.

Current ratio

This ratio measures the liquidity position of an organisation by comparing current assets against current liabilities. The current ration for 2012 is 1:1 (2011 = 0, 83:1). While there is a slight improvement, it is still below the norm of 2:1. It points to a potential liquidity problem.

Cash Position

The cash resources as per the cash flow statement rose by R 16 million in 2012 to an amount of R 43 million at the end of the period, it must be noted that included in the R43 m balance is R 15m of the roads agency functions that was consolidated into the financial statements at the end of the year. This follows decreases in 2011 (R17 million) and 2010 (R 15 million), and can be ascribed to the positive effects of the Turnaround Strategy.

Council and management need to be commended for their efforts in this regard, but cannot afford to become complacent.

Forensic audits, Litigation and Suspensions

We were fully briefed by the municipal manager with regard to confidential information related to forensic audits, litigation, suspensions and other confidential matters.

We trust that this necessary practice will continue.

Performance Management

- The Committee endorses the priority implementation of all recommendations made by the Internal and External Auditors. It is clear that not enough time and resources are committed to this critical aspect of municipal administration
- The new Ignite system purchased by the municipality is not utilised adequately and effectively by management, and this has impacted negatively on

Performance Management. The process whereby performance reviews are conducted leaves much to be desired, and needs urgent attention. Part of this process could include pre-review discussions with managers, where uncertainties about the process are ironed out with them, and where issues like targets, KPA's and KPI's are re-visited with a view to strengthening the integrity of the process.

- At the time of this report, the performance evaluation of the Section 57 appointees for 2012 had not been completed, and this bears testimony to the deficiencies in the Performance Management System.
- Performance management and measurement should be extended to include all levels of staff.

Risk Management

Internal audit has issued a number of reports covering risk management.

The Audit Committee recorded its concerns regarding the following matters highlighted in these reports:

- a) The need for ongoing mitigation, monitoring and management of identified risks in a more rigorous and structured manner to reduce risks of financial loss and reputational damage to the Municipality; and
- b) The potential impact of risks highlighted that are associated with asset management, supply chain management irregularities, irregular expenditure, lack of skills and funding.

King III compliance

In terms of leading practices, risk assessment and risk management functions should ideally be performed through a separate Risk Committee and a Risk Department with a Chief Risk Officer (CRO) heading the risk management function. The District Municipality has established a Risk Management Committee.

However, due to lack of capacity within the municipality, the Audit Committee as well as Internal Audit facilitated and provided guidance on risk related issues. This is consistent with practices adopted in many other public and private sector institutions with similar capacity constraints.

Internal Audit

Internal Audit operates under a 3-year rolling Internal Audit plan, approved by the Audit Committee, and which has a significant current focus on financial internal controls.

We have consistently argued that the internal audit unit needs to be strengthened as a matter of urgency, because the unit lacks the critical mass to effectively manage the Internal Audit Plan. Furthermore, the internal audit function should have sufficient skills and resources to ensure that internal controls of the municipality are placed on a sound financial footing.

The Auditor General also noted on page 13 of the Final Management Report that “the internal audit function was inadequately staffed”.

APPOINTMENTS AND COMMITTEE MEMBERSHIP

Mr RA Barrell resigned as independent member of the Audit Committee on 30 September 2012 to take up a position as a fulltime town councilor in Knysna. Ms Adele Potgieter was appointed in his stead on 1 October 2012.

Ms Louise Hoek has been appointed as Chief Financial Officer after the end of the financial year ended 30 June 2012.

TURNAROUND STRATEGY

The above findings and comments by the Auditor General suggest that the turnaround strategy that has been developed by senior management and approved by Council have not been fully implemented, and that there are still deficiencies in the strategy.

We urge management to re-double their efforts to rectify the deficiencies highlighted by the Auditor - General in his Final Management Letter.

FORENSIC AUDITS, LITIGATION AND SUSPENSIONS

We are extremely concerned about the fact that the municipality is constantly embroiled in forensic audits, litigation of one kind or another, and suspensions of employees.

Apart from the obvious financial and reputational risks that these matters pose to the organisation, it hampers progress, and ultimately prevents us from obtaining a clean audit.

We urge Council to give urgent attention to these matters.

CONCLUSION


The Audit Committee acknowledges that the environment within which management operates is difficult, given the economic down turn, and the fact that grant funding to District municipalities has decreased. There have also been ongoing changes to accounting practices, systems, policies and procedures which have been difficult to adopt, especially given the scarcity of skills.


We are confident that all the policies, procedures and programs are now in place to push for a clean audit by the latest in 2014. The Final Management Report clearly highlights the deficiencies in the administration of Eden District Municipality, and we are not going to repeat them here. In our opinion Management and Council should focus on the following during 2013 and beyond :

1. The development of short term financial and operational strategies to mitigate the severe impact of current economic conditions. Particular attention should be given to the optimal utilisation of municipality's property assets.

2. The development of medium to long term financial and operational strategies to address the deteriorating financial position.
3. Ongoing focus on effective execution of core functions and service delivery, particularly with regard to the needs and expectations of local communities.
4. Improvement of the accuracy of in-year financial and performance reporting and the effectiveness of related monitoring processes. We hope that the appointment of a permanent Chief Financial Officer will aid this process.
5. Greater effort must be focussed on the relevance and validity of reporting against pre-determined objectives.
6. The continuation of efforts to implement cost effective measures to improve the control environment, given financial and human resource constraints. This includes implementation of specific recommendations made by both internal and external audit.
7. Increased focus on measures to identify, assess and manage significant risks to which the Municipality is exposed.

Finally, the Committee extends its congratulations to Council, Management and Service Providers for their efforts and achievements under difficult circumstances. The Auditor-General has acknowledged that significant progress has been made since 2011.


.....
J. STOFFELS – MEMBER AND CHAIRPERSON


.....
N. METLERKAMP – MEMBER

18 January 2013

VOLUME II

ANNUAL FINANCIAL STATEMENTS

EDEN DISTRICT MUNICIPALITY STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012

NET ASSETS AND LIABILITIES	2012 R (Actual)	2011 R (Restated)
	463,122,511	561,329,824
Net assets		
Housing Development Fund	56,426	56,426
Capital replacement reserve	7,390,546	15,379,122
Accumulated Surplus/(Deficit)	455,675,539	545,894,275
Non-current liabilities	97,589,958	93,148,924
Long-term liabilities	2,512,940	3,178,302
Employee Benefits	92,196,213	81,102,186
Liabilities associated with discontinued operations	-	6,281,576
Non-current provisions	2,880,805	2,586,861
Current liabilities	52,477,382	59,603,207
Consumer deposits	-	-
Current Employee Benefits	15,923,299	14,967,164
Provisions	2,368,639	2,112,116
Payables from Exchange Transactions	25,765,139	29,759,180
Unspent conditional grants and receipts	7,883,178	11,181,706
Current portion of long-term liabilities	537,128	1,583,041
Total Net Assets and Liabilities	613,189,851	714,081,955
ASSETS		
Non-current assets	559,466,447	664,802,222
Property, plant & equipment	164,894,176	179,107,822
Non-Current Assets Held for Sale / discontinued operations	-	92,716,166
Investment Property	347,128,730	354,026,907
Intangible Assets	2,664,986	3,799,327
Non-Current Investments	40,774	40,974
Long-term receivables	44,737,781	35,111,026
Current assets	53,723,404	49,279,731
Inventory	3,311,513	3,405,546
Trade receivables from exchange transactions	1,314,981	1,674,951
Other receivables - Non exchange transactions	1,916,135	7,460,855
Vat receivable	1,754,629	5,064,616
Unconditional Grants & Receipts	0	2,230,805
Current portion of long-term debtors	2,653,527	2,297,645
Cash and Cash Equivalents	42,772,619	27,145,311
Total Assets	613,189,851	714,081,955

EDEN DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

Note	2012 (Actual) R	2011 (Restated) R	Correction of error R	Discontinued Operations R	2011 (Previously reported) R
	Total				Total
REVENUE					
Revenue from Non-Exchange Transactions	249,323,919	236,605,222	(208,880)	-	236,814,102
Taxation Revenue	126	-	-	-	-
Property rates - penalties imposed and collection charges	-	-	-	-	-
Regional Services Levies	126	-	-	-	-
Public contributions, donated and contributed property, plant and equipment	-	-	-	-	-
Transfer Revenue	249,305,881	236,535,863	(208,880)	-	236,744,743
Regional Services Levies Equitable Share	122,912,000	113,776,428	-	-	113,776,428
Government grants and subsidies	126,393,881	122,759,435	(208,880)	-	122,968,315
Other Revenue	17,911	69,359	-	-	69,359
Fines	-	40,930	-	-	40,930
Insurance Proceeds	-	-	-	-	-
Fair Value Adjustment - Investments	-	-	-	-	-
Unamortised Discount	17,911	28,429	-	-	28,429
Assets Identified for the First Time	-	-	-	-	-
Revenue from Exchange Transactions	25,350,187	27,520,310	836,658	-	26,683,652
Rental of facilities and equipment	1,265,673	1,959,778	48,000	-	1,911,778
Interest earned - external investments	2,089,886	2,802,731	-	-	2,802,731
Interest earned - outstanding debtors	5	19	-	-	19
Licenses and permits	205,200	17,000	-	-	17,000
Third Party Payments	-	22,970	-	-	22,970
Actuarial Gain from Ex-Gratia Pensions	2,944,250	32,861	-	-	32,861
Income for agency services	10,215,000	10,491,877	-	-	10,491,877
Other income	8,118,310	10,252,045	788,658	-	9,463,387
TASK Contributions Municipalities	-	-	-	-	-
Gains on disposal of property, plant and equipment	-	7,864	-	-	7,864
Contribution Shop Steward	511,863	1,933,164	-	-	1,933,164
Total Revenue	<u>274,674,106</u>	<u>264,125,532</u>	<u>627,778</u>	<u>-</u>	<u>263,497,754</u>
EXPENDITURE					
Employee related costs	91,969,470	93,698,704	680,391	-	93,018,313
Remuneration of Councillors	6,326,927	5,507,839	-	-	5,507,839
Impairment of Trade Receivables	380,212	1,943,583	-	-	1,943,583
Collection costs	-	-	-	-	-
Actuarial Loss	562,626	5,494,642	-	-	5,494,642
Impairment Losses	2,237,519	-	-	-	-
Increase in Provision for Rehabilitation of Landfill Sites	-	127,086	-	-	127,086
Increase in Provision for Alien Vegetation	550,467	43,322	-	-	43,322
Depreciation	6,481,585	7,957,064	(1,713,036)	-	9,585,639
Amortisation	1,048,638	747,154	-	-	831,616
Repairs and maintenance	2,167,853	5,300,633	2,450,893	-	2,849,740
Finance Charges	401,852	1,132,899	410,899	-	722,001
Contracted services	5,692,604	6,864,176	-	-	6,864,176
Grants and subsidies utilised	5,420,789	11,752,029	(292,161)	-	12,044,190
Roads - Grants and subsidies utilised	120,761,442	91,215,130	-	-	91,215,130
Stock Losses	268,288	-	-	-	-
Unamortised Discount - Interest	112,654	127,367	-	-	127,367
Loss on disposal of property, plant and equipment	200,780	(28,421)	(28,421)	-	-
General Expenses	28,514,535	46,248,079	349,455	-	45,898,624
Total Expenditure	<u>273,098,241</u>	<u>278,131,288</u>	<u>1,858,021</u>	<u>-</u>	<u>276,273,268</u>
SURPLUS/(DEFICIT) FOR THE YEAR FROM CONTINUING OPERATIONS	1,575,865	(14,005,756)	(1,230,242)	-	(12,775,514)
Surplus/ (Deficit) from Discontinued Operations	-	8,999,450	314,728	-	8,684,722
SURPLUS/(DEFICIT) FOR THE YEAR	<u>1,575,865</u>	<u>(5,006,306)</u>	<u>(915,515)</u>	<u>-</u>	<u>(4,090,791)</u>
Loss on transfer of District Management Area	(99,783,176)	-	-	-	-
NET (DEFICIT) FOR THE YEAR	<u>(98,207,312)</u>	<u>(5,006,306)</u>	<u>(915,515)</u>	<u>-</u>	<u>(4,090,791)</u>

Refer to Note 42 for explanation of variances

EDEN DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2012

	<u>Capital Replacement Reserve</u>		<u>Government Grant Reserve</u>		<u>Revaluation Reserve</u>		<u>Housing Development Fund</u>		<u>Accumulated Surplus/(Deficit)</u>		<u>Total</u>	
	R	R	R	R	R	R	R	R	R	R	R	R
2011												
Balance at 1 July 2010	15,379,122	-	-	-	-	-	56,426	548,173,858	563,609,407			
Correction of error (Note 30)								2,726,723	2,726,723			
Prior year adjustments												
Amount transferred to unspent grants												
Changes in accounting policy												
Restated Balance	15,379,122	-	-	-	-	-	56,426	550,900,582	566,336,130			
Surplus/(deficit) for the year								(4,090,791)	(4,090,791)			
Corrections												
Purchase of Property, Plant and Equipment												
Transfer to CRR	0											
Transfer to Housing Development Fund												
Interest received												
Balance at 30 June 2011	15,379,122	-	-	-	-	-	56,426	546,809,790	562,245,339			
2012												
Correction of error (Note 30)								(915,516)	(915,516)			
Restated Balance	15,379,122	-	-	-	-	-	56,426	545,894,275	561,329,824			
Surplus/(deficit) for the year								(98,207,312)	(98,207,312)			
Purchase of Property, Plant and Equipment												
Transfer to Surplus	(7,988,576)							7,988,576				
Transfer to Housing Development Fund												
Interest received												
Balance at 30 June 2012	7,390,546	-	-	-	-	-	56,426	455,675,539	463,122,512			

EDEN DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 R	2011 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		43,819,761	35,761,154
Government - operating		249,305,881	217,121,886
Government - capital		-	19,413,979
Interest		2,089,891	2,802,751
Dividends		-	-
Payments			
Suppliers and employees		(266,706,383)	(265,784,670)
Finance charges		(401,852)	(1,132,899)
Transfers and Grants		-	-
Cash generated/(absorbed) by operations	31	28,107,298	8,182,198
NET CASH FROM OPERATING ACTIVITIES		28,107,298	8,182,198
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(635,614)	(17,654,339)
Proceeds on disposal of property, plant and equipment		-	244,902
Additions to Investment Properties		-	-
Increase in intangible assets		(33,513)	(2,234,097)
Decrease / (Increase) in non-current receivables		(9,964,727)	(2,822,081)
Decrease / (Increase) in non-current investments		200	-
Decrease / (Increase) in Discontinued Operations		-	-
Decrease in call investment deposits		-	-
NET CASH FROM INVESTING ACTIVITIES		(10,633,654)	(22,465,615)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in consumer deposits		-	4,546
Increase/(Decrease) in Long term liabilities		(1,823,928)	(2,718,801)
Increase/(Decrease) in Liabilities associated with Discontinued Operations		(22,409)	-
Increase in funds and reserves		-	-
NET CASH FROM FINANCING ACTIVITIES		(1,846,336)	(2,714,255)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		15,627,308	(16,997,672)
Cash and cash equivalents at the beginning of the year		27,145,311	44,142,983
Cash and cash equivalent at the end of the year	32	42,772,619	27,145,311

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8,10 and 11 of GRAP 3 (Revised – February 2010) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board

The Municipality resolved to early adopt the following GRAP standards which have been issued but are not effective yet.

Standard	Description	Effective Date
GRAP 1 (Revised – Mar 2012)	Presentation of Financial Statements	1 April 2013
GRAP 3 (Revised – Mar 2012)	Accounting Policies, Changes in Accounting Estimates and Errors	1 April 2013
GRAP 9 (Revised – Mar 2012)	Revenue from Exchange Transactions	1 April 2013
GRAP 12 (Revised – Mar 2012)	Inventories	1 April 2013
GRAP 13 (Revised – Mar 2012)	Leases	1 April 2013
GRAP 16 (Revised – Mar 2012)	Investment Property	1 April 2013
GRAP 17 (Revised – Mar 2012)	Property, Plant and Equipment	1 April 2013
GRAP 21 (Original – Mar 2009)	Impairment of non-cash-generating assets	1 April 2012
GRAP 23 (Original – Feb 2008)	Revenue from Non-Exchange Transactions	1 April 2012
GRAP 25 (Original – Nov 2009)	Employee Benefits	1 April 2013
GRAP 26 (Original – Mar 2009)	Impairment of cash-generating assets	1 April 2012
GRAP 27 (Revised – Mar 2012)	Agriculture	1 April 2013
GRAP 31 (Revised – Mar 2012)	Intangible Assets	1 April 2013
GRAP 104 (Original – Oct 2009)	Financial Instruments	1 April 2012
IGRAP 16 (Issued – Mar 2012)	Intangible Assets – Website Costs	1 April 2013

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Investment Property, Property, Plant and Equipment and Intangible Assets where the acquisition cost of an asset could not be determined.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand. No foreign exchange transactions are included in the statements.

1.3. GOING CONCERN ASSUMPTION

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

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification are disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total expenditure (AG's determination for 2011).

1.6. PRESENTATION OF BUDGET INFORMATION

As noted, GRAP 24 is not effective yet. However budget information required in terms of GRAP 1 (Revised – March 2012) paragraph 11 to 14 have been disclosed in the financial statements. The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury.

1.7. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

Standard	Description	Effective Date
GRAP 6 (Revised – Nov 2010)	Consolidated and Separate Financial Statements The objective of this Standard is to prescribe the circumstances in which consolidated and separate financial statements are to be prepared and the information to be included in those financial statements so that the consolidated financial statements reflect the financial performance, financial position and cash flows of	Unknown

	<p>an economic entity as a single entity.</p> <p>No significant impact is expected as the Municipality does not have any entities at this stage to be consolidated.</p>	
<p>GRAP 7 (Revised – Mar 2012)</p>	<p>Investments in Associate</p> <p>This Standard prescribes the accounting treatment for investments in joint ventures where the investment in the associate leads to the holding of an ownership interest in the form of a shareholding or other form of interest in the net assets.</p> <p>No significant impact is expected as the Municipality does not participate in such business transactions.</p>	<p>1 April 2013</p>
<p>GRAP 8 (Revised – Nov 2010)</p>	<p>Interest in Joint Ventures</p> <p>The objective of this Standard is to prescribe the accounting treatment of jointly controlled operations, jointly controlled assets and jointly controlled entities and to provide alternatives for the recognition of interests in jointly controlled entities.</p> <p>No significant impact is expected as the Municipality is not involved in any joint ventures.</p>	<p>Unknown</p>
<p>GRAP 18 (Original – Feb 2011)</p>	<p>Segment Reporting</p> <p>The objective of this Standard is to establish principles for reporting financial information by segments.</p> <p>Information to a large extent is already included in the appendices to the annual financial statements which do not form part of the audited financial statements.</p>	<p>Unknown</p>
<p>GRAP 24 (Original – Nov 2007)</p>	<p>Presentation of Budget Information in Financial Statements</p> <p>This Standard requires a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities that are required to, or elect to, make publicly available their approved budget(s) and for which they are, therefore, held publicly accountable. The Standard also requires disclosure of an explanation of the reasons for material differences between the budget and actual amounts.</p> <p>Information to a large extent is already included in the notes to the annual financial statements and the impact is assessed to not be significant.</p>	<p>1 April 2012</p>
<p>GRAP 103 (Original – July 2008)</p>	<p>Heritage Assets</p> <p>The objective of this Standard is to prescribe the</p>	<p>1 April 2012</p>

	<p>accounting treatment for heritage assets and related disclosure requirements.</p> <p>No adjustments necessary as the Municipality has no significant heritage assets other than the assets currently accounted for in terms of GRAP 17.</p>	
GRAP 105 (Original – Nov 2010)	<p>Transfer of Functions Between Entities Under Common Control</p> <p>The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.</p> <p>No significant impact is expected as the Municipality does not participate in such business transactions.</p>	Unknown
GRAP 106 (Original – Nov 2010)	<p>Transfer of Functions Between Entities Not Under Common Control</p> <p>The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control.</p> <p>No significant impact is expected as the Municipality does not participate in such business transactions.</p>	Unknown
GRAP 107 (Original – Nov 2010)	<p>Mergers</p> <p>The objective of this Standard is to establish accounting principles for the combined entity and combining entities in a merger.</p> <p>No significant impact is expected as the Municipality does not participate in such business transactions.</p>	Unknown
IGRAP 12	<p>Jointly Controlled Entities non-monetary contributions</p> <p>The objective of this Interpretation of the Standard is to prescribe the treatment of profit/loss when an asset is sold or contributed by the venturer to a Jointly Controlled Entity (JCE).</p> <p>No significant impact is expected as the Municipality does not have any JCE's at this stage.</p>	

These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

1.8. RESERVES

1.8.1 Capital Replacement Reserve (CRR)

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

1.8.2 Housing Development Fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.9. LEASES

1.9.1 Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality shall recognise the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.9.2 Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease revenue is recognised on a straight-line basis over the term of the relevant lease. The difference

between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

1.10. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as an individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.11. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of the grant is receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.12. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

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

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be de-recognised..

1.13. EMPLOYEE BENEFITS

(a) *Post Retirement Medical Obligations*

The Municipality provides post-retirement medical benefits by subsidising the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are charged or credited to the Statement of Financial Performance in the period that they occur. These obligations are valued periodically by independent qualified actuaries.

(b) *Long Service Awards*

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are charged or credited to the Statement of Financial Performance in the period that they occur. These obligations are valued periodically by independent qualified actuaries.

(c) Ex gratia Gratuities

Ex gratia gratuities are provided to employees who were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries and the corresponding liability is raised. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are charged or credited to the Statement of Financial Performance in the period that they occur. These obligations are valued periodically by independent qualified actuaries.

(d) Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

Accumulated leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

(e) Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

(f) Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

(g) Pension and retirement fund obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. Defined benefit plans are post-employment benefit plans other than defined contribution plans. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

(h) Other Short-term Employee Benefits

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.14. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The amount of borrowing costs that the Municipality capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

1.15. PROPERTY, PLANT AND EQUIPMENT

1.15.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired are initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

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

1.15.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.15.3 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives:

	Years		Years
<u>Infrastructure</u>		<u>Other</u>	
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
Housing	30	Watercraft	15
		Bins and containers	5
<u>Community</u>		Specialised plant and	
Buildings	30	Equipment	10-15
Recreational Facilities	20-30	Other plant and	
Security	5	Equipment	2-5
Halls	20-30	Landfill sites	15
Libraries	20-30	Quarries	25
Parks and gardens	15-20	Emergency equipment	10
Other assets	15-20	Computer equipment	3
<u>Finance lease assets</u>			
Office equipment	3		
Other assets	5		

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.15.4 De-recognition

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

1.15.5 Land and buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2010. For Other Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2010.

1.16. INTANGIBLE ASSETS

1.16.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the Municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the Municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.16.2 Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.16.3 Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate

accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<u>Intangible Assets</u>	Years
Computer Software	3-5
Computer Software Licenses	5

1.16.4 De-recognition

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

1.16.5 Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2010.

1.17. INVESTMENT PROPERTY

1.17.1 Initial Recognition

Investment property shall be recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

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

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

1.17.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.17.2 Depreciation and Impairment – Cost Model

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e.

when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	<u>Years</u>
Buildings	30

1.17.4 De-recognition

Investment property is derecognised when it is disposed of or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.17.5 Application of deemed cost - Directive 7

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2010.

1.18. NON-CURRENT ASSETS HELD FOR SALE

1.18.1 Initial Recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.18.2 Subsequent Measurement

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.19. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.19.1 Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the

estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.19.2 **Non-cash-generating assets**

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.20. NON CURRENT INVESTMENTS

Financial instruments, which include fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.21. INVENTORIES

1.21.1 Initial Recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories shall be recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

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

1.21.2 Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

1.22. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions).

1.22.1 Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

1.22.2 Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.22.2.2 Receivables

Receivables are classified as financial assets at amortised cost, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.22.2.3 Payables and Annuity Loans

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.22.2.4 Cash and Cash Equivalents

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

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities as other financial liabilities carried at amortised cost.

1.22.3 **De-recognition of Financial Instruments**

1.22.3.1 Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

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

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is de-recognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.22.3.2 Financial Liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.22.4 **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised

amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

1.23. REVENUE

1.23.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

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

Fine Revenue constitutes both spot fines and summonses.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

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

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured at the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

All unclaimed deposits are initially recognised as a liability until 12 months expire, when all unclaimed deposits into the Municipality's bank account will be treated as revenue as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits

are recognised as revenue after 12 months, the Municipality still keeps record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months.

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

1.23.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is disclosed under Trade and Other Payables in the Statement of Financial Position.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connections on the property. Service charges are based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

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

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

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue shall be measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration

received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.24. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.25. UNAUTHORISED EXPENDITURE

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

expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27. CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Management judgement is required when recognising and measuring contingent liabilities.

1.28. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury. The presentation of budget information is in line with the basis of accounting as per the GRAP Framework. GRAP 24: Presentation of Budget Information in Financial Statements is not yet effective. This standard brings new rules in respect of presentation of budget information.

1.29. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Post retirement medical obligations, Long service awards and Ex-gratia gratuities

The cost of post retirement medical obligations, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 4 of the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make

payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of Property, Plant and Equipment.

- The useful lives of movable assets were determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides were used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectancy, where appropriate.

Management referred to the following when making assumptions regarding useful lives of intangible assets:

- Reference was made to intangibles used within the Municipality and other municipalities to determine the useful lives of the assets.

Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectancy, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuers to support the useful life of buildings.

Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

Revenue Recognition

Accounting Policy 1.23.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.23.2 on Revenue from Exchange Transactions describe the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Revenue from the issuing of spot fines and summonses has been recognised on the accrual basis using estimates of future collections based on the actual results of prior periods. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

Provision for Performance bonuses

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over their expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

1.30. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.30. CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.31. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2 HOUSING DEVELOPMENT FUND	2012 R	2011 R
Housing Development Fund	56,426	56,426
- Unappropriated Surplus	56,426	56,426
- Loans extinguished by Government on 1 April 1998	-	-
The Housing Development Fund is represented by the following assets and liabilities		
- Property, plant and equipment (see note 12)	-	-
- Bank and cash	56,426	56,426
Total Housing Development Fund Assets and Liabilities	56,426	56,426

3 LONG TERM LIABILITIES	2012 R	2011 R
Capitalised Lease Liability - At amortised cost	(0)	1,119,975
DBSA Loans - At amortised cost	3,287,198	3,995,824
Sub-total	3,287,198	5,115,799
Less: Current portion transferred to currents liabilities	537,128	1,583,041
Capitalised Lease Liability - At amortised cost	-	1,119,975
DBSA Loans - At amortised cost	635,168	575,720
Current Portion of Unamortised Charges to Loans	(98,040)	(112,654)
Less: Unamortised Charges to Loans	237,130	349,784
Balance 1 July	349,784	472,643
Adjustment for the Year	(112,654)	(122,859)
Less: Less liability associated with Discontinued Operations - Note 15	-	(4,672)
Total Long-term Liabilities - At amortised cost using the effective interest rate method	2,512,940	3,178,302

Annuity loans at amortised cost is calculated at 9.29%-17.82% interest rate, with first maturity date of 31 December 2009 and last maturity date of 31 March 2029. Interest rates are at arms length and the amounts reflected above represents the fair value of the financial liabilities. The schedule of contractual maturity analysis for Annuity Loans:

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

The obligations under finance leases are scheduled below:

	Minimum Lease Payments	
	2012	2011
Amounts payable under finance leases:		
Payable within one year	-	1,160,383
Payable within two to five years	-	-
Payable after five years	-	-
Less: Future finance obligations	-	(40,408)
Present value of lease obligations	-	1,119,975
Less: Amounts due for settlement within 12 months	-	(1,119,975)
Amount due for settlement after 12 months	-	-

The obligations under DBSA loans are scheduled below:

	Minimum Lease Payments	
	2012	2011
Amounts payable under DBSA loans		
Payable within one year	302,596	1,065,689
Payable within two to five years	404,514	3,914,061
Payable after five years	-	-
Less: Future finance obligations	707,110	4,979,750
Present value of lease obligations	2,580,088	(983,926)
Less: Amounts due for settlement within 12 months	3,287,198	3,995,824
Amount due for settlement after 12 months	(635,168)	(575,720)
Amount due for settlement after 12 months	2,652,030	3,420,103

4 EMPLOYEE BENEFITS	2012 R	2011 R
Provision for Post Employment Health Care Benefits	44,434,116	46,394,817
Roads - Provision for Post Employment Health Care Benefits	43,847,116	33,764,096
Provision for Ex-Gratia Pension Benefits	1,009,246	1,129,529
Roads - Provision for Ex-Gratia Pension Benefits	1,002,246	1,107,225
Provision for Long Service Leave Awards	4,173,517	3,744,356
Roads - Provision for Long Service Leave Awards	2,499,304	2,401,975
	96,965,545	88,541,998
Less Short Term Portion Transferred to Current Provisions	(4,769,332)	(4,631,735)
Less: Less liability associated with Discontinued Operations - Note 15	-	(2,808,077)
Total Non-current Employee Benefit Liabilities	92,196,213	81,102,186

Included in the above provision for Employee Benefits are the following amounts in respect of benefits payable to the Roads Division:

	2012 R	2011 R
Roads - Provision for Post Employment Health Care Benefits	43,847,116	33,764,096
Roads - Provision for Ex-Gratia Pension Benefits	1,002,246	1,107,225
Roads - Provision for Long Service Leave Awards	2,499,304	2,401,975
	47,348,666	37,273,296

In terms of the agreement with the Western Cape Provincial Government these amounts will be recoverable from the Provincial Government Western Cape on payment to the set employees. Refer note 17.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

4	EMPLOYEE BENEFITS (CONTINUED)	2012 R	2011 R
	<u>Post Employment Health Care Benefits</u>		
	Balance 1 July	80,158,912	68,811,791
	Contribution for the year	2,930,581	2,260,798
	Interest Cost	6,659,298	6,084,564
	Expenditure for the year	(3,950,180)	(3,560,160)
	DMA staff transfer curtailment	(2,352,508)	-
	Actuarial Loss/(Gain)	4,835,127	6,561,920
	Total post retirement benefits 30 June	88,281,230	80,158,913
	Less: Transfer of Current Portion - Note 7	(3,873,060)	(3,743,569)
	Balance 30 June	84,408,170	76,415,344
	<u>Long Service Leave Benefits</u>		
	Balance 1 July	6,146,331	7,429,386
	Contribution for the year	788,126	1,209,164
	Interest Cost	456,213	604,936
	Expenditure for the year	(803,163)	(1,299,876)
	DMA staff transfer curtailment	(433,160)	-
	Actuarial Loss/(Gain)	518,474	(1,797,279)
	Total post retirement benefits 30 June	6,672,821	6,146,331
	Less: Transfer of Current Portion - Note 7	(581,994)	(579,801)
	Balance 30 June	6,090,827	5,566,530
	<u>Ex-Gratia Pension Awards</u>		
	Balance 1 July	2,236,754	2,297,036
	Contribution for the year	-	-
	Interest Cost	157,281	178,358
	Expenditure for the year	(303,400)	(317,084)
	Actuarial Loss/(Gain)	(79,143)	78,444
	Total post retirement benefits 30 June	2,011,492	2,236,754
	Less: Transfer of Current Portion - Note 7	(314,277)	(308,366)
	Balance 30 June	1,697,215	1,928,388
	<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
	Balance 1 July	88,541,997	78,538,213
	Contribution for the year	3,718,707	3,469,962
	Interest Cost	7,272,792	6,867,858
	Expenditure for the year	(5,056,743)	(5,177,120)
	DMA staff transfer curtailment	(2,785,668)	-
	Actuarial Loss/(Gain)	5,274,458	4,843,085
	Total post retirement benefits 30 June	96,965,543	88,541,998
	Less: Transfer of Current Portion - Note 7	(4,769,331)	(4,631,736)
	Balance 30 June	92,196,212	83,910,262
4.1	Post Retirement Benefits	2012 Members	2011 Members
	The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
	In-service (employee) members	201	233
	Roads - In-service (employee) members	184	174
	Continuation members (e.g. retirees, widows, orphans)	81	82
	Roads - Continuation members (e.g. retirees, widows, orphans)	71	73
	Total Members	537	562
	The liability in respect of past service has been estimated to be as follows:	2012 R	2011 R
	In-service members	20,197,695	18,270,798
	Roads - In-service members	18,080,395	14,159,873
	Continuation members	24,236,421	28,124,019
	Roads - Continuation members	25,766,720	19,604,223
	Total Liability	88,281,231	80,158,913
	The liability in respect of periods commencing prior to the comparative year has been estimated as follows:	2008 R	2009 R
	In-service members	13,025,741	13,235,688
	Roads - In-service members	9,430,788	9,836,950
	Continuation members	24,759,457	22,272,894
	Roads - Continuation members	17,717,275	18,241,793
		64,933,261	63,587,325
		2010 R	2011 R
		14,544,044	12,297,165
		23,789,933	18,180,649
		68,811,791	68,811,791

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
Keyhealth
LA Health
PeoSano
SAMWU Medical Aid

The Future-service Cost for the ensuing year is estimated to be R 3 208 495, whereas the Interest- Cost for the next year is estimated to be R 6 591 292.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

4 EMPLOYEE BENEFITS (CONTINUED)

Key actuarial assumptions used:

i) Rate of interest

Discount rate	7.63%	8.50%
Health Care Cost Inflation Rate	6.93%	7.28%
Net Effective Discount Rate	0.66%	1.14%

ii) Mortality rates

The PA 90 ult. Mortality table was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 60 years.

It has been assumed that in-service members will retire at age 60, which then implicitly allows for expected rates of early and ill-health retirement.

The amounts recognised in the Statement of Financial Position are as follows:

	2012 R	2011 R
Present value of fund obligations	44,434,116	38,333,977
Roads - Present value of fund obligations	43,847,115	30,477,814
Net liability/(asset)	88,281,231	68,811,791

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	80,158,912	68,811,791
Current service cost	2,930,581	2,260,798
Interest Cost	6,659,298	6,084,564
Benefits Paid	(3,950,180)	(3,560,160)
Total expenses	85,798,611	73,596,993
DMA Staff Transfer Curtailment	(2,352,508)	
Actuarial (gains) / losses	4,835,127	6,561,920
Present value of fund obligation at the end of the year	88,281,230	80,158,912

Sensitivity Analysis on the Accrued Liability

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions		38.278	50.003	88.281	
Health care inflation	1%	47.072	55.620	102.692	16.00%
Health care inflation	-1%	31.426	45.283	76.710	-13.00%
Post retirement mortality	- 1 yr	39.566	52.100	91.666	4.00%
Average retirement age	+ 1 yr	41.205	50.003	91.208	3.00%
Withdrawal rate	-50%	43.019	50.003	93.022	5.00%

4.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 269 Eden employees and 303 Roads employees were eligible for Long Service Bonuses.

The Future-service Cost for the ensuing year is estimated to be R 735 605, whereas the Interest- Cost for the next year is estimated to be R 413 095.

Key actuarial assumptions used:

i) Rate of interest

Discount rate	6.47%	7.78%
General Salary Inflation (long-term)	5.97%	6.27%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.47%	1.42%

Analysis of accrued liability

	2012 R	2011 R
Fair value of plan assets -		
Accrued Liability	4,173,517	3,744,356
Roads - Accrued Liability	2,499,304	2,401,975
Unrecognised past service cost -	-	-
Present value of unfunded obligations	-	-
Net liability / (asset)	6,672,821	6,146,331

Reconciliation of accrued liability values:

Present value of fund obligation at the beginning of the year	6,146,331	7,429,386
Current service cost	788,126	1,209,164
Present value of fund obligation recognised for the first time		
Roads - Present value of fund obligation recognised for the first time		
Interest Cost	456,213	604,936
Benefits Paid	(803,163)	(1,299,876)
Total expenses	6,587,507	7,943,610
DMA Staff Transfer Curtailment	(433,160)	
Actuarial (gains) / losses	518,474	(1,797,279)
Present value of fund obligation at the end of the year	6,672,821	6,146,331

The amounts recognised in the Statement of Financial Position are as follows:

	2012 R	2011 R
Accrued Liability	4,173,517	3,744,356
Roads - Accrued Liability	2,499,304	2,401,975
Net liability	6,672,821	6,146,331

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

4 EMPLOYEE BENEFITS (Continued)

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2008 R	2009 R	2010 R
Accrued Liability	2,570,533	3,241,846	4,752,074
Roads - Accrued Liability	1,913,003	1,694,817	2,677,312
Total Liability	4,483,536	4,936,663	7,429,386

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		6.673	
General salary inflation	+ 1%	7.141	7%
General salary inflation	- 1%	6.250	-6%
Average retirement age	-2 yrs	5.362	-20%
Average retirement age	+2 yrs	7.687	15%
Withdrawal rates	-50%	8.071	21%

4.3 Provision for Ex-Gratia Pension Benefits

The Ex-Gratia Pension Benefit plans are defined benefit plans. As at year end, 10 former Eden employees and 18 former Roads employees were eligible for Ex-Gratia Benefits.

The is no Current-service cost as there are no in-service members eligible for ex-gratia pension benefits, whereas the Interest- Cost for the next year is estimated to be R 108 116.

Key actuarial assumptions used:

	2012 %	2011 %
i) Rate of interest		
Discount rate	5.82%	7.54%
Pension Increase Rate	2.52%	2.65%
Net Effective Discount Rate: pensioners with pension increases of 50% of DPI	3.22%	4.77%

The amounts recognised in the Statement of Financial Position are as follows:

	2012 R	2011 R
Accrued Liability	1,009,245	1,129,529
Roads - Accrued Liability	1,002,246	1,107,225
Net liability	2,011,491	2,236,754

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2008 R	2009 R	2010 R
Accrued Liability	1,293,368	1,331,368	1,103,251
Roads - Accrued Liability	1,103,805	1,302,980	1,193,785
Total Liability	2,397,173	2,634,348	2,297,036

Analysis of accrued liability

	2012 R	2011 R
Fair value of plan assets -		
Accrued Liability	1,009,245	1,129,529
Roads - Accrued Liability	1,002,246	1,107,225
Unrecognised past service cost -	-	-
Unrecognised actuarial gains / (losses) -	-	-
Present value of unfunded obligations	-	-
Net liability / (asset)	2,011,492	2,236,754

Reconciliation of accrued liability values:

	2012	2011
Present value of fund obligation at the beginning of the year	2,236,754	2,297,036
Current service cost	-	-
Present value of fund obligation recognised for the first time	-	-
Roads - Present value of fund obligation recognised for the first time	-	-
Interest Cost	157,281	178,358
Benefits Paid	(303,400)	(317,084)
Total expenses	2,090,635	2,158,310
Actuarial (gains) / losses	(79,143)	78,444
Present value of fund obligation at the end of the year	2,011,492	2,236,754

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (R)	% change
Central assumptions		2,011,492	
Pension Increase rate	+1%	2,118,122	5%
Pension Increase rate	-1%	1,913,104	-5%
Post-retirement mortality	- 1 yr	2,115,957	5%

4.4 Retirement Funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Therefore, although both the Cape Joint Pension Fund and Cape Joint Retirement Fund are defined as defined benefit plans, it will be accounted for as defined contribution plans.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

4	EMPLOYEE BENEFITS (Continued)	2012	2011
		R	R
	Cape Joint Pension Fund		
	The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 20112 revealed that the fund is in an sound financial position with a funding level of 98.10% (30 June 2011 - 98.10%). Actuarial valuations also determined that there were a shortfall in the investment return for the 30 June 2011 financial year.	2012	2011
	Contributions paid recognised in the Statement of Financial Performance	<u>400,853</u>	<u>456,289</u>
	Cape Retirement Fund		
	The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2012 revealed that the fund is in a sound financial position with a funding level of 116.9% (30 June 2011 - 116.9%).		
	Contributions paid recognised in the Statement of Financial Performance	<u>11,220,255</u>	<u>11,828,102</u>
	Defined Contribution Plans		
	Council contribute to the Municipal Council Pension Fund and the NMWF Retirement Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.		
	Contributions paid recognised in the Statement of Financial Performance		
	Municipal Councillors Pension Fund	179,144	261,626
	NMWF Retirement Fund	-	41,596
	Contributions paid recognised in the Statement of Financial Performance	<u>179,144</u>	<u>303,223</u>
5	NON-CURRENT PROVISIONS	2012	2011
		R	R
	Rehabilitation of Landfill Site	-	2,668,805
	Roads - Provision for Burrow Pits	-	-
	Provision for Alleviation of Alien Vegetation	5,249,444	4,698,977
	Less current portion transferred to Current Provisions - Note 8	(2,368,639)	(2,112,116)
	Less portion transferred to discontinued operations	-	(2,668,805)
	Total Non-Current Provisions	<u>2,880,805</u>	<u>2,586,861</u>
	Landfill Sites		
		2012	2011
		R	R
	Balance 1 July	-	2,541,719
	Contribution for the year	-	-
	Expenditure for the year	-	127,086
	Actuarial Loss/(Gain)	-	-
	Total provision 30 June	<u>-</u>	<u>2,668,805</u>
	Less portion transferred to discontinued operations	-	(2,668,805)
	<u>Less: Transfer of Current Portion to Current Provisions - Note 8</u>	<u>-</u>	<u>-</u>
	Balance 30 June	<u>-</u>	<u>-</u>
	Clearing of Alien Vegetation		
		2012	2011
		R	R
	Balance 1 July	4,698,977	4,751,550
	Contribution for the year	550,467	43,322
	Expenditure for the year	-	(95,895)
	Total provision 30 June	<u>5,249,444</u>	<u>4,698,977</u>
	<u>Less: Transfer of Current Portion to Current Provisions - Note 8</u>	<u>(2,368,639)</u>	<u>(2,112,116)</u>
	Balance 30 June	<u>2,880,805</u>	<u>2,586,861</u>
	According to the Alien Vegetation Eradication plan developed for the district municipality, it is estimated that an amount of R5,249,444 is required assuming that a strategy is followed where all properties were treated in the first year. The total budget required for the first follow-up would be R2,368,638 in the second year, R863,625 in the third year and R596,451 in the fourth year and will continued for 10 years.		
	The provision for the rehabilitation of the Landfill Site is calculated based on rehabilitation measures of 0.5 m ² /m of clay berm around top of cell with 1884 m ² of erosion protection with earth fill suited to the establishment of indigenous flora.		
6	CONSUMER DEPOSITS	2012	2011
		R	R
	Electricity and Water	-	73,754
	Less: Less liability associated with Discontinued Operations - Note 15	-	(73,754)
	Total Consumer Deposits	<u>-</u>	<u>-</u>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
7 CURRENT EMPLOYEE BENEFITS		
Performance Bonuses	1,106,005	680,445
Balance previously reported		712,013
Correction of error - Note 30.7		(31,568)
Provision for Staff Leave	4,244,637	4,567,241
Provision for Staff Bonus	2,033,115	2,203,441
Roads - Provision for Staff Leave	2,249,965	2,058,381
Roads - Performance Bonuses	84,598	126,218
Roads - Provision for Staff Bonus	1,435,646	1,350,759
	4,769,332	4,631,736
Current Portion of Employee Benefit Provisions	2,117,086	2,446,005
Current Portion of Employee Benefit Provisions - Roads	2,652,246	2,185,731
Less portion transferred to discontinued operations	-	(651,057)
Total Provisions	15,923,299	14,967,164

	<u>Roads - Performance Bonus</u>	<u>Performance Bonus</u>
30-Jun-12		
Balance at beginning of year	126,218	680,445
Overprovision previous year	(126,218)	-
Contributions to provision - current year provision	84,598	425,560
Balance at end of year	84,599	1,106,005

30-Jun-11		
Balance at beginning of year	11,161	590,192
Contributions to provision - current year provision	115,057	437,692
Expenditure incurred	-	(347,439)
Balance at end of year	126,218	680,445

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

	<u>Roads - Staff Leave</u>	<u>Staff Leave</u>
30-Jun-12		
Balance at beginning of year	2,058,381	4,567,241
Contributions to provision - current year provision	191,584	(322,604)
Expenditure incurred	-	-
Balance at end of year	2,249,965	4,244,637

30-Jun-11		
Balance at beginning of year	1,801,397	4,152,104
Contributions to provision - current year provision	256,984	1,305,190
Expenditure incurred	-	(890,053)
Balance at end of year	2,058,381	4,567,241

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

	<u>Roads - Staff Bonus</u>	<u>Staff Bonus</u>
30-Jun-12		
Balance at beginning of year	1,350,759	2,203,441
Contributions to provision - current year provision	1,979,271	3,510,833
Expenditure incurred	(1,894,384)	(3,681,158)
Balance at end of year	1,435,647	2,033,115

30-Jun-11		
Balance at beginning of year	-	1,960,408
Contributions to provision - current year provision	1,350,759	243,033
Expenditure incurred	-	-
Balance at end of year	1,350,759	2,203,441

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

For more information regarding the provisions for Post Retirement Benefits and Long-term Service Awards - Refer to Note 4 to the Financial Statements, Other Defined Benefit Plan Information

	2012 R	2011 R
8 PROVISIONS		
Current Portion of Alleviation of Alien Vegetation	2,368,639	2,112,116
Total Provisions	2,368,639	2,112,116

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
9 TRADE PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	2,489,692	7,527,308
Balance previously reported		6,744,468
Correction of error - Note 30.5		782,840
Payments received in advance	4,582,032	2,486,025
Income received in advance : Pre-paid	-	52,708
Shortfall on Pension fund	3,571,756	3,139,267
Balance previously reported		2,589,452
Correction of error - Note 30.5		549,815
Roads - Shortfall on Pension fund	665,648	480,329
Roads - Long Service Bonus	-	-
Other creditors	3,647,063	5,667,987
Balance previously reported		6,771,107
Correction of error - Note 30.5		(1,103,120)
Roads - Payment Received in Advance	7,522,825	9,089,789
Roads - Other creditors	1,155,618	624,312
Government subsidies: Department of Transport - Roads	1,283,266	-
Roads - Plant Account	-	-
Retention Creditors	-	27,895
Balance previously reported		475,734
Correction of error - Note 30.5		(447,839)
Debtors with credit balances	126,483	49,540
Roads - Debtors with credit balances	-	18,989
Councillors Transport Allowance	50,514	-
Allocations to municipalities	670,242	670,242
Less liability associated with Discontinued Operations - Note 15	-	(75,211)
Total Trade Payables	<u><u>25,765,139</u></u>	<u><u>29,759,180</u></u>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

10 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent Grants	7,883,179	11,181,706
National Government Grants	6,124,200	7,655,661
Provincial Government Grants	960,834	3,066,802
Other Grant Providers	798,144	459,243
Less:	1	2,230,805
National Government Grants	-	332,043
Provincial Government Grants	1	2,648,168
Correction of Error - Note		(749,407)
Other Grant Providers	-	-
Total Conditional Grants and Receipts	<u><u>7,883,177</u></u>	<u><u>8,950,901</u></u>

See appendix "C" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. R 189 000 of the MSIG grant and R 1 572 000 of the Electricity Demand Side Management Grant was withheld.

11 TAXES

VAT Receivable	1,754,629	5,064,616
Balance previously reported		5,063,549
Restatement - Refer to Note 30.4		1,067
Roads - VAT payable	-	-
	<u><u>1,754,629</u></u>	<u><u>5,064,616</u></u>

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

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

EDEN DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
12 PROPERTY PLANT & EQUIPMENT
30 JUNE 2012

Reconciliation of Carrying Value

	Opening Balance (excl Capital under Construction)		Opening Balance (incl Capital under Construction)		Capital under construction (Additions)		Cost		Accumulated Depreciation and Impairment Losses										Carrying Value R						
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R		R	R	R	R	R	R
Infrastructure	5,703,625	-	5,703,625	-	-	-	19,815	52,883	-	44,114,759	43,088,986	-	7,921	25,158	-	7,893,327	7,792,137	685,952	-	5,970,948	-	-	-	-	-
Drains	4,818,282	-	4,818,282	-	-	-	-	-	-	14,949,165	14,942,502	-	75,519	-	-	3,634,454	3,634,090	218,206	-	4,606,739	-	-	-	-	-
Beach Improvements	328,513	-	328,513	-	-	-	34,317	-	3,072,700	3,672,700	-	16,462	-	20,303	-	550,528	550,528	174,967	-	118,229	-	-	-	-	
Sewerage Mains and Purification	56,607	-	56,607	-	-	-	14,000	-	2,423,028	2,423,028	-	4,314	-	3,733	-	301,927	301,927	44,552	-	300,775	-	-	-	-	
Electricity mains	288,214	-	288,214	-	-	3,965	-	-	13,754,663	12,715,643	-	66,321	-	1,173	-	2,010,382	1,908,028	214,676	-	1,108,693	-	-	-	-	
Water Mains & Purification	20,000	-	20,000	-	-	4,960	-	-	9,314,612	9,334,612	-	1,847	-	-	-	1,386,238	1,389,668	-	-	0	-	-	-	-	
Water Reservoirs	4,960	-	4,960	-	-	10,880	4,368	-	-	-	-	-	-	-	-	-	-	-	-	106,171	-	-	-	-	
Water Meters	155,049	-	155,049	-	-	-	-	-	-	139,789	-	7,500	2,720	1,122	-	-	-	33,622	-	-	-	-	-	-	
Landfill Sites	3,868,856	-	3,868,856	-	-	-	1,887,821	-9,050	-	622,023	1,349,961	-	122,809	-	237,149	-	205,267	108,284	-	513,759	-	-	-	-	
Community Assets	65,117	-	65,117	-	-	-	1,839	-	-	69,278	-	8,524	-	835	-	9,246	-	8,246	-	65,231	-	-	-	-	
Parks and Gardens	540,989	-	540,989	-	-	-	528,210	-9,050	-	48,606	-	17,768	-	64,730	-	4,984	-	744	-	4,984	-	-	-	-	
Libraries	491,609	-	491,609	-	-	-	1,369,971	-	-	491,609	-	16,414	-	231,484	-	205,267	-	57,624	-	433,986	-	-	-	-	
Recreation Grounds	2,771,141	-	2,771,141	-	-	-	-	-	-	392,329	-	86,073	-	-	-	-	-	41,851	-	19,557	-	-	-	-	
Civic Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Heritage Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Art Galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Land and Buildings	162,444,538	-	162,444,538	-	-	170,149	17,422	-177	-	156,412,523	156,412,523	8,466,747	-	2,323	-	594,021	-	9,893,412	-	145,716,110	-	-	-	-	
Land	104,164,327	-	104,164,327	-	-	-	-	-	-	100,654,520	-	1,833,022	-	2,323	-	594,021	-	100,654,520	-	100,654,520	-	-	-	-	-
Buildings	58,280,211	-	58,280,211	-	-	170,149	17,422	-177	-	54,757,893	54,757,893	8,466,747	-	2,323	-	594,021	-	9,893,412	-	45,064,481	-	-	-	-	
Other Assets	31,442,545	-	31,442,545	-	-	485,466	1,102,229	-438,037	-	28,677,140	14,960,888	3,589,000	915,473	1,356,479	-436,028	201,766	57,534	15,887,141	-	12,688,999	-	-	-	-	
Office Equipment	5,192,446	-	5,192,446	-	-	292,792	385,592	-271,462	-	4,049,979	2,897,540	465,986	342,037	651,440	-239,770	89,118	2,466	2,295,422	-	1,819,557	-	-	-	-	
Furniture and Fittings	4,293,598	-	4,293,598	-	-	86,339	99,108	-10,183	-	3,973,055	890,292	890,292	38,274	210,949	-1,379	15,688	5,194	2,478,540	-	1,494,515	-	-	-	-	
Bins and Containers	210,971	-	210,971	-	-	-	36,420	-	-	174,551	-	7,971	-	-	-	-	-	40,447	-	134,104	-	-	-	-	
Emergency equipment	3,161,033	-	3,161,033	-	-	55,313	283,592	152,547	-	2,974,674	1,311,218	428,725	49,088	188,464	152,547	44,800	1,684,898	-	1,319,737	-	-	-	-		
Motor Vehicles	7,014,368	-	7,014,368	-	-	33,991	163,314	64,208	-	7,004,631	2,684,510	564,932	15,541	23,363	2,100	44,800	3,478,965	-	3,795,666	-	-	-	-		
Fire Engines	906,417	-	906,417	-	-	11,990	125,148	-	-	769,281	320,128	63,021	-	104,319	-	-	270,815	-	494,466	-	-	-	-		
Computer Equipment	6,559,319	-	6,559,319	-	-	102,373	506,491	-364,304	-	6,457,683	3,924,991	643,211	456,781	170,028	-390,282	41,282	3,190,772	-	2,389,092	-	-	-	-		
Councilors Regalia	4,766,425	-	4,766,425	-	-	-	-	-	-	4,157,105	2,079,647	835,511	-	7,917	-	-	2,807,242	-	1,249,863	-	-	-	-	-	
Conceivancy Tankers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disaster Management Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing Rental Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Scheme 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Scheme 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Leased Assets (Infra.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Leased Assets (Infra.)	203,459,564	-	203,459,564	-	-	635,615	1,122,044	-447,264	-	44,368,783	51,727,982	5,715,007	921,284	-436,939	8,648,959	-	28,474,770	-	164,893,816	-	-	-	-	-	

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

12. PROPERTY PLANT & EQUIPMENT (CONTINUED)

30 JUNE 2011

Reconciliation of Carrying Value

	Opening Balance (excl Capital under Construction)				Opening Balance (incl Capital under Construction)				Cost				Accumulated Depreciation and Impairment Losses				Transfer to Held For Sale				Closing Balance				Carrying Value			
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Infrastructure	54,607,153	34,554,024	89,161,177	582,071	12,160,089	12,160,089	23,827,618	99,593,711	5,703,625	5,703,625	5,837,227	3,000,327	1,851	1,851	1,851	1,851	8,492,219	8,492,219	445,336	445,336	1,851	1,851	1,851	1,851	5,258,289	5,258,289	5,258,289	5,258,289
Drahts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance previously reported	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of error	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads and Streets	19,588,127	7,198,969	26,783,640	-	12,160,089	12,160,089	7,198,969	22,047,124	4,818,282	4,818,282	2,518,874	1,258,823	-	-	-	-	-	-	-	-	-	-	-	-	142,324	142,324	4,675,959	4,675,959
Balance previously reported	19,588,127	7,198,969	26,783,640	-	12,160,089	12,160,089	7,198,969	22,047,124	4,818,282	4,818,282	2,518,874	1,258,823	-	-	-	-	-	-	-	-	-	-	-	-	142,324	142,324	4,675,959	4,675,959
Maintenance incorrectly capitalized - Note 30.1	(2,456)	-	(2,456)	-	(2,456)	(2,456)	-	-	(2,456)	(2,456)	(533)	(217)	-	-	-	-	-	-	-	-	-	-	-	-	(750)	(750)	(1,706)	(1,706)
Review of Useful lives - Note 30.1	-	-	-	-	-	-	-	-	-	-	(72,388)	(24,093)	-	-	-	-	-	-	-	-	-	-	-	-	(86,482)	(86,482)	96,482	96,482
Correction of land incorrectly depreciated Refer note 30.1	-	-	-	-	-	-	-	-	-	-	(1,046,924)	(523,482)	-	-	-	-	-	-	-	-	-	-	-	-	(1,570,387)	(1,570,387)	1,570,387	1,570,387
Beach Improvements	7,265,204	3,291,776	10,556,980	437,597	10,556,980	10,556,980	-	-	328,513	328,513	700,757	371,264	-	-	-	-	-	-	-	-	-	-	-	-	883,213	883,213	178,808	178,808
Sewerage Mains and Purification	7,774,302	3,291,776	11,066,078	437,597	10,556,980	10,556,980	-	-	328,513	328,513	700,757	371,264	-	-	-	-	-	-	-	-	-	-	-	-	883,213	883,213	178,808	178,808
Balance previously reported	7,774,302	3,291,776	11,066,078	437,597	10,556,980	10,556,980	-	-	328,513	328,513	700,757	371,264	-	-	-	-	-	-	-	-	-	-	-	-	883,213	883,213	178,808	178,808
Maintenance incorrectly capitalized - Refer note 30.1	(509,098)	-	(509,098)	-	(509,098)	(509,098)	-	-	(509,098)	(509,098)	(8,722)	(28,833)	-	-	-	-	-	-	-	-	-	-	-	-	(474,543)	(474,543)	624,247	624,247
Electricity mains	2,599,490	-	2,599,490	-	2,599,490	2,599,490	-	-	88,807	88,807	245,293	109,304	-	-	-	-	-	-	-	-	-	-	-	-	43,951	43,951	44,656	44,656
Balance previously reported	2,603,332	-	2,603,332	2,455,919	2,599,490	2,599,490	-	-	88,807	88,807	245,293	109,304	-	-	-	-	-	-	-	-	-	-	-	-	43,951	43,951	44,656	44,656
Review of Useful lives - Note 30.1	(3,842)	-	(3,842)	(2,455,919)	(3,842)	(3,842)	-	-	(2,455,919)	(2,455,919)	(1,177)	(256)	-	-	-	-	-	-	-	-	-	-	-	-	(1,433)	(1,433)	(2,458,328)	(2,458,328)
Maintenance incorrectly capitalized - Refer note 30.1	-	-	-	-	-	-	-	-	-	-	(1,177)	(256)	-	-	-	-	-	-	-	-	-	-	-	-	(1,433)	(1,433)	(2,458,328)	(2,458,328)
Electricity Peak Load equipment	14,042,887	7,805,712	21,848,578	14,000	21,848,578	21,848,578	-	-	288,214	288,214	1,353,888	703,012	-	-	-	-	-	-	-	-	-	-	-	-	2,011,739	2,011,739	45,171	45,171
Water Mains & Purification	14,042,887	7,805,712	21,848,578	14,000	21,848,578	21,848,578	-	-	288,214	288,214	1,353,888	703,012	-	-	-	-	-	-	-	-	-	-	-	-	2,011,739	2,011,739	45,171	45,171
Balance previously reported	14,042,887	7,805,712	21,848,578	14,000	21,848,578	21,848,578	-	-	288,214	288,214	1,353,888	703,012	-	-	-	-	-	-	-	-	-	-	-	-	2,011,739	2,011,739	45,171	45,171
Maintenance incorrectly capitalized - Refer note 30.1	(746)	-	(746)	-	(746)	(746)	-	-	(746)	(746)	(112)	(37)	-	-	-	-	-	-	-	-	-	-	-	-	(149)	(149)	(697)	(697)
Water Reservoirs	9,334,612	-	9,334,612	-	9,334,612	9,334,612	-	-	20,000	20,000	933,044	466,522	-	-	-	-	-	-	-	-	-	-	-	-	1,386,236	1,386,236	3,331	3,331
Balance previously reported	9,334,612	-	9,334,612	-	9,334,612	9,334,612	-	-	20,000	20,000	933,044	466,522	-	-	-	-	-	-	-	-	-	-	-	-	1,386,236	1,386,236	3,331	3,331
Correction of error	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Meters	4,980	-	4,980	-	4,980	4,980	-	-	4,980	4,980	1,516	331	-	-	-	-	-	-	-	-	-	-	-	-	1,847	1,847	3,113	3,113
Balance previously reported	4,980	-	4,980	-	4,980	4,980	-	-	4,980	4,980	1,516	331	-	-	-	-	-	-	-	-	-	-	-	-	1,847	1,847	3,113	3,113
Maintenance incorrectly capitalized - Refer note 30.1	(800)	-	(800)	-	(800)	(800)	-	-	(800)	(800)	(201)	(65)	-	-	-	-	-	-	-	-	-	-	-	-	(96)	(96)	(125,145)	(125,145)
Water Mains	156,049	3,308,951	3,464,000	-	3,464,000	3,464,000	-	-	155,049	155,049	21,640	8,361	-	-	-	-	-	-	-	-	-	-	-	-	29,904	29,904	125,145	125,145
Balance previously reported	156,049	3,308,951	3,464,000	-	3,464,000	3,464,000	-	-	155,049	155,049	21,640	8,361	-	-	-	-	-	-	-	-	-	-	-	-	29,904	29,904	125,145	125,145
Assets recognized for the first time - Refer note 30.1	3,356,750	-	3,356,750	-	3,356,750	3,356,750	-	-	3,356,750	3,356,750	1,752,323	158,000	-	-	-	-	-	-	-	-	-	-	-	-	96	96	1,910,227	1,910,227
Balance previously reported	3,356,750	-	3,356,750	-	3,356,750	3,356,750	-	-	3,356,750	3,356,750	1,752,323	158,000	-	-	-	-	-	-	-	-	-	-	-	-	96	96	1,910,227	1,910,227
Assets recognized for the first time - Refer note 30.1	10,701	-	10,701	-	10,701	10,701	-	-	10,701	10,701	1,604	535	-	-	-	-	-	-	-	-	-	-	-	-	2,139	2,139	8,562	8,562
Maintenance incorrectly capitalized - Refer note 30.1	(3,212,402)	-	(3,212,402)	-	(3,212,402)	(3,212,402)	-	-	(3,212,402)	(3,212,402)	(1,732,288)	(150,174)	-	-	-	-	-	-	-	-	-	-	-	-	(243,064)	(243,064)	(1,329,840)	(1,329,840)
Landfill Sites	1,618,301	790,548	2,408,849	110,475	2,408,849	2,408,849	-	-	162,204	162,204	80,860	80,860	-	-	-	-	-	-	-	-	-	-	-	-	243,064	243,064	-	-
Balance previously reported	1,618,301	790,548	2,408,849	110,475	2,408,849	2,408,849	-	-	162,204	162,204	80,860	80,860	-	-	-	-	-	-	-	-	-	-	-	-	243,064	243,064	-	-
Correction of error	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	3,786,701	-	3,786,701	-	3,786,701	3,786,701	-	-	3,786,701	3,786,701	361,603	127,778	-	-	-	-	-	-	-	-	-	-	-	-	609	609	488,772	488,772
Parks and Gardens	3,786,701	-	3,786,701	-	3,786,701	3,786,701	-	-	3,786,701	3,786,701	361,603	127,778	-	-	-	-	-	-	-	-	-	-	-	-	609	609	488,772	488,772
Balance previously reported	3,786,701	-	3,786,701	-	3,786,701	3,786,701	-	-	3,786,701	3,786,701	361,603	127,778	-	-	-	-	-	-	-	-	-	-	-	-	609	609	488,772	488,772
Maintenance incorrectly capitalized - Refer note 30.1	65,117	-	65,117	-	65,117	65,117	-	-	65,117	65,117	4,080	2,547	-	-	-	-	-	-	-	-	-	-	-	-	6,627	6,627	58,490	58,490
Review of Useful lives - Note 30.1	65,117	-	65,117	-	65,117	65,117	-	-	65,117	65,117	4,080	2,547	-	-	-	-	-	-	-	-	-	-	-	-	6,627	6,627	58,490	58,490
Libraries	547,622	-	547,622	-	547,622	547,622	-	-	540,989	540,989	30,974	18,241	-	-	-	-	-	-	-	-	-	-	-	-	609	609	488,606	488,606
Balance previously reported	547,622	-	547,622	-	547,622	547,622	-	-	540,989	540,989	30,974	18,241	-	-	-	-	-	-	-	-	-	-	-	-	609	609	488,606	488,606
Correction of error	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	491,609	-	491,609	-	491,609	491,609	-	-	481,609	481,609	24,841	16,369	-	-	-	-	-	-	-	-	-	-	-	-	41,210	41,210	450,399	450,399
Balance previously reported	491,609	-	491,609	-	491,609	491,609	-	-	481,609	481,609	24,841	16,369	-	-	-	-	-	-	-	-	-	-	-	-	41,210	41,210	450,399	450,399
Assets recognized for the first time - Refer note 30.1	478,841	-	478,841	-	478,841	478,841	-	-	478,841	478,841	23,545	15,937	-	-	-	-	-	-	-	-	-	-	-	-	39,482	39,482	439,159	439,159
Balance previously reported	478,841	-	478,841	-	478,841	478,841	-	-	478,841	478,841	23,545	15,937	-	-	-	-	-	-	-	-	-	-	-	-	39,482	39,482	439,159	439,159
Assets recognized for the first time - Refer note 30.1	12,968	-	12,968	-	12,968	12,968	-	-	12,968	12,968	1,286	432	-	-	-	-	-	-	-	-	-	-	-	-</				

EDEN DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
12 PROPERTY, PLANT AND EQUIPMENT (Continued)

	2012 R	2011 R
Third party payments received for losses incurred:		
Payments received (Excluding VAT)	-	-
Carrying value of assets written off/lost	200,780	208,617
Surplus/Deficit	200,780	208,617

Impairment of property plant and equipment

Impairment charges on Property, plant and equipment recognised in statement of financial performance

Land and Buildings	15,099	-
Infrastructure	27,524	-
Community Assets	1,590,673	-
Lease Assets	-	-
Heritage	-	-
Other	473,682	-
	2,106,977	-

Cumulative impairment charges included in major balances

Land and Buildings	-	-
Infrastructure	-	-
Community Assets	-	-
Lease Assets	-	-
Heritage	-	-
Other	-	-
	-	-

Effect of changes in accounting estimates

During the current year residual values of certain vehicles were re-assessed to ensure values are in line with the estimated amounts that the District Municipality would currently obtain from the disposal of the asset if the assets were already of the age and condition expected at the end of its estimated useful life. The effect on the current as well as future periods are as follow:

	2012 R	2013 R	2014 R
Effect on Accumulated Surplus - Decrease/(Increase) in depreciation	-55,931.41	-55,931.41	-55,931.41
Increase in Accumulated Depreciation: Property, plant and equipment	55,931.41	111,862.82	167,794

13 INVESTMENT PROPERTY
Net Carrying amount at 1 July
Change in Accounting Policy - Transfer from Property, Plant and Equipment

	2012 R	2011 R
Cost	358,132,600	358,132,600
Balance Previously reported	-	-
Accumulated Depreciation	(4,105,694)	(3,241,428)
Balance Previously reported	-	-
Acquisitions (Property identified on 30 June 2008 previously included in PPE)	-	-
Restated depreciation for the year	(766,578)	(864,265)
Depreciation for the year - previously reported	-	(864,265)
Depreciation for the year - correction of error Note 37.2	-	-
Disposals	-	-
Transfer of functions to George Municipality: Cost	(6,630,700)	-
Transfer of functions to George Municipality: Accumulated Depreciation	499,102	-
Depreciation written back on disposal	-	-
Net Carrying amount at 30 June	347,128,730	354,026,907
Cost	351,501,900	358,132,600
Accumulated Depreciation	(4,373,170)	(4,105,694)
Revenue derived from the rental of investment property	1,265,673	1,959,778
Operating expenditure incurred on properties generating revenue	-	-
Operating expenditure incurred on properties not generating revenue	-	-

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
14 INTANGIBLE ASSETS		
Cost	5,735,543	5,702,946
Opening Balance on 1 July	5,702,946	3,468,849
Balance Previously reported		3,468,849
Correction of Error - Note 30.2		-
Acquisitions for the year - At cost	33,513	2,234,097
Class Transfer - From Property, Plant & Equipment: Cost	447,264	-
Impairment of Intangible Assets	448,180	-
Less: Accumulated Amortisation	(3,070,557)	(1,903,619)
Opening Balance on 1 July	(1,903,619)	(1,156,465)
Balance Previously reported		(1,513,691)
Review of Useful lives		357,226
Restated Amortisation for the year	(1,048,638)	(747,154)
Amortisation for the year - previously reported		(831,616)
Amortisation for the year - review of useful lives Note 30.2		84,462
Class Transfer - From Property, Plant & Equipment: Accumulated Amortisation	(435,939)	-
Impairment of Intangible Assets	(317,638)	-
Total Intangible Assets	2,664,986	3,799,327
No intangible asset were assed having an indefinite useful life.		
There are no intangible assets whose title is restricted.		
There are no intangible assets pledged as security for liabilities		
There are no contractual commitments for the acquisition of intangible assets.		
15 NON-CURRENT ASSETS HELD FOR SALE & LIABILITIES ASSOCIATED WITH DISCONTINUED OPERATIONS		
Non-Current Assets Held for Sale / discontinued operations		
Opening Balance	92,716,166	-
Additional Held for Sale Property, Plant and Equipment transferred	49,210,263	-
Transfer of Functions to George Municipality	(105,662,939)	-
Transferred to Property, Plant and Equipment	(36,263,491)	-
Property Plant & Equipment	-	92,573,338
Investment Property	-	-
Intangible Assets	-	-
Water Inventory	-	142,828
	(0)	92,716,166
Liabilities associated with discontinued operations		
Opening Balance	6,281,576	-
Transfer of Functions to George Municipality	(6,259,167)	-
Transferred to Employee Benefits	(22,409)	-
Long term liabilities	-	4,672
Employee Benefits	-	2,808,077
Current Employee Benefits	-	651,057
Consumer Deposits	-	73,754
Provisions	-	2,668,805
Payables from Exchange Transactions	-	75,211
	-	6,281,576
16 NON-CURRENT INVESTMENTS		
Unlisted		
KKLK shares and Loan Account - Held at Fair Value through Profit and Loss	40,774	40,774
NCT Forestry Co-operative LTD shares - Held at Fair Value through Profit and Loss	-	200
Total Unlisted	40,774	40,974
Total Investments	40,774	40,974
Council's valuation of unlisted investments		
KKLK shares	40,774	40,774
NCT Forestry Co-operative LTD shares	-	200
	40,774	40,974
17 LONG-TERM RECEIVABLES		
Car loans - At amortised cost	1,281	9,685
Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1) - At amortised cost	43,847,116	33,764,096
Department of Transport: Roads - Long Service Awards (Note 4.2) - At amortised cost	2,499,304	2,401,975
Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.3) - At amortised cost	1,002,246	1,107,225
Long term debtors: Local Authorities - At amortised cost	50,399	152,638
	47,400,346	37,435,619
Less: Current portion transferred to current receivables	2,653,527	2,297,645
Car loans - At amortised cost	1,281	9,685
Long term debtors: Local Authorities - At amortised cost	-	102,229
Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1) - At amortised cost	2,253,096	1,710,551
Department of Transport: Roads - Long Service Awards (Note 4.2) - At amortised cost	240,382	319,611
Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.3) - At amortised cost	158,768	155,569
Less: Unamortised Charges to Long Term Receivables	9,037	26,948
Balance 1 July	26,948	-
Adjustment for the Year	(17,911)	26,948
Total	44,737,781	35,111,026

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

LOANS TO OTHER LOCAL AUTHORITIES

The loans to other local authorities are interest free, except for the following loan:

Mosselbay Municipality:

Great Brakriver: Sewerage, loan is payable over 15 years interest free, installment is R 162 933.33 per year. (August 1993)

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

17 LONG-TERM RECEIVABLES (Continued)

Knysna Municipality:

Hornlee - Water and sewerage loan is payable over 20 years and bears interest at 10%, installment is R 25 200 per year (October 1993)

Mosselbay Municipality:

Electricity D'Almeida loan is payable over 15 years interest free, installment is R 77, 039 per year. (March 1994)

CAR LOANS

Senior staff are entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 5 years. As from 1 July 2005 no new car loans or computer loans to staff are permitted.

DEPARTMENT OF TRANSPORT: ROADS

In terms of the agreement between the Western Cape Provincial Government and past experience, Provincial Government funds will be made available to maintain the approved organogram of the Roads department, including all employee post retirement benefits. The future claim for the provision for retirement benefits has therefore been raised as a long term debtor.

The carrying value of the Long-Term Receivables approximate their fair value and are shown at amortised cost using the effective interest rate method. As these loans are all recoverable the Municipality was not required to make any provision for any possible impairments.

18 INVENTORY

	2012 R	2011 R
Consumable Stores - at cost	3,311,513	3,405,547
Water - at cost	-	142,828
Less portion transferred to Non Current Assets Held for Sale - Note 15	-	(142,828)
Total Inventory	3,311,513	3,405,546
Consumable stores materials written down due to losses as identified during the annual stores counts.	268,288	-
Consumable stores materials surpluses identified during the annual stores counts.	-	-
Inventory recognised as an expense during the year	268,288	-

19 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balances	Provision for Bad Debts	Net Balances
As at 30 June 2012			
Service debtors			
Electricity	20,495	(20,495)	-
Water	2,028	(2,083)	(55)
Refuse	708	(708)	-
Sewerage	2,847	(2,847)	-
Ambulance and Fire Fighting Fees	1,737,595	(1,684,950)	52,645
Insurance	-	-	-
Rental Agreements	3,486,650	(2,224,259)	1,262,391
Total	5,250,322	(3,935,341)	1,314,981
As at 30 June 2011			
Service debtors			
Electricity	1,487,391	(876,121)	611,268
Water	5,851,806	(5,626,380)	225,426
Refuse	1,607,167	(1,533,969)	73,200
Sewerage	2,186,622	(2,079,869)	106,754
Ambulance and Fire Fighting Fees	3,137,457	(1,965,204)	1,172,254
Insurance	34,574	(34,186)	388
Rental Agreements	2,049,239	(2,563,577)	(514,338)
Total	16,354,255	(14,679,304)	1,674,951

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary

(Electricity, Water, Refuse and Sewerage): Ageing

	2012 R	2011 R
Current (0-30 days)	(55)	(10,498)
31 - 60 Days	-	824,816
61 - 90 Days	-	205,516
91 - 120 Days	-	219,657
121-365 Days	0	503,843
+ 365 Days	26,132	9,389,652
Total	26,078	11,132,986

Housing Rentals & Rental Agreements: Ageing

	2012 R	2011 R
Current (0-30 days)	-	-
31 - 60 Days	131,902	242,829
61 - 90 Days	53,718	49,095
91 - 120 Days	46,242	49,096
121-365 Days	3,231,120	84,072
+ 365 Days	23,668	1,624,148
Total	3,486,650	2,049,239

Insurance : Ageing

	2012 R	2011 R
Current (0-30 days)	-	-
31 - 60 Days	-	231.00
61 - 90 Days	-	216.20
91 - 120 Days	-	215.60
121-365 Days	-	431.20

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

+ 365 Days

Total

-	<u>33,479.60</u>
-	<u>34,574</u>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

19 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)

	2012 R	2011 R
Ambulance and Fire Fighting Fees-Ageing		
Current (0-30 days)	(650)	313,614
31 - 60 Days	-	251,278
61 - 90 Days	-	12,300
91 - 120 Days	-	12,424
121-365 Days	1,495,330	22,947
+ 365 Days	242,914	2,524,894
Total	1,737,595	3,137,457

Summary of Debtors by Customer Classification

As at 30 June 2012	Consumers	Industrial / Commercial	National & Prov Government
Current (0-30 days)	(1,080,258)	(1,107)	(102)
31 - 60 Days	203,407	1	-
61 - 90 Days	69,093	1	-
91 - 120 Days	56,460	1	-
121-365 Days	4,935,767	104,568	102
+ 365 Days	1,322,967	2,976	-
Sub-total	5,507,436	106,440	-
Less: Provision for bad debts	(5,277,103)	(98,400)	-
Total debtors by customer classification	230,333	8,041	-

Summary of Debtors by Customer Classification

As at 30 June 2011	Consumers	Industrial / Commercial	National & Prov Government
Current (0-30 days)	(699,256)	(1,053)	-
31 - 60 Days	685,000	259,253	464,503
61 - 90 Days	256,031	31,197	151
91 - 120 Days	275,264	26,575	113
121-365 Days	1,971,728	130,623	1,685
+ 365 Days	16,998,211	319,191	8,801
Sub-total	19,486,978	765,786	475,254
Less: Provision for bad debts	(17,666,311)	(607,202)	(2,118)
Total debtors by customer classification	1,820,667	158,585	473,136

The summary of Debtors by Customer Classification includes Rates and Sundry Debtors separately disclosed in Note 20.

Reconciliation of the bad debt provision

Balance at the beginning of the year	32,726,953	28,828,583
Contributions to provision: Exchange Receivables	73,655	-
Contributions to provision: Non-exchange Receivables	306,558	-
Bad debts written off against provision	(12,792,599)	-
Reversal of provision	-	3,898,370
Balance at end of year	20,314,566	32,726,953

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

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20 OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

As at 30 June 2012	Gross Balances	Provision for Bad Debts	Net Balances
Taxes - Rates	19,252	(19,261)	(9)
Unauthorised expenditure (see Note 36)	-	-	-
Fruitless and wasteful expenditure (see Note 36)	-	-	-
Recoverable Debtor: JP Zeelie	463,059	(463,059)	-
Government subsidies: Department of Transport - Roads	-	-	-
Recoverable Debtor: C Africa	34,709	-	34,709
Recoverable Debtor: Councilors Private Kilometers	-	-	-
Recoverable Debtor: Mayroll Committee Members	-	-	-
Sundry debtors	3,069,098	(1,579,060)	1,490,038
Roads - Sundry debtors	348,969	-	348,969
Roads - Unpaid Conditional Grants	-	-	-
Roads - Plant Account	-	-	-
Councillors Transport Allowance	42,428	-	42,428
Regional Services levies	14,317,845	(14,317,845)	-
Advances to Agencies	-	-	-
Total Other Debtors	18,295,360	(16,379,225)	1,916,135

As at 30 June 2011

As at 30 June 2011	Gross Balances	Provision for Bad Debts	Net Balances
Taxes - Rates	2,647,014	(2,614,849)	32,165
Unauthorised expenditure (see Note 36)	-	-	-
Fruitless and wasteful expenditure (see Note 36)	-	-	-
Recoverable Debtor: SARS 2010-2011	1,412,496	-	1,412,496
Government subsidies: Department of Transport - Roads	969,638	-	969,638
Recoverable Debtor: JP Zeelie	463,059	-	463,059
Recoverable Debtor: C Africa	34,709	-	34,709
Recoverable Debtor: Councilors Private Kilometers	1,010,379	-	1,010,379
Recoverable Debtor: Mayroll Committee Members	52,088	-	52,088
Sundry debtors	4,095,050	(1,114,955)	2,980,095
Balance previously reported	3,922,511	(1,114,955)	2,807,556
Correction of Error - Note 30.6	(31,461)	-	(31,461)
Roads - Sundry debtors	506,226	-	506,226
Roads - Unpaid Conditional Grants	-	-	-
Regional Services levies	14,317,845	(14,317,845)	-
Advances to Agencies	(0)	-	-
Total Other Debtors	25,508,504	(18,047,649)	7,460,855

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

The provision for doubtful debts on other debtors exists due to the possibility that not all debts will be recovered.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

20 OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS (Continued)

	2012 R	2011 R
Rates-Ageing		
Current (0-30 days)	-	(6,069)
31 - 60 Days	-	24,888
61 - 90 Days	-	6,674
91 - 120 Days	-	5,543
121-365 Days	349	14,265
+ 365 Days	18,912	2,601,714
Total	19,261	2,647,014

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The fair value of other receivables approximate their carrying value.

The provision for doubtful debts on other debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

21 CASH AND CASH EQUIVALENTS

Liabilities

Roads - Bank Account

- -

Assets

Call Investment Deposits

1,121 1,077

Roads - Bank Account

14,494,484 12,447,070

Roads - Cash

- -

Cash

21,690 19,990

Primary Bank Account

28,250,113 14,677,173

Standard Bank Account

5,210 -

Total Cash and Cash Equivalents - Assets

42,772,619 27,145,311

The effective interest rate was 10.50% (2009: 6.98%).

The Municipality has the following bank accounts:-

Call Investment Deposits

Included in other deposits and bank balances are an amount of R 7 655 060 (2011: R 8 658 023) which is attributable to unspent grants and subsidies; and R 7 390 546 (2011: R15 379 122) which is attributable to the Capital Replacement reserve and R 56 426 (2011: R 56 426) which is attributable to the Housing Development Fund and R 2 512 940 (2011: R 3 178 302) which is to repay long-term liabilities as set out in note 3.

Current Account (Primary Bank Account)

ABSA George Branch
Account Number 4050434930

2012 R 2011 R

Cash book balance at beginning of year

14,677,173 30,297,650

Cash book balance at end of year

28,250,113 14,677,173

Bank statement balance at beginning of year

16,198,613 32,899,060

Bank statement balance at end of year

28,524,846 16,198,613

Current Account (Standard Bank Account)

Standard Bank George Branch
Account Number 06 083 263 0

Cash book balance at beginning of year

- -

Cash book balance at end of year

5,210 -

Bank statement balance at beginning of year

- -

Bank statement balance at end of year

5,210 -

Cash

21,690 19,990

22 GOVERNMENT GRANTS AND SUBSIDIES

Unconditional

Equitable Share

122,912,000 113,776,428

Conditional

Grants and Donations

126,393,881 122,968,316

Subsidies

- -

Correction of Error - Note 30.3

- (208,880)

Total Government Grants and Subsidies

249,305,881 236,535,864

Government Grants and Subsidies - Operating

249,305,881 217,419,810

Correction of Error - Note 30.3 (Transferred to Capital)

- (89,044)

Correction of Error - Note 30.3

- (208,880)

Government Grants and Subsidies - Capital

- 19,324,935

Correction of Error - Note 30.3 (Transferred from Operating)

- 89,044

Total Government Grants and Subsidies

249,305,881 236,535,864

22.1 Equitable Share

Opening balance

- -

Grants received

122,912,000 113,776,428

VAT on Grants

- -

Conditions met - Operating

(122,912,000) (113,776,428)

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Conditions met - Capital

-

Conditions still to be met

-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

22 GOVERNMENT GRANTS AND SUBSIDIES (Continued)

**2012
R** **2011
R**

22.2 Municipal Systems Improvement Grant (MSIG)

Opening balance	10,147	430,731
Grants received	790,000	750,001
VAT on Grants	(34,681)	(20,544)
Repaid to National Revenue Fund	(189,000)	-
Conditions met - Operating	(247,719)	(400,040)
Correction of Error - Transferred to Capital	-	(89,044)
Correction of Error - Transferred from Operating	-	89,044
Conditions met - Capital	-	(750,000)
Conditions still to be met	328,747	10,148

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

22.3 Local Government Financial Management Grant (FMG)

Opening balance	(245,738)	(174,895)
Grants received	1,250,000	1,000,000
VAT on Grants	(2,358)	(52,954)
Conditions met - Operating	(671,730)	(982,693)
Conditions met - Capital	-	(35,197)
Conditions still to be met	330,174	(245,739)

The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

22.4 Electricity Demand Side Management

Opening balance	7,490,210	4,000,000
Grants received	-	6,000,000
VAT on Grants	(39,387)	(81,577)
Repaid to National Revenue Fund	(1,572,000)	-
Conditions met - Operating	(478,838)	-
Conditions met - Capital	-	(2,428,213)
Conditions still to be met	5,399,984	7,490,210

Grant utilised for energy efficiency investigation within the region.

22.5 Dpt Land Affairs: District Assessment Committee

Opening balance	49,893	51,353
Grants received	-	-
VAT on Grants	-	(125)
Conditions met - Operating	(550)	(1,335)
Conditions met - Capital	-	-
Conditions still to be met	49,343	49,893

Grant utilised to assess the land affairs within the region.

22.6 Donation Funds National Water

Opening balance	41,700	60,000
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	(18,300)
Conditions met - Capital	-	-
Conditions still to be met	41,700	41,700

Grant utilised to investigate the district's water plans.

22.7 Socio Economic Survey Sanitation Practices

Opening balance	(161,950)	420,000
Correction of Error	-	161,950
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	(581,950)
Conditions met - Capital	-	-
Conditions still to be met	(161,950)	-

Grant utilised for training of disadvantaged individuals on good sanitation practices.

22.8 Housing Consumer Education Fund

Opening balance	32,167	70,637
Grants received	-	-
VAT on Grants	-	(2,948)
Conditions met - Operating	-	(35,522)
Conditions met - Capital	-	-
Conditions still to be met	32,167	32,167

The Housing Consuming Education Grant was used for public awareness programs.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

22.9 LGESTA:Re-imburements

Opening balance	272,953	98,812
Grants received	415,197	264,686
VAT on Grants	-	-
Conditions met - Operating	-	(90,546)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	688,150	272,952

Grant is utilised for training purposes of municipal staff.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

22 GOVERNMENT GRANTS AND SUBSIDIES (Continued)	2012 R	2011 R
22.10 <u>LGSETA: LED Learnership</u>		
Opening balance	30,654	35,365
Grants received	-	-
VAT on Grants	(1,795)	-
Conditions met - Operating	(19,695)	(4,710)
Conditions met - Capital	-	-
Conditions still to be met	9,164	30,655
Grant is utilised for training purposes of municipal staff.		
22.11 <u>GLOBAL FUND</u>		
Opening balance	57,821	(26,179)
Correction of Error	-	84,000
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	(57,821)	-
Conditions met - Capital	-	-
Conditions still to be met	(0)	57,821
Grant utilised for socio economic upliftment.		
22.12 <u>Human Rights Programme</u>		
Opening balance	53,797	62,075
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	(8,278)
Conditions met - Capital	-	-
Conditions still to be met	53,797	53,797
Grant utilised for the promotion of human rights within the region.		
22.13 <u>Sports Grounds: Haarlem</u>		
Opening balance	18,178	22,432
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	(4,254)
Conditions met - Capital	-	-
Conditions still to be met	18,178	18,178
Grant utilised for purchase of sports grounds in Haarlem.		
22.14 <u>Libraires Grant - Facilities</u>		
Opening balance	85,817	109,373
Grants received	-	104,000
VAT on Grants	-	-
Conditions met - Operating	(8,311)	(127,556)
Conditions met - Capital	-	-
Conditions still to be met	77,506	85,817
The grant was used for appointment of library staff.		
22.15 <u>Non-Motorised Transport</u>		
Opening balance	94,915	922,587
Grants received	-	-
VAT on Grants	(9,433)	(77,995)
Conditions met - Operating	(67,375)	(749,677)
Conditions met - Capital	-	-
Conditions still to be met	18,107	94,915
Grant utilised of building sub-roads for bicycles and pedestrians.		
22.16 <u>Bucketssystem Elimination Schools/Clinic</u>		
Opening balance	146,332	521,630
Grants received	-	-
VAT on Grants	(602)	(12,138)
Conditions met - Operating	(12,936)	(363,161)
Conditions met - Capital	-	-
Conditions still to be met	132,794	146,331
Grant utilised for replacing bucket system with VIP toilets.		
22.17 <u>WC079: Regional Landfill Site</u>		
Opening balance	75,014	243,681
Grants received	-	-
VAT on Grants	(7,018)	(3,484)
Conditions met - Operating	(50,131)	(165,183)
Conditions met - Capital	-	-
Conditions still to be met	17,865	75,014
Grant utilised for the investigations into the possibility of a regional landfill site.		

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2012 R	2011 R
22.18 LG: Bulk Water and Waste Water infrastru		
Opening balance	62,850	1,000,000
Grants received	-	300,000
VAT on Grants	-	-
Conditions met - Operating	-	(1,237,150)
Conditions met - Capital	-	-
Conditions still to be met	<u>62,850</u>	<u>62,850</u>
Grant utilised for bulk infrastructure investigations.		
22.19 Expanded Public Works Incentives		
Opening balance	69,000	-
Grants received	-	69,000
VAT on Grants	(455)	-
Conditions met - Operating	(3,251)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>65,294</u>	<u>69,000</u>
The grant is utilised for job creation.		
22.20 Umsobomvu Youth Fund		
Opening balance	41,003	135,635
Grants received	-	-
VAT on Grants	-	(3,077)
Conditions met - Operating	(41,003)	(91,555)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>41,003</u>
Grant utilised for training of the youth and the establishment of a youth office.		
22.21 Financial Assistance Aerial Fire fighting		
Opening balance	276,750	-
Grants received	-	333,000
VAT on Grants	(33,531)	-
Conditions met - Operating	(243,220)	(56,250)
Conditions met - Capital	-	-
Conditions still to be met	<u>(0)</u>	<u>276,750</u>
Grant utilised for funding the helicopter used for fire fighting.		
22.22 Task Contributions - Municipalities		
Opening balance	155,635	-
Grants received	219,071	306,070
VAT on Grants	(7,193)	-
Conditions met - Operating	(266,683)	(150,434)
Conditions met - Capital	-	-
Conditions still to be met	<u>100,830</u>	<u>155,636</u>
Grant utilised for the funding of the TASK unit.		
22.23 WFW: Brandwacht 2010/11		
Opening balance	-	-
Grants received	401,305	934,944
VAT on Grants	(24,443)	(44,231)
Conditions met - Operating	(376,862)	(1,189,057)
Conditions met - Capital	-	-
Transfer to Unspent WFW - Note 22.29	-	298,344
Conditions still to be met	<u>(0)</u>	<u>-</u>
Grant utilised for the eradication of alien vegetation.		
22.24 WFW: Great - Brak 2010/11		
Opening balance	-	-
Grants received	527,300	919,425
VAT on Grants	(20,621)	(35,772)
Conditions met - Operating	(506,679)	(789,240)
Conditions met - Capital	-	-
Transfer to Unspent WFW - Note 22.29	-	(94,413)
Conditions still to be met	<u>-</u>	<u>-</u>
Grant utilised for the eradication of alien vegetation.		
22.25 WFW: Uniondale 2010/11		
Opening balance	-	-
Grants received	47,130	866,577
VAT on Grants	(957)	(54,935)
Conditions met - Operating	(46,173)	(1,600,771)
Conditions met - Capital	-	-
Transfer to Unspent WFW - Note 22.29	-	789,129
Conditions still to be met	<u>0</u>	<u>-</u>
Grant utilised for the eradication of alien vegetation.		

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2012 R	2011 R
22.26 WFW: Karatara 2010/11		
Opening balance	-	-
Grants received	1,379,919	913,180
VAT on Grants	(6,533)	(33,854)
Conditions met - Operating	(1,373,386)	(1,520,587)
Conditions met - Capital	-	-
Transfer to Unspent WFW - Note 22.29	-	641,261
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.		
22.27 WFW: Knysna 2010/11		
Opening balance	-	-
Grants received	543,355	883,237
VAT on Grants	(5,446)	(42,004)
Conditions met - Operating	(537,909)	(1,520,608)
Conditions met - Capital	-	-
Transfer to Unspent WFW - Note 22.29	-	684,375
Conditions still to be met	0	-
Grant utilised for the eradication of alien vegetation.		
22.28 WFW: Moordkuyf 2010/11		
Opening balance	-	1,027,196
Grants received	427,714	966,777
VAT on Grants	(17,285)	-
Conditions met - Operating	(410,429)	-
Conditions met - Capital	-	-
Transfer to Unspent WFW - Note 22.29	-	(1,993,973)
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.		
22.29 WFW - (Unspent & PM fees)		
Opening balance	(324,722)	-
Grants received	324,722	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Transfer from other WFW grants	-	(324,723)
Conditions still to be met	-	(324,723)
Grant utilised for the eradication of alien vegetation.		
22.30 Development of Sport & Recreation		
Opening balance	(1)	-
Correction of error	-	46,930
Grants received	-	-
VAT on Grants	-	(5,763)
Conditions met - Operating	-	-
Conditions met - Capital	-	(41,167)
Conditions still to be met	(1)	-
Grant utilised for the development of sport & recreation.		
22.31 Kannaland		
Opening balance	-	76,637
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	(76,637)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised for infrastructure projects in Kannaland.		
22.32 Emergency Housing DMA		
Opening balance	282,478	-
Correction of error	-	282,478
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	282,478	282,478
Grant was utilised to repair flood damage.		
22.33 Emergency Housing Zoar		
Opening balance	174,048	-
Correction of error	-	174,048
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	174,048	174,048

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Grant was utilised to repair flood damage.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2012 R	2011 R
22.34 ROADS - DEPARTMENT OF TRANSPORT		
Opening balance	-	-
Grants received	120,761,442	91,215,130
VAT on Grants	-	-
Conditions met - Operating	(120,761,442)	(91,215,130)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant is utilised to fund the roads function operated on behalf of the Department of transport.	-	-
22.35 Municipal Infrastructure Grant		
Opening balance	-	10,812,713
Grants received	-	5,444,000
VAT on Grants	-	(521,920)
Conditions met - Operating	-	(273,696)
Conditions met - Capital	-	(15,461,098)
Conditions still to be met	-	(1)
The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.	-	-
22.36 Integrated Human Settlement Grant		
Opening balance	-	(2,516,682)
Grants received	-	2,516,682
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	-	-
22.37 TOTAL GRANTS		
Opening balance	8,950,901	17,383,101
Correction of Error	-	749,407
Repaid to National Revenue Fund	(1,761,000)	-
Grants received	249,999,156	227,563,137
VAT on Grants	(211,737)	(993,321)
Conditions met - Operating	(249,094,144)	(217,035,748)
Correction of Error - Transferred to Capital	-	(89,044)
Correction of Error - Transferred from Operating	-	89,044
Conditions met - Capital	-	(18,715,675)
Conditions still to be met	7,883,176	8,950,901

See Annexure B for detailed summary of unspent grants and subsidies.

24.1 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 1 of 2005), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years, except for the equitable share allocation which will increase as a result of the abolishment of the RSC Levies.

23 OTHER INCOME	2012 R	2011 R
Building Application Fees	-	19,614
Call Centre Mosselbay	394,184	-
Commission on Collections	(573,021)	-
COP 17 Summit	32,800	-
DWAF: Chemical Sampling Water	119,714	-
Fire Fighting fees	2,630,898	3,141,226
Fire Fighting/ Health Levy	33,091	89,798
Harvesting Plantation	55,575	-
Health Claims	374,416	475,853
Insurance	-	4,368
IT Shared Services District	-	11,634
Plans Copies	2,499	4,248
Refund Deposits	-	27,387
Repayment: Eden Employee s (3G)	(19,352)	176,362
Resorts	4,511,115	4,982,045
Sport Club Fees	35,440	64,987
Sundry Income	389,771	1,218,616
Tariffs And Penalties: Health	131,181	35,908
Total Other Income	8,118,310	10,252,045
24 EMPLOYEE RELATED COSTS		
Employee related costs- Salaries and Wages	55,281,852	59,053,148
Employee related costs - Contribution for UIF, pensions and medical aids	16,551,016	15,696,608
Travel, motor car, accommodation, subsistence and other allowances	9,562,917	9,589,703
Housing benefits and allowances	623,518	621,160
Overtime payments	1,082,756	973,156
Performance bonus	-	437,693
Leave Payment	782,929	953,300
Leave Bonus	4,135,828	3,600,883
Increase in Provision for Health Care Benefits	3,286,791	2,652,928
Increase in Provision for Long Service Awards	732,879	180,577
Decrease in Provision for Ex-Gratia Pensions	(71,017)	(60,452)
Long-service awards	-	-

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Total Employee Related Costs

91,969,470

93,698,704

Advances were made to employees. Loans to employees are set out in note 17

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

24 EMPLOYEE RELATED COSTS (Continued)		2012 R	2011 R	
REMUNERATION OF KEY MANAGEMENT PERSONNEL				
<i>Remuneration of the Municipal Manager (G Louw)</i>				
		12 Months	12 Months	
Annual Remuneration		864,568	916,041	
Performance Bonuses		-	-	
Car Allowance		167,220	-	
Contributions to UIF, Medical and Pension Funds		94,336	-	
Total		1,126,124	-	
<i>Remuneration of the Municipal Manager (M Hoogbaard)</i>				
		12 Months	12 Months	
Annual Remuneration		-	1,147,590	
Performance Bonuses		-	-	
Car Allowance		-	25,383	
Contributions to UIF, Medical and Pension Funds		-	2,161	
Total		-	1,175,134	
<i>Remuneration of the Chief Finance Officer: N Delo</i>				
		2 Months	12 Months	
Annual Remuneration		141,719	825,250	
Leave payout		49,019	-	
Performance Bonuses		-	30,473	
Car Allowance		12,970	108,957	
Contributions to UIF, Medical and Pension Funds		4,089	13,429	
Total		207,797	978,109	
<i>Remuneration of the Acting Chief Finance Officer: L Hoek</i>				
		10 Months	12 Months	
Annual Remuneration		485,708	-	
Performance Bonuses		-	-	
Car Allowance		95,340	-	
Contributions to UIF, Medical and Pension Funds		52,419	-	
Total		633,467	-	
<i>Remuneration of Individual Executive Directors (Corporate, Community & Technical Services) 30 June 2012</i>				
	2 Months Strategic Services (M Hoogbaard)	7 Months Technical Services (Z Ntile)	12 Months Corporate Services (A De Beer)	12 Months Community Services (C Africa)
Annual Remuneration	101,545	479,968	788,067	662,896
Leave Paid	-	39,137	-	-
Performance Bonuses	-	-	-	-
Housing Allowance	-	-	-	84,000
Car Allowance	25,000	70,365	139,200	72,600
Contributions to UIF, Medical and Pension Funds	23,715	902	22,761	136,428
Severance Package	138,000	-	-	-
Total	288,260	590,372	950,029	955,924
<i>The Director Strategic Service M Hoogbaard received a severance package in March 2012.</i>				
<i>Remuneration of Individual Acting Executive Directors (Corporate, Community & Technical Services) 30 June 2012</i>				
	Strategic Services	Technical Services	Technical Services	Community Services
J Strydom (1 Feb 2012 - 30 April 2012)	-	200,066	-	-
H Ottervanger (1 May 2012 - 30 June 2012)	-	153,230	-	-
AL. Sauls (1 Sep 2011 - 31 Mar 2012)	349,343	-	-	-
Total	349,343	353,296	-	-
<i>Remuneration of Individual Executive Directors 30 June 2011</i>				
		12 Months Technical Services (Z Ntile)	12 Months Corporate Services (A De Beer)	12 Months Community Services (C Africa)
Annual Remuneration		806,081	757,040	639,073
Performance Bonuses		-	91,498	91,498
Housing Allowance		-	-	84,000
Car Allowance		120,990	136,789	96,016
Contributions to UIF, Medical and Pension Funds		1,497	14,052	57,857
Total		928,568	999,379	968,444
<i>Remuneration of Individual Acting Executive Directors (Corporate, Community & Technical Services) 30 June 2011</i>				
	Strategic Services	Technical Services	Technical Services	Community Services
KEJ Vollehoven (1 July 2010 - 30 June 2011)	746,796	-	-	-
Total	746,796	-	-	-

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

25	REMUNERATION OF COUNCILLORS	2012 R	2011 R
	Executive Mayor	378,594	451,335
	Deputy Executive Mayor	223,480	284,575
	Speaker	310,085	293,483
	Mayoral Committee Members	2,354,114	1,078,721
	Councillors	1,939,943	1,732,830
	Councillors' pension contributions	93,467	141,917
	Travel Allowances	777,416	1,315,522
	Telephone Allowances	225,005	193,536
	Councillors' medical contributions	24,824	15,919
	Total Councillor's Remuneration	<u>6,326,927</u>	<u>5,507,839</u>
	In-Kind Benefits		
	The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at Council's cost.		
	The Executive Mayor has use of a Council owned vehicle for official duties.		
26	FINANCE CHARGES	2012 R	2011 R
	Long-term liabilities	401,852	859,233
	Finance leases	-	273,666
	Total Interest on External Borrowings	<u>401,852</u>	<u>1,132,899</u>
27	ROADS - GRANTS AND SUBSIDIES UTILISED		
	Employee Related Cost	50,338,011	47,930,712
	Plant Hire	9,332,896	679,744
	General Expenses	59,837,835	42,150,930
	Repairs and Maintenance	-	(513)
	Appropriations for the year	536,537	454,257
	Contributions to Capital	716,163	-
		<u>120,761,442</u>	<u>91,215,130</u>
28	GENERAL EXPENSES	2012 R	2011 R
	Included in general expenses are the following: -		
	Administrative Recoveries: Roads	117,277	200,000
	Advertisements	474,598	853,853
	Audit Fees	2,054,565	2,667,353
	Bank Charges	144,805	167,755
	Biomonitoring	330	3,350
	Computer Programs	25,136	7,738
	Contribution Full time Shopsteward	37,705	64,821
	Courier Services	4,386	35,698
	Domestic Expenses	418,228	450,992
	Donations: Council	263,346	370,902
	Employee Support	10,251	27,802
	Entertainment Allowances	108,743	368,209
	External Audit Committee	45,646	88,970
	Forensic Audit	86,792	-
	Health Advisory Committee	789	789
	Health Education	7,011	13,138
	Insurance	972,537	1,076,183
	Laboratory Test	461,560	342,712
	Laundry Service	138,238	146,174
	Legal Fees	1,971,657	2,185,178
	License fees	291,508	5,422
	Material	3,906	9,724
	Membership fees	946,888	671,379
	Operating Projects	5,636,789	21,520,353
	Pauper Burials	2,900	27,916
	Pension Contribution Mission Street	355,000	-
	Plant	1,240,710	1,197,435
	Postage/ Post Box Rental	21,270	46,111
	Printing & Stationery	1,125,562	1,215,031
	Protective Clothing	568,550	590,535
	Public Relations	27,281	69,139
	Purchases Tents	45,263	59,688
	Purchases Mattresses	10,640	16,200
	Rates & Taxes	310,269	359,838
	Refreshments	59,841	116,718
	Registration Fees: Congresses	34,805	269,013
	Rent	234,755	179,561
	Rent Disaster Centre Equipment	1,787,882	1,003,450
	Restaurant	84,826	150,819
	Services Accounts	1,827,373	1,480,763
	Skills Development Levy	677,377	691,947
	Strategic Planning	17,183	36,383
	Study Assistance	208,319	263,199
	Subsistence & Travel	1,206,129	2,348,167
	Sundry Expenses	251,572	5,137
	Telephone/Data lines	3,397,545	3,658,403
	Training	739,460	916,343
	Transport	-	70,175
	Vermin Control	1,149	-
	Wreaths & Bouquets	7,781	7,809
	Year-end Function	48,406	189,804

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

29 SURPLUS FROM DISCONTINUED OPERATIONS

The following income and expenditure items relate to the operations of the District Management Area which will no longer form part of the Municipality's operations from 1 July 2011. On that date the District Management Area will be transferred to the George Municipality.

Revenue from Non-Exchange Transactions	-	13,778,857
Taxation Revenue	-	1,443,925
Property rates DMA	-	1,443,925
Property rates - penalties imposed and collection charges	-	-
Transfer Revenue	-	12,334,932
Regional Services Levies Equitable Share	-	12,334,932
Government grants and subsidies	-	-
Other Revenue	-	-
Fines	-	-
Revenue from Exchange Transactions	-	11,967,665
Service charges	-	10,004,688
Rental of facilities and equipment	-	24,617
Interest earned - outstanding debtors	-	335,334
Other income	-	1,603,026
Total Revenue	-	25,746,522

29 SURPLUS FROM DISCONTINUED OPERATIONS (Continued)

	2012 R	2011 R
Employee related costs	-	6,777,147
Impairment of Trade Receivables	-	1,954,788
Depreciation	-	1,947,489
Repairs and maintenance	-	535,715
Finance Charges	-	7
Bulk purchases	-	2,912,318
Contracted services	-	316,494
General Expenses	-	2,303,114
Total Expenditure	-	16,747,072
SURPLUS FOR THE YEAR FROM DISCONTINUED OPERATIONS	-	8,999,450

30 CORRECTION OF ERROR IN TERMS OF GRAP 3

During the current financial year, the municipality had corrected the following prior period errors:

30.1 Property Plant and Equipment

	Cost R	Accumulated Depreciation R	Net Balances R
Balance previously reported - 30 June 2011	209,835,445	32,423,071	177,412,374
Correction of land incorrectly depreciated - Note 30.8 & 30.9	-	(1,570,387)	1,570,387
Correction of maintenance cost incorrectly capitalised as infrastructure - Note 30.8 & 30.9	(6,185,442)	(1,919,714)	(4,265,728)
Correction of office equipment incorrectly duplicated on fixed asset register - Note 30.8 & 30.9	(911,588)	(857,010)	(54,578)
Correction of prior year disposals previously omitted - Note 30.8 & 30.9	(212,924)	(162,641)	(50,283)
Correction on depreciation realting to assets recognised for the first time - Note 30.8 & 30.9	845,030	438,562	406,468
Correction on depreciation realting to capital MSIG expenditure incorrectly expensed - Note 30.9	89,044	29,654	59,390
Correction on depreciation realting to the useful lives review - Note 30.8 & 30.9	-	(4,029,794)	4,029,794
Restated Balance	203,459,564	24,351,742	179,107,822

30.2 Intangible Assets

	Cost R	Accumulated Depreciation R	Net Balances R
Balance previously reported - 30 June 2011	5,702,946	2,345,307	3,357,640
Correction on depreciation realting to the useful lives review - 30.8 & 30.9	-	(441,688)	441,688
Restated Balance	5,702,946	1,903,619	3,799,327

30.3 Unspent Conditional Grants & Receipts

	R	R
	2011	2010
Balance previously reported - 30 June	8,201,498	17,383,104
Correction of Retention Creditors as at 30 June 2011 Unspent Grants: Emergency Housing DMA as per Note 30.8	282,478	282,478
Correction of Retention Creditors as at 30 June 2011 Unspent Grants: Emergency Housing Zoar as per Note 30.8	174,048	174,048
Correction of Unspent Grants: Socio Economic Development as per Note 30.9	161,950	-
Correction of Unspent Grants: Development of Sport & Recreation as per Note 30.9	46,930	-
Correction of Unspent Grants: Global Fund as per Note 30.8	84,000	84,000
Restated Balance	8,950,905	17,923,630

30.4 VAT Receivable

	R	R
	2011	2010
Balance previously reported - 30 June	5,063,549	1,449,181
Correction of VAT on Retention Creditor Paid not included in Retention Creditor Provision as at 30 June 2011 as per Note 30.9	1,067	-

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Restated Balance

5,064,616

1,449,181

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

30 CORRECTION OF ERROR IN TERMS OF GRAP 3 (Continued)

30.5 Payables from exchange transactions	2011	2010
Balance previously reported - 30 June	29,977,484	28,630,103
Correction of Provision for Creditors 2010/2011 - DMA Salaries paid in July 2011 not included in provision as at 30 June 2011 - Note 30.9	34,688	-
Correction of Provision for Creditors 2010/2011 - Payment regarding Operating Projects paid in July 2011 not included in provision as at 30 June 2011 - Note 30.9	77,958	-
Correction of the Provision for Creditors 2010/2011 - Over-provision for certain expenses never incurred in 2011/2012 financial year - Note 30.9	(575,044)	-
Correction of provision for retention creditors. Payment made in 2011/2012 financial year but not included in the provision for retention creditors for the year ending 30 June 2011 - Note 30.9	8,687	-
Correction of Retention Creditors as at 30 June 2011 Unspent Grants: Emergency Housing DMA as per Note 30.8	(282,478)	(282,478)
Correction of Retention Creditors as at 30 June 2011 Unspent Grants: Emergency Housing Zoar as per Note 30.8	(174,048)	(174,048)
Correction of Irrigation levies paid in 2011/2012 with regards to the year ending 30 June 2011 never included in the Provision for creditors - Note 30.9	168,845	-
Correction of Irrigation levies paid in 2011/2012 with regards to the year ending 30 June 2010 never included in the Provision for creditors - Note 30.8	160,353	160,353
Correction of Rates & Interest payable to Kannaland Municipality for the year ending 30 June 2011 never included in Trade Payables - Note 30.9	131,438	-
Correction of Irrigation levies paid in 2011-12 with regards to 2010-11 never included in the Provision for creditors - Note 30.8	135,265	135,265
Correction of backpay of the Municipal Manager paid in 2011/2012 with regards to 2010/2011 creditors - Note 30.9	916,041	-
Correction of Shortfall on Pension Fund with regards to incorrect interest calculated - Note 30.8 & 30.9	549,815	149,251
Correction of Unallocated Fund balance to in line with the accounting policy - Note 30.8 & 30.9	(833,009)	(44,351)
Correction of Staff Advances Suspense Account - Note 30.8 & 30.9	(536,813)	(332,732)
Restated Balance	29,759,180	28,241,362
30.6 Other Receivables from Non-Exchange Transactions	R	R
	2011	2010
Balance previously reported - 30 June	7,288,316	8,227,264
Correction of the Recoverable Debtor: Cellphone Account councillors incorrectly calculated for the year 2010/2011 - Note 30.9	8,585	-
Correction of the Recoverable Debtor: Cellphone Account councillors incorrectly calculated for the year 2009/2010 - Note 30.8	(150,607)	(150,607)
Correction of the Recoverable Debtor: Fire Fees Hessequa for the year 2010/2011 and prior to 2010/2011- Note 30.9 & 30.8	252,000	204,000
Correction of the Insurance Suspense account regarding disposals of assets previously omitted - Note 30.9	62,562	-
Restated Balance	7,460,856	8,280,657
30.7 Current Employee Benefits	R	R
	2011	2010
Balance previously reported - 30 June	14,998,732	13,375,297
Correction of Provision for Performance Bonusses incorrectly provided for as at 30 June 2011 - Note 30.9	(31,568)	-
Restated Balance	14,967,164	13,375,297
30.8 Accumulated Surplus/(Deficit)		R
Restatement of Recoverable Debtor: Cellphone Account councillors incorrectly calculated - Note 30.6		(150,607)
Restatement of Creditor Kannaland Municipality regarding Rates and Interest owed to them - Note 30.5		(135,265)
Restatement of Creditor: Irrigation Levies payable - Note 30.5		(160,353)
Restatement of Unspent conditional Grant: Global Fund - Note 30.3		(84,000)
Restatement of Shortfall on Pension Fund - Note 30.5		(149,251)
Correction of land incorrectly depreciated - Note 30.1		1,046,924
Correction of maintenance cost incorrectly capitalised as infrastructure - Note 30.1		(3,729,523)
Correction of maintenance cost incorrectly capitalised as infrastructure - Note 30.1		1,743,132
Correction of office equipment incorrectly duplicated on fixed asset register - Note 30.1		(911,588)
Correction of office equipment incorrectly duplicated on fixed asset register - Note 30.1		839,451
Correction of loss on disposal previously omitted - Note 30.1		(28,264)
Correction of loss on assets recognised for the first time - Note 30.1		516,108
Review of useful lives of fixed assets - Notes 30.1 & 30.2		3,348,875
Correction of Unallocated Funds - Note 30.5		44,351
Correction of Recoverable Debtor: Fire Fees Hessequa - Note 30.6		204,000
Correction of Staff Advances - Note 30.5		332,732
Total amount credited/(debited) to accumulated surplus due to implementation of GRAP		2,726,723
31.9 Changes to Statement of Financial Performance		R
Restatement of Performance Bonus Provision - Note 30.7		31,568
Restatement of DMA Salary expenses not included in Provision for 2010/2011 - Note 30.5		(34,688)
Restatement of Shared Services Operating Projects expense not included in Provision for 2010/2011 - Note 30.5		(77,958)
Restatement of Provision for creditors for 2010/2011 - expenses not incurred in 2011/2012 - Note 30.5		575,044
Restatement of Recoverable Debtor Cellphone Account councillors incorrectly calculated - Note 30.6		8,585
Restatement of Provision for Retention Creditors: - Note 30.5		(8,687)
Restatement of VAT payable on Retention Creditor Expense - Note 30.4		1,067
Restatement of Creditor: Irrigation Levies payable - Note 30.5		(168,845)
Restatement of Creditor Kannaland Municipality regarding Rates and Interest owed to them - Note 30.5		(131,438)
Restatement of Trade Payables regarding backpay of Municipal Manager - Note 30.5		(916,041)
Restatement of Shortfall on Pension Fund - Note 30.5		(400,564)
Correction of land incorrectly depreciated - Note 30.1		523,462
Correction of maintenance cost incorrectly capitalised as infrastructure - Note 30.1		(2,455,919)
Correction of maintenance cost incorrectly capitalised as infrastructure - Note 30.1		176,582
Correction of office equipment incorrectly duplicated on fixed asset register - Note 30.1		17,559
Correction of loss on disposal previously omitted - Note 30.1		29,015

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Correction of loss on assets recognised for the first time - Note 30.1	(109,641)
Correction of loss on capital MSIG expenditure incorrectly expensed - Note 30.1	59,390
Correction of depreciation on disposal previously omitted - Note 30.1	11,527
Review of useful lives of fixed assets - Notes 30.1 & 30.2	1,122,606

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

30 CORRECTION OF ERROR IN TERMS OF GRAP 3 (Continued)

Correction of Unallocated Funds - Note 30.5	788,658
Correction of Recoverable Debtor: Fire Fees Hessequa - Note 30.6	48,000
Correction of overspending on Unspent Conditional Grants: Socio Economic Survey - Note 30.3	(161,950)
Correction of overspending on Unspent Conditional Grants: Development of Sport & Recreation - Note 30.3	(46,930)
Correction of Staff Advances - Note 30.5	204,081
Total amount credited/(debited) to Statement of Financial Performance due to implementation of GRAP	<u>(915,516)</u>

31 CASH GENERATED FROM OPERATIONS

	2012	2011
	R	R
(Deficit) for the year from Continued Operations	(98,207,312)	(14,005,756)
Surplus (Deficit) for the year from Discontinued Operations	-	8,999,450
Adjustments for: -		
Loss on transfer of District Management Area	99,403,772	-
Unamortised Discount - Expense	112,654	127,367
Unamortised Discount - Income	(17,911)	(28,429)
Depreciation	6,481,585	9,904,553
Amortisation	1,048,638	747,154
Grants received (restated 2011)	249,999,156	227,563,137
Grants Repaid to National Revenue Fund	(1,761,000)	-
Grants recognised as revenue (restated 2011)	(249,305,881)	(236,624,907)
Insurance Proceeds	-	-
Gain on disposal of property, plant and equipment	-	(7,864)
Loss on disposal of property, plant and equipment	200,780	(28,421)
Impairments	2,237,519	-
Contribution to Non-Current Provisions	550,467	74,513
Actuarial (Gain)/Loss	5,274,458	4,843,085
Employee benefits paid	(5,056,743)	(5,177,120)
Contribution to employee benefits	11,013,908	10,337,820
Bad debts written-off	(12,792,599)	-
Contribution to bad debt provision	380,212	3,898,371
Current employee benefits paid	(5,575,542)	(1,237,492)
Contribution to Current Employee Benefits	6,394,081	3,708,715
Investment income	-	-
Interest paid	-	-
Operating deficit before working capital changes	<u>10,380,241</u>	<u>13,094,175</u>
(Increase)/Decrease in inventory	94,034	(755,572)
(Increase)/Decrease in Trade Receivables from exchange transactions	11,103,933	(2,879,160)
(Increase)/Decrease in Other Receivables from non-exchange transactions	7,213,144	820,373
Increase/(decrease) in creditors	(3,994,041)	1,517,818
(Increase)/Decrease in VAT	3,309,987	(3,615,436)
Cash generated / (utilized in) operations	<u>28,107,298</u>	<u>8,182,198</u>

32 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following amounts in the statement of financial position:

	2012	2011
	R	R
Bank balances and cash	42,771,497	27,144,233
Call deposits	1,121	1,077
Bank overdraft	-	-
Total cash and cash equivalents	<u>42,772,619</u>	<u>27,145,311</u>

33 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

	2012	2011
	R	R
Long-term liabilities (see Note 3)	3,287,198	5,115,799
Used to finance property, plant and equipment - at cost	<u>3,287,198</u>	<u>5,115,799</u>
Sub-total	-	-
Cash set aside for the repayment of long-term liabilities (see note 3)	537,128	1,583,041
Cash invested for repayment of long-term liabilities	<u>537,128</u>	<u>1,583,041</u>

Long-term liabilities have been utilized accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

34 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

	2012	2011
	R	R
Cash and Cash Equivalents - Note 21	42,772,619	27,145,311
Investments - Note 16	40,774	40,974
	<u>42,813,392</u>	<u>27,186,284</u>
Less:	7,939,604	11,238,132
Unspent Committed Conditional Grants - Note 10	7,883,178	11,181,706
VAT - Note 11	-	-
Cash Portion of Housing Development Fund - Note 2	<u>56,426</u>	<u>56,426</u>
Net cash resources available for internal distribution	34,873,788	15,948,152
Allocated to:		
Capital Replacement Reserve	7,390,546	15,379,122
Resources available for working capital requirements	<u>42,264,335</u>	<u>31,327,275</u>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

35 BUDGET COMPARISONS

	2012 R (Actual)	2012 R (Budget)	2012 R (Variance)	2012 (%)
35.1 Operational				
Revenue by source				
Property rates - penalties imposed and collection charges	-	-	-	0%
Regional Services Levies	126	-	126	100%
Public contributions, donated and contributed property, plant and equipment	-	-	-	0%
Regional Services Levies Equitable Share	122,912,000	122,912,000	-	0%
Government Grants Received	126,393,881	27,687,641	98,706,240	356%
Fines	-	-	-	0%
Insurance Proceeds	-	-	-	0%
Unamortised Discount	17,911	20,000	(2,089)	-10%
Assets Identified for the First Time	-	-	-	0%
Rental of facilities and equipment	1,265,673	1,520,000	(254,327)	-17%
Interest earned - external investments	2,089,886	2,500,000	(410,114)	-16%
Interest earned - outstanding debtors	5	-	5	100%
Licenses and permits	205,200	206,300	(1,100)	-1%
Actuarial Gain from Ex-Gratia Pensions	2,944,250	-	2,944,250	100%
Income for agency services	10,215,000	10,855,413	(640,413)	-6%
Other income	8,118,310	12,280,692	(4,162,382)	-34%
TASK Contributions Municipalities	-	196,257	(196,257)	-100%
Gains on disposal of property, plant and equipment	-	-	-	-
Contribution Shop Steward	511,863	1,035,621	(523,758)	-51%
	274,674,106	179,213,924	95,460,182	
Expenditure by nature				
Employee related costs	91,969,470	93,525,302	(1,555,832)	-2%
Remuneration of Councillors	6,326,927	7,056,668	(729,741)	-10%
Impairment of Trade Receivables	380,212	1,000,000	(619,788)	-62%
Actuarial Loss	562,626	5,223,500	(4,660,874)	-89%
Contribution to Provisions	-	-	-	0%
Increase in Provision for Rehabilitation of Landfill Sites	-	-	-	0%
Increase in Provision for Alien Vegetation	550,467	900,000	(349,533)	-39%
Depreciation	6,481,585	11,309,617	(4,828,032)	-43%
Amortisation	1,048,638	-	1,048,638	100%
Repairs and maintenance	2,167,853	2,791,332	(623,479)	-22%
Finance Charges	401,852	465,600	(63,748)	-14%
Contracted services	5,692,604	13,029,138	(7,336,534)	-56%
Grants and subsidies utilised	5,420,789	3,954,219	1,466,570	37%
Roads - Grants and subsidies utilised	120,761,442	-	120,761,442	100%
Unamortised Discount	112,654	130,000	(17,346)	-13%
Loss on disposal of property, plant and equipment	200,780	-	200,780	100%
General Expenses	28,514,535	38,739,259	(10,224,724)	-26%
	270,592,434	178,124,635	92,467,798	
Other Gains/Losses				
Loss on transfer of District Management Area	99,783,176	-	99,783,176	100%
Net Surplus/(Deficit) for the year	(95,701,504)	1,089,289	(96,790,793)	-8886%

Details of material variances

Revenue by Source

Property rates DMA
 Property rates - penalties imposed and collection charges
 Regional Services Levies
 Public contributions, donated and contributed property, plant and equipment
 Regional Services Levies Equitable Share

Government grants and subsidies

Public contributions
 Fines
 Insurance Proceeds
 Unamortised Discount - Interest
 Assets Identified for the First Time
 Service charges

Rental of facilities and equipment

Interest earned - external investments
 Interest earned - outstanding debtors
 Licenses and permits
 Actuarial Gain from Ex-Gratia Pensions
 Income for agency services
 Other income

TASK Contributions Municipalities

Contribution Shop Steward

The majority of the unspent grants is the electricity demand side management grant. This project was included in the forensic investigation and will only commence in 2012/2013

The rental from properties is part of the turnaround strategy adopted by council in May 2012. Properties will be investigated and alternative revenue sources will be identified to increase revenue from rentals in 2012/2013.

Interest received less than budgeted for due to lower interest rate

This is handled as part of the unspent grants and have been transferred at year end to the unspent grant vote on the TB

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

35 BUDGET COMPARISONS

Expenditure by Nature

Employee related costs

Remuneration of Councillors

Impairment of Trade Receivables

Collection costs

Actuarial Loss

Increase in Provision for Rehabilitation of Landfill Sites

Increase in Provision for Alien Vegetation

Depreciation

Amortisation

Repairs and maintenance

Finance charges

Bulk purchases

Contracted services

Grants and subsidies utilised

Roads - Grants and subsidies utilised

Allocations to Municipalities

Unamortised Discount - Interest

General expenses

Council decided that councillors will forfeit their increase for 2011/2012 in view of the current financial constraints

Council approved the write off of long outstanding debtors, therefore the provision decreased as the gross balances of the debtors decreased.

Actuarial loss less than budgeted for, budget based on 2010/2011 assumptions/loss..

Depreciation based on 2010/2011 figures, less due to review of useful life, transfer of assets to George Municipality, etc.

Due to financial constraints, the use of consultants were limited

GRAP transaction - Roads are consolidated at year end.

Due to financial constraints, where possible savings on expenditure were identified and implemented

Other Gains/Losses

(Loss)/Gains on disposal of property, plant and equipment

	2012 R (Actual)	2012 R (Budget)	2012 R (Variance)	2012 (%)
Expenditure by Vote				
Executive and Council	135,080,676	38,549,646	96,531,030	250%
Finance and Administration	44,332,864	49,207,968	(4,875,104)	-10%
Planning and Development	11,535,513	12,104,413	(568,900)	-5%
Public Safety	21,252,266	24,976,238	(3,723,972)	-15%
Health	22,093,050	21,168,532	924,518	4%
Community and Social Services	4,091,485	4,326,244	(234,759)	-5%
Sport and Recreation	8,029,763	8,623,459	(593,696)	-7%
Waste Management	-	-	-	0%
Road Transport	597,805	1,395,532	(797,727)	-57%
Waste Water Management	1,863,197	2,861,669	(998,472)	-35%
Water	279	458,225	(457,946)	-100%
Electricity	31,920	-	31,920	100%
Environmental Protection	3,007,376	14,449,259	(11,441,883)	-79%
Other	3,003	3,450	(447)	-13%
Roads	-	-	-	0%
	251,919,196	178,124,635	73,794,560	

Details of material variances

Executive and Council

Finance & Admin

Planning & Development

Public Safety

Health

Community & Social Services

Sport & Recreation

Housing

Waste Management

Road Transport

Waste Water Management

Water

Electricity

Environmental Protection

Roads

Grants are budgeted by vote, at year end the expenditure are transferred to executive and council
Grants are transferred at year end to Executive and council, general savings

Grants are transferred at year end to Executive and council, general savings

Grants are transferred at year end to Executive and council, general savings
Grants are transferred at year end to Executive and council, general savings
Grants are transferred at year end to Executive and council, general savings

Grants are transferred at year end to Executive and council, general savings

35.2 Capital expenditure by vote

Executive & Council

Finance & Admin

Planning & Development

Public Safety

Health

Community & Social Services

Corporate Services

Sport & Recreation

Housing

Waste Management

Road Transport

Waste Water Management

Electricity

Water

Environmental Protection

	2012 R (Actual)	2012 R (Budget)	2012 R (Variance)	2012 (%)
Executive & Council	-	-	-	0%
Finance & Admin	-	700,000	(700,000)	-100%
Planning & Development	-	-	-	0%
Public Safety	196,283	236,000	(39,717)	-17%
Health	-	-	-	0%
Community & Social Services	-	-	-	0%
Corporate Services	302,696	503,394	(200,698)	-40%
Sport & Recreation	170,149	290,606	(120,457)	-41%
Housing	-	-	-	0%
Waste Management	-	-	-	0%
Road Transport	-	650,000	(650,000)	-100%
Waste Water Management	-	-	-	0%
Electricity	-	11,490,210	(11,490,210)	-100%
Water	-	-	-	0%
Environmental Protection	-	-	-	0%
	669,128	13,870,210	(13,201,082)	

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

35 BUDGET COMPARISONS (Continued)

Details of material variances

Executive & Council	The finance management system project was cancelled.
Finance & Admin	
Planning & Development	
Public Safety	
Health	
Community & Social Services	
Sport & Recreation	
Housing	
Waste Management	
Road Transport	Sinking of boreholes in Oudtshoorn Project did not commence
Waste Water Management	
Electricity	The electricity demand side management project was placed on hold until the forensic investigation was completed.
Water	
Environmental Protection	
Other	

36 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

36.1	2012 R	2011 R
Reconciliation of unauthorised expenditure		
Opening balance	-	(32,387,139)
Unauthorised expenditure current year	1,012,034	-
Approved by Council or condoned	-	32,387,139
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	-	-
	1,012,034	-

The unauthorised expenditure relates mainly to budget overspendings per vote due to amendments made to the financial statements to comply with GAMAP/GRAP requirements. It is anticipated that these overspendings will be authorised by Council before 30 November 2012. Also included in the unauthorised expenditure is an amount of R 55 596.74 relating to the appointment of the project manager for the world corporate golf challenge.

36.2

Reconciliation of fruitless and wasteful expenditure		
Opening balance	726,043	1,154,062
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	(404,515)
Recovered during 2010-2011	-	(23,504)
Fruitless and wasteful expenditure awaiting condonement	-	-
	726,043	726,043

36.3

Reconciliation of irregular expenditure		
Opening balance	132,731,738	74,031,817
Irregular expenditure current year	15,018,544	60,822,678
Condoned or written off by Council	(140,183,297)	(57,500)
Recovered during year	-	(2,065,257)
Irregular expenditure awaiting condonement	-	-
	7,566,986	132,731,738

Incident	Disciplinary steps/criminal proceedings
A forensic investigation conducted by KPMG identified possible irregular expenditure of R 7 566 985.48. The report was submitted to Council and the accounting officer is in process with the investigation and further steps that needs to be taken. The amount of R7 566 985.48 includes an amount of R 128 0458 which relates to a double payment made to certain employees while rendering assistance to a B-Municipality in the district.	
	Forensic Investigation

Also reported as irregular expenditure is an amount of R 7 451 559 that relates to SCM deviations for the year 30 June 2012. Detail of the deviations are reported in Note 37.7

36.4 Material Losses

	2012 R	2011 R
Electricity distribution losses		
Units purchased (Kwh)	-	7,139,419
- Units lost during distribution (Kwh)	-	3,470,456
- Percentage lost during distribution	0.00%	48.61%
Water distribution losses		
- Mega liters purified	-	526,144
- Mega liters lost during distribution	-	52,614
- Percentage lost during distribution	0.00%	10.00%

37 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

37.1 Contributions to organized local government

SALGA		2012 R	2011 R
Opening balance		-	-
Council subscriptions		38,038	47,376
Amount paid- current year		(38,038)	(47,376)
Amount paid - previous year		-	-
Balance unpaid (included in creditors)		-	-

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

37 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)	2012 R	2011 R
37.2 Audit fees		
Opening balance	-	-
Current year audit fee	2,054,565	2,667,353
Amount paid - prior year	(2,054,565)	(2,667,353)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
37.3 VAT		
VAT input receivables and VAT outputs payable are shown in note 11 & 9.		
All VAT returns have been submitted by the due date throughout the year.		
37.4 PAYE AND UIF		
Opening balance	(1,872,635)	(1,379,702)
Current year payroll deductions	20,813,152	19,603,986
Amount paid - current year	(18,940,518)	(20,096,919)
Amount paid - previous years	-	-
Balance unpaid (included in debtors)	<u>-</u>	<u>(1,872,635)</u>
37.5 Pension and Medical Aid Deductions		
Opening balance	-	-
Current year payroll deductions and Council Contributions	22,155,052	20,822,204
Amount paid - current year	(22,155,052)	(20,822,204)
Amount paid - previous years	-	-
Balance unpaid (included in debtors)	<u>-</u>	<u>-</u>

The balance represents medical aid contributions payable to the District Municipality by pensioners whose contributions were already paid to the medical aid. Invoices were issued to collect the outstanding amounts.

37.6 Councilor's arrear accounts

30 June 2012	Total	Outstanding less than 90 days	Outstanding more than 90 days
The following amounts are outstanding regarding travel allowances:			
J du Toit	7,700	-	7,700
LBC Esau	5,204	-	5,204
J Harmse	803	-	803
J Maxim	9,205	-	9,205
VI van der Westhuizen	5,368	-	5,368
T Nayler	7,653	-	7,653
R Johannes	6,031	-	6,031
WP Meshoa	464	-	464
JMG Bekker	149,187	-	149,187
SCP Blijohn	43,272	-	43,272
J Bouwer	181,957	-	181,957
A Ewerts	49,577	-	49,577
M Fielies	3,075	-	3,075
JL Hartnick	226,757	-	226,757
D Xego	10,434	-	10,434
B Le Roux	14,445	-	14,445
HJ Loff	44,091	-	44,091
HJ Mc Combi	31,200	-	31,200
F Joseph	72	-	72
A Hartnick	34,660	-	34,660
J Harmse	14,439	-	14,439
PJW Murray	2,002	-	2,002
E Nel	5,775	-	5,775
R Skombingo	7,393	-	7,393
P Roodtman	190,393	-	190,393
N Valentyn	1,651	-	1,651
	<u>1,052,807</u>	<u>-</u>	<u>1,052,807</u>
The following amounts are outstanding regarding cellphone accounts:			
CN Ngalo	700	-	700
S de Vries	2,530	-	2,530
HJ McCombi	3,091	-	3,091
JH Loff	1,011	-	1,011
Dorfling	750	-	750
M Fielies	4,789	-	4,789
D Kamfer	15,336	-	15,336
J Bekker	281	-	281
E Mtabati	622	-	622
Blijohn	18,050	-	18,050
Saaiers	4,525	-	4,525
Ewerts	2,332	-	2,332
J Kemoetie	1,408	-	1,408
F Stemmet	592	-	592
S Loliwe	14,718	-	14,718
Kroma	7,362	-	7,362
J Maxim	438	-	438
	<u>78,534</u>	<u>-</u>	<u>78,534</u>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

37 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)

		2012 R	2011 R
30 June 2011	Total	Outstanding less than 90 days	Outstanding more than 90 days
The following amounts are outstanding regarding travel allowances:			
JMG Bekker	149,187	-	149,187
SCP Bijohn	43,272	-	43,272
J Bouwer	181,957	-	181,957
A Ewerts	49,577	-	49,577
M Fielies	3,075	-	3,075
JL Hartnick	226,757	-	226,757
D Xego	10,434	-	10,434
B Le Roux	14,445	-	14,445
HJ Loff	44,091	-	44,091
HJ Mc Combi	31,200	-	31,200
F Joseph	72	-	72
A Hartnick	34,660	-	34,660
J Harmse	14,439	-	14,439
PJW Murray	2,002	-	2,002
E Nel	5,775	-	5,775
R Skombingo	7,393	-	7,393
P Roodtman	190,393	-	190,393
N Valentyn	1,651	-	1,651
	<u>1,010,379</u>	<u>-</u>	<u>1,010,379</u>
The following amounts are outstanding regarding cellphone accounts:			
CN Ngalo	700	-	700
S de Vries	2,530	-	2,530
HJ McCombi	1,566	-	1,566
JH Loff	1,011	-	1,011
Dorfling	750	-	750
M Fielies	2,212	-	2,212
D Kamfer	15,336	-	15,336
J Bekker	281	-	281
E Mtabati	622	-	622
Bijohn	18,050	-	18,050
Saaiers	4,525	-	4,525
Ewerts	2,332	-	2,332
J Kemoetie	1,408	-	1,408
F Stemmet	592	-	592
S Loliwe	14,718	-	14,718
Kroma	7,362	-	7,362
	<u>73,995</u>	<u>-</u>	<u>73,995</u>

37.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The incidents listed hereunder have been condoned.

Non-compliance with the Supply Chain Management Regulations were identified on the following categories:

	Up to R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Executive & Council	178,336	1,416,888	1,007,010	-
Finance & Admin	169,366	267,992	269,861	-
Planning & Development	314,869	93,805	525,000	-
Public Safety	9,854	-	-	-
Community & Social Services	612,013	502,189	-	-
Environmental Protection	-	-	-	-
Corporate Services	208,141	255,720	-	-
Technical Services	1,057,314	510,377	-	-
Sport and Recreation	-	-	-	-
Roads	52,824	-	-	-
	<u>2,602,717</u>	<u>3,046,972</u>	<u>1,801,871</u>	<u>-</u>

A detailed listing of the above is included in Note 46.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

42 RELATED PARTY TRANSACTIONS

42.1 Related Party Transactions	Rates	Service Charges	Outstanding balances
Year ended 30 June 2012			
Councillors	-	-	-
Municipal Manager and Section 57 Personnel	-	-	-
Year ended 30 June 2011			
Councillors	-	296	296
Municipal Manager and Section 57 Personnel	-	-	-

42.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are no longer permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 17 to the Annual Financial Statements.

42.3 Related Parties

The following are persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director of Eden District Municipality:

- * Executive Mayor
- * Speaker
- * Mayoral Committee members
- * Councillors
- * Municipal Manager
- * Executive Manager: Finance
- * Executive Manager: Corporate Services
- * Executive Manager: Strategic Services
- * Executive Manager: Community Services

Their short term employee benefits are disclosed in notes 28 & 29.

The following key personnel member (senior buyer) is also a director of one of the District Municipality's approved suppliers (Pedam Building Contractors). No purchases from this supplier was made for the 2011/2012 financial year:

- * Mbulelo Gift Mkuzo

43 RISK EXPOSURES

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

Price risk

The municipality is not exposed to price risk.

Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyse its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

	2012 R	2011 R
0.5% (2009 - 0.5%) Increase in interest rates	126,210	114,911
0.5% (2009 - 0.5%) Decrease in interest rates	(126,210)	(114,911)

Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due to the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavors to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 19 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 19 for balances included in receivables that were re-negotiated for the period under review.

No trade and other receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 19 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

43 RISK EXPOSURES (Continued)

	2012 %	2012 R	2011 %	2011 R
Electricity	0.10%	20,495	2.68%	876,121
Water	0.01%	2,083	17.19%	5,626,380
Refuse	0.00%	708	4.69%	1,533,969
Sewerage	0.01%	2,847	6.36%	2,079,869
Ambulance and Fire Fighting Fees	8.29%	1,684,950	6.00%	1,965,204
Insurance	0.00%	-	0.10%	34,186
Rental Agreements	10.95%	2,224,259	7.83%	2,563,577
Taxes - Rates	0.09%	19,261	7.99%	2,614,849
Advances to Agencies	70.48%	14,317,845	43.75%	14,317,845
Sundry debtors	10.05%	2,042,119	3.41%	1,114,955
	100.00%	20,314,566	100.00%	32,726,954

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

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

	2012 R	2011 R
Long-term Receivable	47,400,346	37,435,619
Consumer Debtors	1,314,981	1,674,951
Other Debtors	1,490,038	2,980,095
Short term Investment Deposits	1,121	1,077
Bank Balances and Cash	42,771,497	27,144,233
Maximum Credit Risk Exposure	92,977,983	69,235,976

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2012				
Long Term liabilities	657,536	1,073,908	-	-
Capital repayments	302,596	404,514	-	-
Interest	354,940	669,394	-	-
Trade and Other Payables	25,765,139			
Unspent conditional government grants and receipts	7,883,178			
	34,305,853	1,073,908	-	-
2011				
Long Term liabilities	2,581,012	4,583,456	-	-
Capital repayments	2,226,072	3,914,061	-	-
Interest	354,940	669,394	-	-
Trade and Other Payables	29,759,180			
Unspent conditional government grants and receipts	11,181,706			
	43,521,897	4,583,456	-	-

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

44 FINANCIAL INSTRUMENTS

In accordance with IAS 39.09 the financial assets of the municipality are classified as follows:

Financial Asset	Classification	2012 R	2011 R
Long-term Receivable			
Car loans - At amortised cost	Financial instruments at amortised cost	(0)	(0)
Department of Transport: Roads - At amortised cost	Financial instruments at amortised cost	44,696,420	35,087,565
Long term debtors: Local Authorities - At amortised cost	Financial instruments at amortised cost	50,399	50,409
Consumer Debtors			
Service debtors	Financial instruments at amortised cost	1,314,981	1,674,951
Other Debtors			
Roads - Sundry debtors	Financial instruments at amortised cost	348,969	506,226
Sundry debtors	Financial instruments at amortised cost	1,490,038	2,980,095
Recoverable Debtors	Financial instruments at amortised cost	34,709	1,508,148
Regional Services levies	Financial instruments at amortised cost	-	-
Taxes - Rates	Financial instruments at amortised cost	(9)	32,165
Advances to Agencies	Financial instruments at amortised cost	-	-
Current Portion of Long-term Receivables			
Car loans - At amortised cost	Financial instruments at amortised cost	1,281	9,685
Department of Transport: Roads - At amortised cost	Financial instruments at amortised cost	2,652,246	2,185,731
Long term debtors: Local Authorities - At amortised cost	Financial instruments at amortised cost	-	102,229
Non-current Investments			
Non-current Investment	Financial instruments at amortised cost	40,774	40,974
Short term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	1,121	1,077
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	42,749,807	27,124,243
Cash Floats and Advances	Financial instruments at amortised cost	21,690	19,990
Total Financial Assets		<u><u>93,402,426</u></u>	<u><u>71,323,488</u></u>
SUMMARY OF FINANCIAL ASSETS			
Financial instruments at amortised cost		<u>93,402,426</u>	<u>71,323,488</u>
		<u><u>93,402,426</u></u>	<u><u>71,323,488</u></u>
Financial Liability			
Non-Current Liabilities			
Long-term Liabilities	Financial instruments at amortised cost	2,512,940	3,178,302
Current Liabilities			
Trade and other payables	Financial instruments at amortised cost	25,765,139	29,759,180
Unspent Conditional Grants	Financial instruments at amortised cost	7,883,178	11,181,706
Consumer Deposits	Financial instruments at amortised cost	-	-
VAT	Financial instruments at amortised cost	1,754,629	5,064,616
Current portion of long-term liabilities	Financial instruments at amortised cost	537,128	1,583,041
Total Financial Liabilities		<u><u>38,453,014</u></u>	<u><u>50,766,844</u></u>
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost		<u>38,453,014</u>	<u>50,766,844</u>

45 EXEMPTIONS TAKEN IN TERMS OF DIRECTIVE 4 - TRANSITIONAL PROVISIONS FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES

45.1 GRAP 19 -Provisions, Contingent Liabilities and Contingent Assets

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise the following provisions, contingent liabilities or contingent assets relating to Property, Plant and Equipment:

Refuse tip-sites financed by way of a provision;

Since the previous reporting date the following provisions were measured in accordance with GRAP 19 and restated retrospectively:

	2012	2011
Refuse tip-sites financed by way of a provision;	-	-
Post retirement health care benefits	-	-
Ex-Gratia Pensions	-	-
Long service awards	-	-

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

45 EXEMPTIONS TAKEN IN TERMS OF DIRECTIVE 4 - TRANSITIONAL PROVISIONS FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES (Continued)

45.2 GRAP 100 - Non-current assets and discontinued operations

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise non-current assets held for sale and discontinued operations relating to Inventories, Investment Properties, Property, Plant and Equipment, Agriculture and Intangible Assets which are not recognised in terms of the transitional provisions relating to those standards:

45.3 GRAP 16 - Investment Properties

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise all the Investment Properties:

Since the previous reporting date the following Investment Properties were measured at cost less accumulated depreciation in accordance with GRAP 16 and restated retrospectively:

Land with undetermined use;	-	-
Land; and	-	-
Buildings.	-	-
Accumulated Depreciation on Buildings	-	-
Total not previously recognised now restated retrospectively	<u>-</u>	<u>-</u>

The following Investment Property was identified and recognised on 30 June 2009. It is currently included at no cost and will only be measured in 2011 in terms of the transitional provisions as contained in Directive 4:

- Portion 38 of Farm 30, Nootgedagt;
- Portion 37 of Farm 30, Nootgedagt;
- Portion 9 of Farm 29, Oudtshoorn Rd, Groenefontein;
- Portion 1 of Farm 202, Knysna Rd;
- Erf 118, Herbertsdale; and
- Portion 0 of Farm 32, George Rd, Doornberg.

45.4 GRAP 102 - Intangible Assets

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise or measure all the Intangible Assets in accordance with the standard, including the following:

- Computer Software;
- Intangible assets financed by way of finance leases;
- Intangible assets transferred as a result of the transfer of functions; and

Since the previous reporting date the following Intangible Assets were measured in accordance with GRAP 102 and restated retrospectively:

Computer software;	-	-
Accumulated amortisation on computer software	-	-
Total not previously recognised now restated retrospectively	<u>-</u>	<u>-</u>

45.5 GRAP 12 - Inventories

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise the following inventories:

- Water;
- Land held for sale; and

Since the previous reporting date the following inventories were measured in accordance with GRAP 12 and restated retrospectively:

Water;	-	-
Land held for sale; and	-	-
	<u>-</u>	<u>-</u>

45.6 Process to comply fully with the implementation of General Recognised Accounting Practices (GRAP)

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a medium capacity municipality and must comply with GRAP by 30 June 2009. The municipality, however, took advantage of the transitional provisions in Directive 4 from the Accounting Standards Board.

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	19/07/2011	Suid-Kaap Waardeerders	152,461.20	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (i) emergency & (ii) single provider	2011/12/07	Hoistec Engineering	17,528.28	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	25/07/2011	Deloitte Consulting (Pty) Ltd	10,944.00	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	11/08/2011	M Barries	20,830.71	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by HOD	Landbou dienste	8,463.22	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Komatsu	957.60	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Kries Hydraulics	2,223.00	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Auto Electro	1,440.78	Roads
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	Motor electro diesel	1,026.00	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Specialized air brakes	1,425.00	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Auto electro	1,137.78	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Bell equipment		Roads

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	Masshire	4,878.01	Roads
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	Safety first supplies	704.00	Roads

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	African compass trading 101 t/a 4 hire	2,233.00	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Halfway toyota	2,153.23	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Nashua	1,321.26	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Van's motorwerke	2,261.41	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Van's motorwerke	547.20	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Van's motorwerke	649.80	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Van's motorwerke	8,422.30	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Barlows equipment	7,074.32	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Die burger	2,852.09	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Group editors	3,588.40	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Halfway toyota	826.60	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Santos express	1,800.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Tuinroete agri	3,425.00	Public Safety
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Ferobrake	5,700.00	Public Safety
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	E van rooyen	728.95	Public Safety
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	C Saaiman	2,800.00	Executive & Council
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Printegration	2,889.90	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Kries hydraulics	6,298.50	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (i) emergency	Approved by the HOD	CP nel delta	2,674.89	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Hoistec	5,964.58	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	JC diesel services	1,562.26	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Klein karoo toyota	1,096.16	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Klein karoo toyota	759.90	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Klein karoo toyota	1,400.17	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	African compass trading ta 4 hire	2,865.00	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Andrag agrico	2,344.98	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Barloworld	1,432.57	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Barloworld	955.44	Roads
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Bell equipment	1,164.08	Roads
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	Ferobrake	685.60	Roads
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	JDI plumbing and hardware	670.00	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Andrag agrico	3,520.32	Roads
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	15/08/2011	KPMG	187,952.37	Executive & Council
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	29/08/2011	Schroeter and Assonciates	600.00	Executive & Council
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	29/08/2011	Patel & Associates	650.00	Executive & Council
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	KK	23.00	Executive & Council
Only supplier responded	Approved by the HOD	Penny Pinchers	129.87	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Klein Karoo Kooperasie	27,443.22	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	UNIEP	550.00	Planning & Development
only two suppliers responded	Approved by the HOD	M&H office supplies	786.36	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (i) emergency & (ii) single provider agent	Approved by the HOD	Cable Man	273.60	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	Kempston Specialized Air Brakes	341.95	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD		299.33	Technical Services

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Municipal SCM regulations, section 36 (1) (a) (ii) single provider

Agent

Approved by the
HOD
Approved by the
HOD

Auto Electric

C.P.Nel Oudtshoorn

3,990.00

222.85

Technical Services

Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	02/09/2011	eTime	1,425.00	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	02/09/2011	eTime	1,384.50	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	06/09/2011	Language Inc	684.00	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (i) emergency	12/09/2011	Barnie's Engine Rebuilders	21,639.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	14/09/2011	HP	2,513.70	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (i) emergency	19/09/2011	Annelle van Niekerk Catering Lunch	580.00	Executive & Council
Municipal SCM regulations, section 36 (1) (a) (i) emergency	19/09/2011	B Prinsloo Catering Breakfast	309.27	Executive & Council
Municipal SCM regulations, section 36 (1) (a) (i) emergency	19/09/2011	B Prinsloo Catering Breakfast	2,223.00	Executive & Council
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	18/10/2011	eTime	492.62	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	Waltons Stationery	266.78	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	A Lategan	1,900.00	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	George Lawnmowers	1,366.14	Technical services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	George Lawnmowers	1,673.34	Technical services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Rodmile Motors	358.96	Technical services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Safe Drive	250.00	Technical services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	Silencer Shop	1,140.00	Technical services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	Approved by the HOD	Waltons Stationery	2,622.79	Technical services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	MMA Office Furniture	2,223.00	Technical services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Klein Karoo Totota	1,830.05	Technical services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Klein Karoo Totota	2,610.59	Technical services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Propshaft Engineering	2,269.74	Technical services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Rodmile Motors	2,097.02	Technical services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Tuinroute Grassnyers	1,715.00	Technical services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Steiner Hygiene	680.44	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	01/11/2011	Wispernet	5,130.00	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	02/11/2011	Dolphin Motors	14,280.88	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	03/11/2011	PWC	12,547.90	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	08/11/2011	PayDay Software Systems	115,531.02	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	14/11/2011	Mount View Resort	900.00	Executive & Council
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	16/11/2011	Mount View Resort	900.00	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	16/11/2011	Mount View Resort	880.00	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	25/11/2011	C & S Catering	4,300.00	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	28/11/2011	Zucchini Restaurant	5,600.00	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	29/11/2011	Pine Lake Marina	13,860.00	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	29/11/2011	Duttons Cove	9,900.00	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (i) in an emergency	29/11/2011	Dentdoctor	29,339.90	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (i) in an emergency	29/11/2011	Nyaru Game Lodge	6,107.00	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Prestige	2,010.00	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Lategan	7,600.00	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Time Freight	287.60	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	Approved by the HOD	Mr Cableman	399.00	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	03/01/2012	FFA IFMS Training Academy	27,000.00	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	19/01/2012	Urban Econ Fancourt Country Club and Golf Estate	9,600.00	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	23/01/2012	Gladiator Jungle Gyms	525,000.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	27/01/2012	Gyms	124,650.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	25/01/2012	Rodmile Motors	6,144.51	Finance & Admin

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	11/01/2012	Waltons	109.12	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	16/01/2012	M&H Office	299.95	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	17/01/2012	The Garage	350.00	Planning & Development

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	18/01/2012	Kwelanga Catering	1,347.50	Planning & Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	03/01/2012	CAW Gear Box & Diff cc	19,950.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	09/01/2012	Waltons	557.85	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	09/01/2012	Jacques Auto Electrical	1,265.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	20/01/2012	Golden Dividend	2,724.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	23/01/2012	Print Afford	3,306.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	25/01/2012	W&J Motors	3,673.01	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	25/01/2012	Golden Dividend	7,473.30	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	30/01/2012	Golden Dividend	7,884.30	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	30/01/2012	Golden Dividend	7,884.30	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	06/01/2012	Babsie and Sunflower	150.00	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	23/01/2012	Stanmar Motors	8,372.68	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	03/01/2012	Kempston Motor Group	1,140.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	04/01/2012	Golden Dividend	2,117.50	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	05/01/2012	Kempston Motor Group	496.11	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	05/01/2012	Fowkes Bros	57.11	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	05/01/2012	Gallies Swies	8,538.60	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	05/01/2012	Ferobrake	14,213.52	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	06/01/2012	Barloworld Equipment	7,162.14	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	06/01/2012	Halfway Toyota	132.03	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	09/01/2012	George	10,839.70	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	09/01/2012	Rodmile Motors	2,941.20	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	09/01/2012	Valley Hire	1,835.25	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	09/01/2012	Kempston Motor Group	650.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	09/01/2012	Fanies	2,941.20	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	11/01/2012	Valley Hire	2,221.70	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	11/01/2012	ELB	1,910.25	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	12/01/2012	Barloworld Equipment	13,480.28	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	12/01/2012	Halfway Toyota	484.84	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	12/01/2012	George	668.67	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	17/01/2012	Stanmar Motors	130.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	17/01/2012	ELB	1,573.58	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	17/01/2012	AA Midas	255.36	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	17/01/2012	ELB Equipment	3,637.06	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	17/01/2012	Sweiswerke BK	1,665.96	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	18/01/2012	Voltex	449.50	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	19/01/2012	Hino George	925.90	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	19/01/2012	ELB Equipment	60,967.54	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	19/01/2012	Klein Karoo Limited	735.30	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	19/01/2012	Komatsu	15,339.27	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	20/01/2012	Oudtshoorn	3,990.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	20/01/2012	Auto Electro	1,890.60	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	23/01/2012	Halfway Toyota	4,162.79	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	24/01/2012	Babcock	179.56	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	24/01/2012	Diesel Electric	45.74	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	25/01/2012	Klein Karoo Toyota	796.84	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	27/01/2012	Babcock	826.92	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	30/01/2012	Klein Karoo Toyota	138.80	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	30/01/2012	Mr Cableman	718.20	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	30/01/2012	Galie Sweiswerke	5,071.01	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	30/01/2012	HALFWAG Toyota	5,183.59	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	30/01/2012	Halfway Toyota	3,122.96	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	31/01/2012	George	1,824.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	23/01/2012	Klein Karoo Toyota	1,390.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	07/02/2012	Valley Containers	3,990.00	Planning & Development
		HPCSA Invasive Plant Solutions		

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Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	15/02/2012	Pricewaterhousecoopers	269,860.80	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (i) in an emergency	29/02/2012	Loerie Guest Lodge	555.95	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	29/02/2012	NHLS Riverside holiday Resort	125,280.30	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	21/02/2012	Aloe Ferox Gastehuis	9,600.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	24/02/2012	Gastehuis	6,160.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	21/02/2012	Eden Country Inn	750.00	Technical Services

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	21/02/2012	Le Roux B&B	2,166.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	23/02/2012	University of Stellenbosch	80,720.00	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	27/02/2012	Matoppo Inn	1,482.90	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	24/02/2012	Aloe Ferox Gastehuis	2,240.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	01/02/2012	Diesel- Electric	508.28	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	07/02/2012	Oak Tree Manor Oakhust Guest House	2,250.00	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	20/02/2012	Equipment Spare Parts	500.00	Finance & Admin
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	16/02/2012	African Sun Guesthouse	2,857.84	Finance & Admin Planning & Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	02/02/2012	Guesthouse	480.00	Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	06/02/2012	Friscia Ice	1,048.80	Development
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	08/02/2012	Nekkies	3,650.00	Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	09/02/2012	Uniep	4,000.00	Development
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	22/02/2012	Sandra Kawie	1,440.00	Development
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	22/02/2012	Delight Take Aways George Picture Frames	2,760.00	Development
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	16/02/2012	Frames	127.50	Executive & Council
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	02/02/2012	L Deli	225.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	06/02/2012	Blitsdruk	625.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	09/02/2012	Hotel Portaodia	450.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	10/02/2012	Kwelanga	398.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	13/02/2012	George Municipality	1,240.00	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	14/02/2012	Autolek Tata Golden Dividend	1,436.40	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	14/02/2012	Dividend	827.10	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	15/02/2012	A.P.G T/A Incidents Supports Services Dick Whittington	13,178.40	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	15/02/2012	Shoes	17,926.50	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	16/02/2012	Vredebest Packaging George	266.48	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	20/02/2012	Lawnmowers	61.25	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	24/02/2012	George Mechanical	11,941.50	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	24/02/2012	Vans Motorwerke	2,263.18	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	27/02/2012	Friscia Ice	27,676.60	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	28/02/2012	Bushi Borduurwerke	204.63	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	29/02/2012	Autolek George	2,091.90	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	29/02/2012	Lawnmowers George	1,876.44	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	29/02/2012	Lawnmowers	7,235.69	Community & Social Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	08/02/2012	Nashua	3,225.06	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	10/02/2012	Speedy Plumbers	1,246.36	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	10/02/2012	FP Top 20	1,150.00	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	10/02/2012	Keens & Kenmar	21,158.40	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	10/02/2012	Babsi	150.00	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	14/02/2012	George Locksmiths	290.00	Corporate Services

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Municipal SCM regulations, section 36 (1) (a) (ii) single provider	17/02/2012	Headlines	3,500.00	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	21/02/2012	Keylock	300.00	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	22/02/2012	J&M Projects	3,505.50	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	23/02/2012	Babsi	150.00	Corporate Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	01/02/2012	Half Way Toyota	791.32	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	01/02/2012	Small Elektries	1,999.50	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	01/02/2012	Klein Karoo Toyota	7,053.86	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	01/02/2012	Gas - Electric	5,985.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	02/02/2012	Air Liquide First		
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	02/02/2012	Weld	429.47	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	02/02/2012	Afrox	772.91	Technical Services

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	02/02/2012	Oudtshoorn Engineering	142.50	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	02/02/2012	Eden Woonwaens	945.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	02/02/2012	Kommaweer	376.20	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	02/02/2012	Bearing Man (BMG)	252.19	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	02/02/2012	Rodmile Motors	1,557.25	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	02/02/2012	ELB	36,334.87	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	02/02/2012	Klein Karoo Toyota	277.80	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	03/02/2012	Pennypinchers-George	787.63	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	03/02/2012	Babcock	760.65	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	03/02/2012	Proworx	436.44	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	06/02/2012	Pennypinchers	1,484.81	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	06/02/2012	Pennypinchers	6,087.60	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	06/02/2012	Bell Equipment	289.54	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	06/02/2012	Klein Karoo Koop	2,920.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	06/02/2012	ELB	924.41	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	06/02/2012	Swans Hardware	17,757.50	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	07/02/2012	Gallie Swiss	3,066.60	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	07/02/2012	Auto Zone	1,065.67	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	07/02/2012	African Compass	8,054.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	07/02/2012	ELB	739.11	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	07/02/2012	Gallie Swiss	11,115.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	08/02/2012	Rodmile Motors	1,536.93	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	08/02/2012	Stanmar Motors	331.46	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	08/02/2012	Hi One George	3,673.35	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	08/02/2012	Fanies	480.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	08/02/2012	High-Flow	2,040.60	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	08/02/2012	Klein Karoo Koop	460.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	09/02/2012	Eden Woonwaens	1,685.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	09/02/2012	PG Glass	3,000.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	09/02/2012	Propshaft Engineering	452.58	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	09/02/2012	Hino George	5,284.96	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	10/02/2012	Bell Equipment	252.25	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	10/02/2012	Rodmile Motors	684.70	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	10/02/2012	Swans Hardware	339.40	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	13/02/2012	Klein Karoo Koop	3,506.90	Technical Services
Municipal SCM regulations, section 36 (1) (a) (i) emergency	13/02/2012	Kriess Hydraulics	1,405.90	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	13/02/2012	Klein Karoo Koop	3,506.90	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	13/02/2012	Oudtshoorn Engineering	581.40	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	13/02/2012	Bell Equipment	422.95	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	14/02/2012	Air Fit	570.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	14/02/2012	Mr Caleman	262.20	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	14/02/2012	Halfway Toyota	202.20	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	14/02/2012	ELB	410.06	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	14/02/2012	Barlows	581.27	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	14/02/2012	Safe Drive	300.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	14/02/2012	C.P Nel Oudtshoorn	6,956.53	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	14/02/2012	Barloworld	2,530.91	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	14/02/2012	Venters Hardware	900.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	15/02/2012	Boshoff en Vermaak		
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	15/02/2012	Voorsieners	3,300.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	15/02/2012	Valley Containers	4,628.40	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	15/02/2012	Halfway Toyota	1,844.42	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	15/02/2012	Valley Containers	2,166.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	16/02/2012	Hilbert Electronics	360.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	16/02/2012	Tata	673.90	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	16/02/2012	Hilbert Electronics	330.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	16/02/2012	Komatsu	700.95	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	16/02/2012	Propshaft Engineering	4,792.56	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	16/02/2012	Barloworld	16,241.83	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	17/02/2012	T.G.S	258.73	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	17/02/2012	Golden Dividend		
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	17/02/2012	T/A TATA	1,718.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	20/02/2012	Hino George	373.25	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	20/02/2012	Halfway Toyota	5,859.19	Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Municipal SCM regulations, section 36 (1) (a) (ii) single provider	20/02/2012	Tata	10,509.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	20/02/2012	ELB Mbriers	188.12	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	21/02/2012	Landbouidienste	193.30	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	22/02/2012	Bell Equipment	6,993.13	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	22/02/2012	Knowledge Base	49,050.39	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	22/02/2012	ER Filtration	603.75	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	22/02/2012	ELB	347.70	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	23/02/2012	KOMATSU	3,011.39	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	23/02/2012	PROWORX	330.60	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	23/02/2012	Gallie Swiss	1,140.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	23/02/2012	Klein Karoo Koop	605.00	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	24/02/2012	Hino George	3,283.84	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	24/02/2012	Hino George	1,588.16	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	24/02/2012	Barloworld	7,081.92	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	24/02/2012	First Weld	889.45	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	24/02/2012	Klein Karoo koop	403.98	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	24/02/2012	Gallie Swiss	359.10	Technical Services

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	24/02/2012	ELB	2,338.63	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	24/02/2012	C.P Nel Oudtshoorn	366.15	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	24/02/2012	Ferobrake	96.90	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	27/02/2012	Compaction & Industrial Equipment	4,567.41	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	27/02/2012	Mr Cableman	159.60	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	27/02/2012	Klein Karoo Toyota George Diesel	180.90	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	27/02/2012	Pumps	2,462.40	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	27/02/2012	Komatsu	294.60	Technical Services
Municipal SCM regulations, section 36 (1) (a) (v) impractical or impossible	28/02/2012	Talisman Hire	718.20	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	28/02/2012	Barloworld	919.31	Technical Services
Municipal SCM regulations, section 36 (1) (a) (ii) single provider	29/02/2012	Proworx	571.00	Technical Services
The deviation for the payment of air tickets for the world corporate Golf Challenge is requested because of the following exceptional circumstances and unique practices in the travel business	Approved by MM 01/03/2012	Flight Specials George	18,522.00	Planning & Development
Eden District Municipality in collaboration with Home Affairs launched the Home Affairs Stakeholders Forum on Friday 10 December 2010 in Mossel Bay. The deputy minister of Home Affairs, Mas Fathima Chohan ease present to officially launch the forum. The forum comprised of Mayors, Speakers, Traditional leaders, Community Organisations, CDW's, Ward Committies, and other departments, Municipal PP Official and Department of Home Affairs Officials. Digifusion was requested to print A4 full colour pamphlets and A O full colour Petition sheet to sign for the Mayors, Speakers and senior officials of Home Affairs which was given to the previous Executive Mayor Adv,Faried Stemmet. The pledge is in the Mayors Office, and the proof of artwork or pamphlet is attached.	Approved by MM 01/03/2012	Digi Fusion	1,130.00	Planning & Development
Agent	Approved by HOD 10/04/2012	Golden Divident	7,884.30	Community & Social Services
Only supplier	Approved by HOD 12/04/2012	Duivenhoks Dieseldiens	2,052.00	Community & Social Services
Only one supplier responded	Approved by HOD 13/04/2012	Luluvo Lwethu Construction	1,500.00	Community & Social Services
Only supplier	Approved by HOD 17/04/2012	Incidents Suppliers	20,450.00	Community & Social Services
Only two suppliers responded	Approved by HOD 17/04/2012	Candidas	520.00	Community & Social Services
Only two suppliers responded	Approved by HOD 18/04/2012	Pinny Pinchers	5,805.32	Community & Social Services
Only supplier	Approved by HOD 19/04/2012	Incidents Suppliers	20,698.20	Community & Social Services
Only two suppliers responded	Approved by HOD 23/04/2012	Impi Wire	218.88	Community & Social Services
Agent	Approved by HOD 24/04/2012	Tata Garden Route	467.70	Community & Social Services
Only two suppliers responded	Approved by HOD 24/04/2012	Agri	403.66	Community & Social Services
Only two suppliers responded	Approved by HOD 24/04/2012	Supa Quick	2,260.00	Community & Social Services
Only supplier	Approved by HOD 25/04/2012	Auto Fitment Centre	585.00	Community & Social Services
Agent	Approved by HOD 24/04/2012	Riversdal Nissan	1,499.82	Community & Social Services

EDEN DISTRICT MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Only supplier	Approved by HOD 25/04/2012	Van S Motorweke	1,221.92	Community & Social Services
Agent Kris Humpel is training the TASK Co-ordinator in terms of the TASK Refresher Course. He is working for Deloitte. He had to fly from Cape Town to George. SAA is the only service provider who provides us with flights from Cape Town to George.	Approved by HOD 25/04/2012	Golden Divident	2,450.60	Community & Social Services
Only two suppliers listed on the database	Approved by MM 02/04/2012	Deloitte	16,650.00	Corporate Services
Only two suppliers listed on the database	Approved by HOD 03/04/2012	Nickey's Flowers	150.00	Corporate Services
Only two suppliers listed on the database	Approved by HOD 11/04/2012	Babsi	150.00	Corporate Services
Only two suppliers listed on the database	Approved by HOD 11/04/2012	Nickey's Flowers	150.00	Corporate Services
Only two suppliers listed on the database	Approved by HOD 13/04/2012	Babsi & The Sunflower	150.00	Corporate Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Only two suppliers listed on the database	Approved by HOD 17/04/2012	Nickey's Flowers	150.00	Corporate Services
Only two suppliers listed on the database	Approved by HOD 19/04/2012	Nickey's Flowers	150.00	Corporate Services
Only two suppliers listed on the database	Approved by HOD 24/04/2012	Candidas	485.00	Corporate Services
Only two suppliers listed on the database	Approved by HOD 30/04/2012	Nickey's Flowers	150.00	Corporate Services
Attendance of the Indaba 2012 marketing platform is an important event in the marketing calendar of all marketing destinations and other tourism trade. As such, Garden Route and Klein Karoo Tourism, which is responsible for tourism marketing and development of the whole Eden District Municipality, will one more attend this prestigious Africa showcase with the aim of maximising the marketing and development opportunities available there, on behalf of the communities of the entire region. In addition, it is the district municipality's mandated responsibility to coordinate and facilitate regional tourism marketing in the most effective manner possible. Thus attendance from both the administrative and political component of the municipality is necessary. In so doing the Tourism Department as well as the Municipal Manager will attend this event to fulfil their role as stated above.				
Emergency	Approved by MM 24/04/2012	Harvey World Travel	17,975.00	Executive & Council
Agent	Approved by HOD 03/04/2012	Auto Electro	2,501.76	Technical Services
Only two suppliers in Oudtshoorn	Approved by HOD 03/04/2012	Komatsu	7,938.48	Technical Services
Agent	Approved by HOD 03/04/2012	National Auto	746.13	Technical Services
Sole Supplier	Approved by HOD 03/04/2012	Hino George	6,046.74	Technical Services
Agent	Approved by HOD 03/04/2012	JC Diesel Services	1,741.46	Technical Services
Agent	Approved by HOD 04/04/2012	Compaction & Industrial	4,287.06	Technical Services
Agent	Approved by HOD 04/04/2012	Agrico	435.48	Technical Services
Agent	Approved by HOD 04/04/2012	Golden Dividend 536 t/a Tata	2,730.30	Technical Services
Agent	Approved by HOD 04/04/2012	Barlows	199.25	Technical Services
Agent	Approved by HOD 04/04/2012	Vredebest	126.60	Technical Services
Only two suppliers listed on the database	Approved by HOD 05/04/2012	Fluid Air Hydraulics	7,973.73	Technical Services
Agent	Approved by HOD 05/04/2012	Barloworld	8,723.86	Technical Services
Agent	Approved by HOD 10/04/2012	ELB Equipment	2,558.13	Technical Services
Agent	Approved by HOD 10/04/2012	Golden Dividend 536 t/a Tata	121.50	Technical Services
Agent	Approved by HOD 11/04/2012	Babcock	2,016.89	Technical Services
Sole Supplier	Approved by HOD 11/04/2012	Volmoed Quarries	1,732.80	Technical Services
Agent	Approved by HOD 11/04/2012	Klein Karoo Toyota	1,835.07	Technical Services
Agent	Approved by HOD 11/04/2012	Auto Electro	1,644.91	Technical Services
Agent	Approved by HOD 11/04/2012	Hino George	2,957.45	Technical Services
Agent	Approved by HOD 11/04/2012	Van Der Berg Vervoer	1,484.00	Technical Services
Sole Supplier	Approved by HOD 11/04/2012	Prosphat Engineering	600.78	Technical Services
Agent	Approved by HOD 13/04/2012	Klein Karoo Toyota	361.31	Technical Services
Only supplier	Approved by HOD 13/04/2012	Afrox	9,531.54	Technical Services
Only one supplier responded	Approved by HOD 16/04/2012	Gas - Electric	1,445.00	Technical Services
Agent	Approved by HOD 16/04/2012	Babcock	999.06	Technical Services
Agent	Approved by HOD 16/04/2012	Andrag Agrico	2,294.59	Technical Services
Agent	Approved by HOD 16/04/2012	Bell Equipment	11,590.16	Technical Services
Agent	Approved by HOD 16/04/2012	Klein Karoo Toyota	356.01	Technical Services
Agent	Approved by HOD 16/04/2012	Klein Karoo Toyota	998.65	Technical Services
Agent	Approved by HOD 16/04/2012	Eden Woonwaens	4,890.00	Technical Services
Sole Supplier in Oudtshoorn	Approved by HOD 17/04/2012	Hi Way Bande	260.00	Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Only two suppliers in Oudtshoorn

Approved by HOD
17/04/2012
Approved by HOD
17/04/2012

Oudtshoorn
Municipality
Kango Boumaterial

198.00

Technical Services

Sole Supplier in Oudtshoorn

504.00

Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Sole Supplier in Oudtshoorn	Approved by HOD 17/04/2012	JC Diesel Services	1,741.46	Technical Services
Sole Supplier in Riversdale and Albertinia	Approved by HOD 17/04/2012	Henna's Catering	600.00	Technical Services
Only two suppliers in Oudtshoorn	Approved by HOD 17/04/2012	Oudtshoorn Municipality	198.00	Technical Services
Agent	Approved by HOD 17/04/2012	Barloworld	111.72	Technical Services
Agent	Approved by HOD 17/04/2012	Barloworld	249.49	Technical Services
Sole Supplier	Approved by HOD 18/04/2012	Auto Electro	1,186.17	Technical Services
Agent	Approved by HOD 18/04/2012	Andrag Agrico	10,059.36	Technical Services
Agent	Approved by HOD 18/04/2012	Rodmile Motors	4,160.48	Technical Services
Agent	Approved by HOD 20/04/2012	Oudtshoorn Nissan	4,260.34	Technical Services
Only two suppliers in Oudtshoorn	Approved by HOD 20/04/2012	PG Glass	1,450.00	Technical Services
Agent	Approved by HOD 23/04/2012	Kempston Motor	1,469.45	Technical Services
Sole Supplier	Approved by HOD 24/04/2012	Hi Way Bande	260.00	Technical Services
Only supplier	Approved by HOD 24/04/2012	CAWMat Engineering	3,800.00	Technical Services
Agent	Approved by HOD 24/04/2012	Barlows	535.61	Technical Services
Agent	Approved by HOD 24/04/2012	Rodmile Motors	2,032.61	Technical Services
Sole Supplier	Approved by HOD 24/04/2012	Proworx	513.00	Technical Services
Agent	Approved by HOD 25/04/2012	Klein Karoo Toyota	356.01	Technical Services
Only two suppliers listed on the database	Approved by HOD 25/04/2012	Fluid Air Hydraulics	1,060.20	Technical Services
Only supplier in Oudtshoorn	Approved by HOD 25/04/2012	Kango Boumaterial	180.00	Technical Services
Only supplier listed on the database	Approved by HOD 25/04/2012	Pro Auto Rubber	293.93	Technical Services
Sole Supplier in Oudtshoorn	Approved by HOD 25/04/2012	Proworx	480.00	Technical Services
Only supplier	Approved by HOD 25/04/2012	ELB Equipment	41.45	Technical Services
Agent	Approved by HOD 26/04/2012	George Diesel Pumps	87.85	Technical Services
Agent	Approved by HOD 26/04/2012	Rodmile Motors	2,148.98	Technical Services
Agent	Approved by HOD 26/04/2012	Klein Karoo Toyota	1,268.93	Technical Services
Agent	Approved by HOD 30/04/2012	Gallie Sweis	1,322.40	Technical Services
Agent	Approved by HOD 30/04/2012	ELB Equipment	1,798.10	Technical Services
Agent	Approved by HOD 30/04/2012	Stanmar Motors	217.80	Technical Services
Agent	Approved by HOD 03/04/2012	Klein Karoo Toyota	97.81	Finance & Admin
Agent	Approved by HOD 10/04/2012	Meyers Motors (Delta)	28,127.12	Finance & Admin
Agent	Approved by HOD 12/04/2012	Barlows	1,399.56	Finance & Admin
Agent	Approved by HOD 12/04/2012	Komatsu	178.13	Finance & Admin
Agent	Approved by HOD 18/03/2012	Babcock	632.68	Finance & Admin
Only one supplier responded	Approved by HOD 05/05/2012	Suiderkruis Security	2,032.45	Planning & Development
<p>The George Municipality is embarking on an economic competitiveness initiative which includes the PACA process phase one. In preparation some of the most renowned Business Retention and Extension specialist in South Africa will be conducting training for the George team. The George Municipality extended an invitation to all the B - Municipalities including Eden District Municipality to attend the training. Permission was granted by the Municipal Manager for Ms N. Raubenheimer to attend the training. Therefore an amount of R1 500.00 is payable to Guy Harris and Associates who is the organizing company for the training. Quotes could not be obtained as the George Municipality has secured the services of Guy Harris and Associates.</p>				
	Approved by MM 05/05/2012	Guy Harris	1,500.00	Planning & Development

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Only supplier	Approved by HOD 16/05/2012	Grassnyer & Kettingsaag Sentrum	311.41	Planning & Development
To do emergency work at broken pipe by building at Swartvlei	Approved by HOD 18/05/2012	T & M Industrial Plumbing Hardware	52.08	Planning & Development

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Emergency work done	Approved by HOD 21/05/2012	IRRIKOR	4,534.77	Planning & Development
Replacement of circuit breaker at Victoria Bay	Approved by HOD 21/05/2012	Electrical Pro	888.06	Planning & Development
Emergency work done at de hoek	Approved by HOD 21/05/2012	Small 2012	3,510.00	Planning & Development
Eden District Municipality's mayor had a function at SWD Rugby Stadium and all leisure was requested to provide services.	Approved by MM 23/05/2012	All Leisure	6,925.00	Planning & Development
Emergency work done for the repairs of the sewerage pump at Calitzdorp	Approved by HOD 24/05/2012	Small Elektris & Toebehore cc	23,182.00	Planning & Development
Emergency work done at Calitzdorp, power failure was reported and work needed to be done because the resort was fully booked	Approved by HOD 25/05/2012	B & B HT Contractors	9,758.40	Planning & Development
Emergency work done at Calitzdorp, power failure was reported and a generator was required to ensure power power to the Resort	Approved by HOD 25/05/2012	Mac's Electrical Services cc	20,000.00	Planning & Development
Emergency work at Calitzdorp, power failer was reported and work needed to be. Repairing second cabel at the Spa	Approved by HOD 29/05/2012	B & B HT Contractors	8,052.00	Planning & Development
Only supplier that could render the services	Approved by HOD 02/05/2012	Katriena King	21,000.00	Community & Social Services
Only supplier	Approved by HOD 02/05/2012	Incident Aupport Services	29,959.20	Community & Social Services
Only two suppliers on databse	Approved by HOD 04/05/2012	Portao Diaz Hotel	5,860.00	Community & Social Services
Only two suppliers	Approved by HOD 07/05/2012	Chatacters	364.80	Community & Social Services
Only one qoute received	Approved by HOD 07/05/2012	Bushi	1,012.59	Community & Social Services
Only supplier	Approved by HOD 07/05/2012	Auto Zone	1,824.00	Community & Social Services
Only supplier	Approved by HOD 07/05/2012	SCAW	567.26	Community & Social Services
Only supplier	Approved by HOD 07/05/2012	DTM Nissan	1,367.41	Community & Social Services
Only supplier	Approved by HOD 07/05/2012	Auto Zone	4,206.60	Community & Social Services
Only supplier	Approved by HOD 07/05/2012	George Lawnmowers	1,582.49	Community & Social Services
Only supplier	Approved by HOD 09/05/2012	Autolek	2,291.40	Community & Social Services
Only supplier	Approved by HOD 10/05/2012	Uniforms of George	10,857.85	Community & Social Services
Only supplier	Approved by HOD 10/05/2012	Southern Cape Hire	26,562.03	Community & Social Services
Agent	Approved by HOD 11/05/2012	Tata Garden Route	6,291.60	Community & Social Services
One qoute received	Approved by HOD 15/05/2012	DRS Augustun De La Bat	3,120.00	Community & Social Services
Only supplier	Approved by HOD 14/05/2012	ValleyHire	6,156.00	Community & Social Services
Only supplier	Approved by HOD 15/05/2012	Canvas Tents	342.00	Community & Social Services
Only supplier	Approved by HOD 15/05/2012	Autolek	385.00	Community & Social Services
Only supplier	Approved by HOD 16/05/2012	Steel & Pipes	3,452.14	Community & Social Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Only supplier	Approved by HOD 17/05/2012	Pienaar Bros	9,301.26	Community & Social Services
Only two suppliers responded	Approved by HOD 17/05/2012	Pienaar Bros	3,919.15	Community & Social Services
Agent	Approved by HOD 18/05/2012	DTM Nissan	2,349.38	Community & Social Services

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Only supplier listed on the database	Approved by HOD 21/05/2012	Mountain View B&B	2,100.00	Community & Social Services
Single supplier	Approved by HOD 22/05/2012	Du Plessis Motors	2,382.70	Community & Social Services
Only two suppliers responded	Approved by HOD 22/05/2012	Penny Pinchers	9,600.01	Community & Social Services
Only two suppliers responded	Approved by HOD 22/05/2012	Integral Safety Products	1,977.90	Community & Social Services
Only supplier	Approved by HOD 23/05/2012	Auto Zone	6,890.50	Community & Social Services
Single supplier	Approved by HOD 23/05/2012	Loerie Hire	300.00	Community & Social Services
Single supplier	Approved by HOD 23/05/2012	Du Plessis Motors	5,033.10	Community & Social Services
Only supplier	Approved by HOD 25/05/2012	George Lawnmowers	663.84	Community & Social Services
Only two suppliers listed on the database	Approved by HOD 03/05/2012	Nickey's Flowers and Events	150.00	Corporate Services
Only two suppliers listed on the database	Approved by HOD 04/05/2012	BABSI	150.00	Corporate Services
Only two suppliers listed on the database	Approved by HOD 08/05/2012	Nickey's Flowers and Events	150.00	Corporate Services
The training course (Basic Life Skills Programme) is part and parcel of our (WSP) Work Skills Plan 2011/2012 and sufficient funds were budgeted to roll out the programme over a period of 3 - 4 months	Approved by MM 09/05/2012	DBSA	175,000.00	Corporate Services
The correct SCP was followed to obtain quotation for catering for Basic Life Skills Training on Ladismith for 22 people on the 15th and 16th May 2012. On the afternoon before the training started we were informed via e-mail that the's no service providers who's listed on our database in Ladismith and that we must pay for the catering and claim it back from Council. Currently Eden DM is making use of Lithotech printers for printing of cheques. From 1st May Eden DM will transfer its banking services from ABSA to STD Bank, leaving EDEN DM to make urgent amendments to accommodate Standard Bank with cheques with their logo on. We will follow the SCM policy for procuring such services in the future by tender or quotations.	Approved by MM 30/05/2012	Ladismith Spar	2,165.13	Corporate Services
Only two suppliers responded	Approved by MM 09/05/2012	LithoTech George Emergency Power Services	4,020.00	Executive & Council
Only two suppliers responded	Approved by HOD 15/05/2012		44,551.20	Executive & Council
Council embarked on a long term development project with Ubertech regarding interfaces between Council's various IT systems. Urbetech is currently supplying the infrastructure and the support for the open source model as prescribed by National Treasury OFSS policy. Payday Software System is the owner and sole supplier of the Payday system and is also the only supplier that can maintain the payroll system.	Approved by MM 18/05/2012	Ubertech	14,637.60	Executive & Council
Futitsu is the owner and sole supplier of the Abakus Financial System and futitsu is also the only supplier that can maintain the Abakus Financial System.	Approved by MM 21/05/2012	Payday Software Systems (Pty) LTD	1,300.00	Executive & Council
Daar was 'n dringende regs opinie aangevra aangesien Ingid Diesel se prokureur Andrew Cox angedui het dat die Raad die volle bedrag van ±R300 000.00 aan Ingid Diesel moes betaal. Die opinie het bevestig dat die Taad slegs 'n bedrag van R57 000.00 aan haar moes betaal	Approved by MM 21/05/2012	Fujitsu	119,950.52	Executive & Council
	Approved by MM 22/05/2012	Schroter & Assosiate Prokereus	2,600.00	Executive & Council

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

During August 2010 Eden DM became aware that one G. Matthee of Uhuru Guest Farm, Calitzdorp installed a water pump on the property at Eden Calitzdorp Spa, and pumping water from the natural hot spring. It appears that Mr. Matthee uses the water for a heated pool at the Guest Farm. The new National Act of 1998 abolished the distinction between public and private water and a radical and fundamental change to the water regime is that no person can "own" water. The right to use certain water is regulated by licence. For certain limited purposes a person may use water without a licence. A great deal of uncertainty and risk with regards to the rights to water exist. The position of Eden DM and that of Mr. Matthee falls in this category and without establishing the true and correct position, would it be reckless to institute a legal process. Mr R Kleynhans is a specialist in this field and far as can be ascertained is there no other person here in the South Cape available with the requisite qualifications and experience in this field
Eden District Municipality was requested by George Municipality to administer 6 (six) daily wage contract on behalf of George Municipality. DEA granted approval for Eden DM

Approved by MM 30/05/2012	Mr Kleynhans	1,500.00	Executive & Council
Approved by MM 31/05/2012	George Municipality	140,142.97	Executive & Council

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Agent	Approved by HOD 02/05/2012	Klein Karoo Toyota	97.81	Finance & Admin
Agent	Approved by HOD 03/05/2012	Hino George	1,354.84	Finance & Admin
Only two quotes received	Approved by HOD 08/05/2012	Autozone	64.60	Finance & Admin
Agent	Approved by HOD 08/05/2012	Barlowworld	2,551.78	Finance & Admin
Agent	Approved by HOD 08/05/2012	Hino George	4,891.17	Finance & Admin
Standard Bank account for EDEN DM and ROADS has been activated as per new tender allocation. We are required to have some funds in the account to keep the account operational while we await the migration from ABSA. We therefore request that the following transfers be made to the following accounts: Account no: 06 083 2630 (Eden DM's main account) = transfer of R5 000 Vote No: 10 10 18 5040 004 Account no: 06 083 2835 (Roads main account) = transfer of R 1000 Vote No: 15 01 01 5040 004	Approved by HOD 09/05/2012	The Standard Bank	6,000.00	Finance & Admin
Eden District Municipality is currently, and for the previous six years, using the PWC Combined System for the asset administration. We are using the Baud System for asset verification in the past and recently bought the upgraded Baud Premier Version in order to have a GRAP compliant asset register.	Approved by HOD 23/05/2012	Price WaterHouse Combined System	13,676.56	Finance & Admin
Only two suppliers responded	Approved by HOD 02/05/2012	Pienaar Bros.	885.13	Technical Services
Only one supplier responded	Approved by HOD 02/05/2012	Kriess Hydraulics	736.50	Technical Services
Only two suppliers responded	Approved by HOD 02/05/2012	Diesel Electric	106.60	Technical Services
Agent	Approved by HOD 02/05/2012	Komatsu	591.14	Technical Services
"Huidiglik geen tender beskikbaar, maar beskik oor fasiliteite om items te lewer"	Approved by HOD 02/05/2012	Department of Transport	4,950.00	Technical Services
Agent	Approved by HOD 03/05/2012	Klein Karoo Toyota	356.01	Technical Services
Agent	Approved by HOD 03/05/2012	Rodmile Motors	4,641.81	Technical Services
Only supplier listed on the database	Approved by HOD 03/05/2012	Dail A Foklift	470.00	Technical Services
Agent	Approved by HOD 03/05/2012	Golden Dividend 536 t/a TATA	1,241.47	Technical Services
Agent	Approved by HOD 03/05/2012	Klein Karoo Toyota	6,520.78	Technical Services
Agent	Approved by HOD 03/05/2012	Een Stop Auto	91.53	Technical Services
Sole supplier in Uniondale	Approved by HOD 07/05/2012	E Van Rooyen	152.75	Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Agent	Approved by HOD 07/05/2012	Halfway Toyota	165.44	Technical Services
Only one supplier responded	Approved by HOD 07/05/2012	National Autoglass	1,969.69	Technical Services
Only one supplier responded	Approved by HOD 07/05/2012	Kango Boumaterial Department vervoeren opebare werke:	460.00	Technical Services
Sole supplier in Bellville	Approved by HOD 07/05/2012	Bellville Werkswinkel	881.78	Technical Services
Agent	Approved by HOD 08/05/2012	Komatsu	1,468.71	Technical Services
Agent	Approved by HOD 08/05/2012	Kempston Motor	3,967.11	Technical Services
Agent	Approved by HOD 08/05/2012	Rodmile Motors	1,553.09	Technical Services

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Sole supplier	Approved by HOD 08/05/2012	Kempston Motor	1,864.66	Technical Services
Agent	Approved by HOD 08/05/2012	Komatsu	1,468.71	Technical Services
Agent	Approved by HOD 08/05/2012	Barloworld	54.28	Technical Services
Only supplier	Approved by HOD 08/05/2012	CAWMat Engineering	4,500.00	Technical Services
Agent	Approved by HOD 08/05/2012	Oudtshoorn Nissan	96.90	Technical Services
Only two suppliers listed on database	Approved by HOD 08/05/2012	Ferobrake	6,702.15	Technical Services
Agent	Approved by HOD 08/05/2012	ELB Equipment	6,038.44	Technical Services
Sole supplier in Oudtshoorn	Approved by HOD 08/05/2012	Proworx	585.00	Technical Services
Agent	Approved by HOD 08/05/2012	Babcock	8,952.15	Technical Services
Only two suppliers listed on database	Approved by HOD 08/05/2012	Fanie's Motor Timmers	1,800.00	Technical Services
Sole Supplier	Approved by HOD 09/05/2012	Department Vervoer & Openbare Werke	71,929.03	Technical Services
Sole supplier in Oudtshoorn	Approved by HOD 09/05/2012	Department of Transport	1,732.80	Technical Services
Agent	Approved by HOD 09/05/2012	Klein Karoo Toyota	544.53	Technical Services
Sole Suppliers	Approved by HOD 09/05/2012	Department Vervoer & Openbare Werke: Bellville Werkswinkel	3,415.82	Technical Services
Agent	Approved by HOD 09/05/2012	Klein Karoo Toyota	544.53	Technical Services
"Beraamde koste"	Approved by HOD 09/05/2012	Transport and Public Works	76,092.49	Technical Services
Sole Supplier	Approved by HOD 09/05/2012	First Weld	130.01	Technical Services
"Beraamde koste"	Approved by HOD 09/05/2012	Transport and Public Works	76,082.47	Technical Services
Sole supplier in Oudtshoorn	Approved by HOD 09/05/2012	Volmoed Quarries	1,732.80	Technical Services
Sole Supplier	Approved by HOD 09/05/2012	Van Der Berg Vervoer	1,504.80	Technical Services

EDEN DISTRICT MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Agent	Approved by HOD 09/05/2012	Bell Equipment	800.46	Technical Services
Sole Supplier	Approved by HOD 09/05/2012	Oudtshoorn Sweiswerke	495.60	Technical Services
Only Supplier	Approved by HOD 09/05/2012	Tonandi	11,115.00	Technical Services
Work Done by Provincial Government Workshop on Construction from Provincial the fleet owner	Approved by HOD 09/05/2012	Transport and Public Works	2,514.30	Technical Services
Sole supplier in Oudtshoorn	Approved by HOD 09/05/2012	J&E Communications	1,379.40	Technical Services
Only Supplier	Approved by HOD 10/05/2012	Vichen Auto Electronics	932.52	Technical Services
Only two suppliers	Approved by HOD 10/05/2012	Fluid Air Hydraulics	2,397.84	Technical Services
Agent	Approved by HOD 10/05/2012	ELB Equipment	3,501.00	Technical Services
Agent	Approved by HOD 11/05/2012	Kempston Motor	3,440.85	Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Agent	Approved by HOD 11/05/2012	Barloworld	12,882.59	Technical Services
Only Supplier in Oudtshoorn	Approved by HOD 11/05/2012	Smuts Famaly Trust	8,550.00	Technical Services
Agent	Approved by HOD 11/05/2012	TATA	1,259.09	Technical Services
Agent	Approved by HOD 14/05/2012	Silverton Radiators	741.00	Technical Services
Only Supplier	Approved by HOD 14/05/2012	George Hino Grassnyer & Kettingsaag	1,885.51	Technical Services
Agent	Approved by HOD 14/05/2012	Sentrum	601.80	Technical Services
Agent	Approved by HOD 14/05/2012	Barloworld	5,632.98	Technical Services
Sole Supplier	Approved by HOD 14/05/2012	Hi Way Bande	119.00	Technical Services
Agent	Approved by HOD 14/05/2012	ELB Equipment	1,170.87	Technical Services
Sole Supplier	Approved by HOD 14/05/2012	Hi Way Bande	260.00	Technical Services
Sole Supplier	Approved by HOD 15/05/2012	Proworx	3,431.40	Technical Services
Rotation Basis	Approved by HOD 15/05/2012	Safe Drive	300.00	Technical Services
Sole Supplier	Approved by HOD 15/05/2012	Klein Karoo Toyota	2,465.66	Technical Services
Agent	Approved by HOD 15/05/2012	Rodmile Motors	9,982.90	Technical Services
Sole Supplier	Approved by HOD 15/05/2012	Nashua	9,517.86	Technical Services
Sole Supplier	Approved by HOD 15/05/2012	Kriess Hydraulics	165.25	Technical Services
Agent	Approved by HOD 15/05/2012	Rodmile Motors	1,844.95	Technical Services
Agent	Approved by HOD 15/05/2012	Hino	4,507.62	Technical Services
Agent	Approved by HOD 15/05/2012	Rodmile Motors	3,919.56	Technical Services
Agent	Approved by HOD 15/05/2012	Rodmile Motors	1,045.55	Technical Services
Rotation Basis	Approved by HOD 15/05/2012	Ferobrake	3,088.49	Technical Services
Only Supplier	Approved by HOD 15/05/2012	George Springworks	5,130.66	Technical Services
Only Supplier	Approved by HOD 17/05/2012	Afrox	1,039.70	Technical Services
Only Supplier	Approved by HOD 17/05/2012	Afrox	3,137.99	Technical Services
Agent	Approved by HOD 17/05/2012	Hino George	1,826.90	Technical Services
Only Supplier	Approved by HOD 17/05/2012	Air Liquide First World	659.80	Technical Services
Only Supplier	Approved by HOD 18/05/2012	Air Liquide First World	1,176.74	Technical Services
Agent	Approved by HOD 18/05/2012	Komatsu	437.98	Technical Services
Agent	Approved by HOD 21/05/2012	Klein Karoo Toyota	2,148.00	Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

"Keith / Gerald het die ander geregistreerde verskaffers gekontak dit blyk dat hulle vergoeding verlang om uit te gaan vir 'n kwotasie vanaf George / Mosselbaai.

Approved by
HOD
22/05/2012

De Necker
Loodgieters

9,084.88

Technical Services

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Only two suppliers	Approved by HOD 22/05/2012	Lafarge	1,605.24	Technical Services
Only two suppliers	Approved by HOD 22/05/2012	Lafarge	1,496.04	Technical Services
Only Supplier	Approved by HOD 22/05/2012	Gallies Sweis	110.58	Technical Services
Single Supplier	Approved by HOD 22/05/2012	Kriess Hydraulics	470.80	Technical Services
Agent	Approved by HOD 22/05/2012	TATA	341.30	Technical Services
Agent	Approved by HOD 23/05/2012	Short's Nissan	1,427.47	Technical Services
Agent	Approved by HOD 23/05/2012	ELB Equipment	4,765.53	Technical Services
Sole Supplier	Approved by HOD 25/05/2012	Propshaft Engineering	4,341.12	Technical Services
Agent	Approved by HOD 25/05/2012	Bell Equipment	869.35	Technical Services
Agent	Approved by HOD 25/05/2012	Rodmile Motors	3,220.79	Technical Services
Agent	Approved by HOD 28/05/2012	Babcock	2,274.30	Technical Services
Only two suppliers responded	Approved by HOD 28/05/2012	Candidas Event Management	3,360.00	Technical Services
Agent	Approved by HOD 28/05/2012	Babcock	4,361.53	Technical Services
Only Supplier	Approved by HOD 28/05/2012	Garage Man	4,320.81	Technical Services
Agent	Approved by HOD 28/05/2012	Agrico	132.04	Technical Services
Agent	Approved by HOD 28/05/2012	Mbriers Landboudienste	345.65	Technical Services
Agent	Approved by HOD 29/05/2012	Jackson Motor Spares	120.67	Technical Services
Agent	Approved by HOD 30/05/2012	Klein Karoo Toyota	485.63	Technical Services
Sole Supplier	Approved by HOD 30/05/2012	Oudthoorn Municipality	198.00	Technical Services
Agent	Approved by HOD 30/05/2012	Gallies Sweis	182.40	Technical Services
Agent	Approved by HOD 30/05/2012	Klein Karoo Toyota Grassnyer & Kettingsaag	509.12	Technical Services
Only two suppliers responded	Approved by HOD 30/05/2012	Sentrum	84.33	Technical Services
Sole supplier in Oudthoorn	Approved by HOD 30/05/2012	Auto Electro	1,506.81	Technical Services
Agent	Approved by HOD 30/05/2012	Klein Karoo Toyota	1,982.14	Technical Services
Only two suppliers responded	Approved by HOD 04/06/2012	Coca Cola	9,062.65	Planning & Development
Sole supplier It was reported that on 15 May 2012 that the vehicle had broken down whilst being driven to oudthoorn. It was towed to the nearest supplier in Oudthoorn 1 stop auto for a quotation which further led to a complete assessment for the vehicle. Several faults were reported, as per stores department. 1 stop is the sole supplier for Ford Ranger bakkies in Oudthoorn that would be able to repair the damages.	Approved by HOD 04/06/2012	Frisca ICE	1,917.00	Planning & Development
	Approved by MM 13/06/2012	Mazda	39,805.05	Planning & Development

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Emergency work done at Calitzdorp Spa, sewerage pumps were broken. As per the Stores Department Irrikor was the only supplier that could the repairs of the sewerage pump on such short notice. The Spa was fully booked on the specific weekend and hence the reason for the deviation.

Approved by
MM
13/06/2012

Irrikor

27,132.00

Planning &
Development

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
The Commonwealth Good Governance Website will include a full colour organisational profile of Eden District Municipality. The website serves as a multimedia platform for good governance to be shared, and for experts and officials to interact.	Approved by MM 18/06/2012	The Commonwealth Good Governance	54,000.00	Planning & Development
Only supplier	Approved by HOD 01/06/2012	Bushi Trading	802.28	Community & Social Services
Only supplier	Approved by HOD 01/06/2012	Du Plessis Werkswinkel	5,582.01	Community & Social Services
Only one quote received	Approved by HOD 01/06/2012	UNIEP	485.00	Community & Social Services
Only supplier	Approved by HOD 04/06/2012	R & S Communication	638.40	Community & Social Services
Agent	Approved by HOD 05/06/2012	TATA	12,209.30	Community & Social Services
Only two suppliers responded	Approved by HOD 05/06/2012	Waltons	181.60	Community & Social Services
Agent	Approved by HOD 07/06/2012	Stanmar Motors	5,569.30	Community & Social Services
Agent	Approved by HOD 11/06/2012	Halfway Toyota	3,997.42	Community & Social Services
Only supplier listed on the database	Approved by HOD 11/06/2012	Henna's	900.00	Community & Social Services
Only two suppliers responded	Approved by HOD 11/06/2012	Akkers Harware	1,617.00	Community & Social Services
Only two quotes received	Approved by HOD 12/06/2012	Tuinroute Agri	7,920.72	Community & Social Services
Agent Our Municipal Health Information Systems forms part of the Collaborator system of Council. We need to extend our system to incorporate farm inspections into our information system. The collaborator system is the only system used by Council.	Approved by HOD 13/06/2012	Autolek	2,496.60	Community & Social Services
Only supplier Callie's Upholstery was aanbevel om die stoele van die Rampbestuur sentrum oor te trek omdat Fanie's Motortrimmers slegs met leer oortrek. Kommaweer het nie die selfde kwaliteit material gehad en kon nie voorsien wat ons wou gehad het nie.	Approved by MM 14/06/2012	Business Engineering	58,846.80	Community & Social Services
Eden Air Quality Unit is conducting air quality passive sampling in various locations and town in the Eden Region. The supplying of the Radiello cartridges and laboratory analysis of these samples are only done by Chemtech Laboratory Services in Pretoria. They are the only accredited laboratory in SA for the analysis of passive monitors.	Approved by HOD 15/06/2012	E Van Rooyen	770.00	Community & Social Services
Only supplier	Approved by MM 19/06/2012	Callie's Upholstery	6,825.00	Community & Social Services
Only supplier	Approved by MM 26/06/2012	Chemtech Laboratory Services	24,031.20	Community & Social Services
Rotation Basis	Approved by HOD 01/06/2012	Toilet Friend	2,223.00	Corporate Services
The committee Services Department was notified on the 10th of May 2012 to make arrangements for catering for the workshop, which was late for us to process the request on Collaborator as it takes two (2) days to get quotations. Mrs Daphne October offered to purchase refreshments for the LLF workshop held on the 15th of May 2012, hence the repayment deviation form.	Approved by HOD 04/06/2012	Babsi & the Sunflower	150.00	Corporate Services
"Goed Koopste" The deviation is in respect of section 36 item (1) a (ii) of the SCM Policy. Business Engineering is the owner and sole supplier of the Collaborator system and Business Engineering is also the only supplier that can maintain the Collaborator system. It is therefore recommended that the request for the next two (2) financial years be supported and approved.	Approved by MM 07/06/2012	Business Engineering	14,093.00	Corporate Services
Rotation Basis	Approved by HOD 12/06/2012	Babsi & the Sunflower	150.00	Corporate Services
Only supplier available	Approved by HOD 12/06/2012	Invusa Trading 1581 cc	3,520.00	Corporate Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

The suggested change to the PAYDAY system is necessitated to accommodate the 1.25 days of the fire personnel. During a recent (last year) audit it was reflected and hence the recommended change on the leave module of PAYDAY. It is therefore recommended that the request for the deviation be supported and approved.

Approved by
MM
18/06/2012

PAYDAY

13,657.20

Corporate Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
On the 11 May the requisition was created for catering the budget and IDP workshop. The quotations were received on the 18th of May. When the caterer was called, no one was available to the catering. Eden DM signed an agreement with Altech Autopage on 26 February 2009. a letter dated 17 May 2012 was sent Autopage Cellular informing them that Eden intends to terminate the current agreement with 30 June 2012 as last day of payment. In the same letter Eden informed Autopage of its intension to extend the contract on a month to month basis until finalization of the tender process regarding the appointment of a service provider for the telephone communication system	Approved by MM 19/06/2012	Daphne October	600.25	Corporate Services
Currently Eden receives the following 7 newspapers from Group Editors. The number of newspapers reduced to 6	Approved by MM 26/06/2012	Autopage Cellular (Pty) LTD	17,103.75	Corporate Services
	Approved by MM 26/06/2012	Group Editors	1,092.00	Corporate Services
Let Me Repiar (LMR) is currently the company that service all Eden DM's HP printers and scanners (approved deviation) that is in and out of warranty. Due to new services regulations from LMR which include fixed prices for most if their products irrespective of the defect of the product and proof of payment before repairing the product (not inline with the SCM Policy) makes it therefore impractical to continue to make use of their services for products out of warranty. Printegration is a company that has a branch that is locally situated and specialised in HP, Tally and OKI products. Their service is also onsite available and the quality of their service is of high standard.	Approved by HOD 01/06/2012	Printegration	3,722.10	Executive & Council
Sole supplier in Oudtshoorn	Approved by HOD 01/06/2012	Van Der Berg Vervoer	1,504.80	Technical Services
Rotation basis	Approved by HOD 01/06/2012	TJ Toets Stasie	300.00	Technical Services
Sole supplier	Approved by HOD 01/06/2012	African Compass Trading	5,200.00	Technical Services
Agent	Approved by HOD 01/06/2012	Klein Karoo Toyota	56.36	Technical Services
Sole supplier	Approved by HOD 01/06/2012	Volmoed Quarries	1,732.80	Technical Services
Rotation basis	Approved by HOD 01/06/2012	Safe Drive	300.00	Technical Services
Sole supplier	Approved by HOD 04/06/2012	Houw Hoek Inn	790.00	Technical Services
Sole supplier	Approved by HOD 04/06/2012	ELB	719.20	Technical Services
Only two suppliers on database	Approved by HOD 04/06/2012	Fanie's	1,650.00	Technical Services
Single supplier on database	Approved by HOD 12/06/2012	George Springworks	2,240.00	Technical Services
Sole supplier	Approved by HOD 12/06/2012	Prospat Engineering	672.60	Technical Services
Bespaar tyd en onnodige onkoste goed koper pm werl plasalik te doen	Approved by HOD 05/06/2012	Proworx	1,356.60	Technical Services
Sole supplier	Approved by HOD 05/06/2012	Afrox	1,691.76	Technical Services
Only two suppliers on database	Approved by HOD 06/06/2012	Fanie's	1,650.00	Technical Services
Only two quotes received	Approved by HOD 06/06/2012	JP Spares	299.97	Technical Services
Agent	Approved by HOD 06/06/2012	Prospat Engineering	4,341.12	Technical Services
Agent	Approved by HOD 06/06/2012	ELB Equipment	2,735.75	Technical Services
Agent	Approved by HOD 06/06/2012	Klein Karoo Toyota	4,033.45	Technical Services
No tender for courier services	Approved by HOD 07/06/2012	Time Freight	133.90	Technical Services
Sole supplier in Oudtshoorn	Approved by HOD 07/06/2012	JC Diesel Services	1,888.18	Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Approved by
HOD
08/06/2012

Babcock

14,429.55

Technical Services

Agent

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
"Om borde George toe te neem gaan baie tyd in beslag neem en ook deur kos"	Approved by HOD 08/06/2012	Proworx	171.00	Technical Services
Sole supplier	Approved by HOD 08/06/2012	Auto Electro	1,856.49	Technical Services
Only one quote received	Approved by HOD 08/06/2012	National Autoglass	803.70	Technical Services
"George verskaffers stel nie belang om in Oudtshoorn diens te lewer"	Approved by HOD 08/06/2012	Small Elektries	880.00	Technical Services
Sole supplier	Approved by HOD 08/06/2012	CAWMAT Enginnering	23,863.00	Technical Services
Agent	Approved by HOD 08/06/2012	Short's Nissan	2,679.81	Technical Services
Only supplier in Oudtshoorn	Approved by HOD 08/06/2012	Proworx	207.50	Technical Services
Agent	Approved by HOD 08/06/2012	Komatsu	2,042.81	Technical Services
Only one supplier responded	Approved by HOD 08/06/2012	Firstweld	345.19	Technical Services
Sole supplier in Oudtshoorn	Approved by HOD 11/06/2012	Van Der Berg Vervoer	1,504.80	Technical Services
Sole supplier in Oudtshoorn	Approved by HOD 11/06/2012	Volmoed Quarries	1,732.80	Technical Services
Only two suppliers	Approved by HOD 11/06/2012	M.E.D	2,486.08	Technical Services
Single supplier	Approved by HOD 11/06/2012	Agrico	6,153.72	Technical Services
Ony two suppliers	Approved by HOD 11/06/2012	Kriess Hydraulics	2,012.10	Technical Services
Agent	Approved by HOD 11/06/2012	Bell Equipment	586.10	Technical Services
Agent	Approved by HOD 12/06/2012	Rodmile Motors	996.21	Technical Services
Agent	Approved by HOD 12/06/2012	Bell Equipment	1,016.32	Technical Services
Agent	Approved by HOD 12/06/2012	Kempston Motor Group	3,858.44	Technical Services
Only supplier on database	Approved by HOD 12/06/2012	George Springworks	2,240.00	Technical Services
Only supplier	Approved by HOD 12/06/2012	Prosphat Engineering	672.60	Technical Services
Only two suppliers on database	Approved by HOD 12/06/2012	Fasie's Motor Trimmers	450.00	Technical Services
Only supplier	Approved by HOD 12/06/2012	Silverton Radiators	250.00	Technical Services
Agent	Approved by HOD 13/06/2012	Klein Karoo Toyota	123.62	Technical Services
Only one quote received	Approved by HOD 13/06/2012	M & H Office Equipment	207.00	Technical Services
Agent	Approved by HOD 14/06/2012	Golden Dividend t/a TATA	16,994.90	Technical Services
Only two quotes received	Approved by HOD 14/06/2012	Proworx	587.10	Technical Services
Agent	Approved by HOD 15/06/2012	Gallie Sweis	2,017.80	Technical Services
The Regravel Team was staying since March 2012 at Montecell. Due to the project it was requested that the team stay till the end of the project..	Approved by MM 19/06/2012	Montecello Trust	36,250.00	Technical Services
Three quotes were received during March 2012, accomodation was extended and seeing that Islandview was the cheapest.	Approved by MM 21/06/2012	Islandview Guesthouse	32,000.00	Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Three quotes were requested for both James and Jacques. Anthelope was the cheapest, instead of asking every month for three quotes their stay was extended.

Approved by
MM
29/06/2012

14 Antelope Bed &
Breakfast

800.00

Technical Services

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Three quotes were requested, NA Smit was the cheapest and their stay has been extended due to the finalization of the project during May 2012	Approved by MM 29/06/2012	NA Smit	9,360.00	Technical Services
One of the methods that the Eden District Municipality's tourism department employs to meet the requirements of its tourism marketing mandate is to pursue the activity of print media marketing. I executes this activity via the use of a variety print advertisements through out each financial year, and, in so doing markets the entire region. These publications are selected from a variety of publishers to fulfil as many aspects of our marketing plan as possible. The Cape Town Route Unlimited CTRU Cape Town and Western Cape Official Guide from 2011 - 2012 is one such publication - one distributed by CTRU to all the tourism offices throughout the province and country, public and private tourism offices throughout the province and country, public and private tourism trade and businesses, as well as at many domestic and international marketing platforms and markets. It further included a digital guide which is a link on the Cape Town Routes Unlimited website.	Approved by MM 01/03/2012	BAM Strategic Marketing Designation Marketing Organisation t/a Cape Town Route Unlimited	28,902.00	Planning & Development
With "Local Tourism" listed in Schedule 4, Part B, and tourism being a key industry in the Eden District Municipality area it was deemed important that representatives from the sport and tourism unit attend the meeting.	Approved by MM 01/03/2012	Coastal Rigging	30,000.00	Planning & Development
Only two supplier on database	Approved by HOD 06/03/2012	UNIEP	5,016.00	Planning & Development
Only one supplier responded	Approved by HOD 09/03/2012	UNIEP	3,975.00	Planning & Development
The Eden Natural Resources Management Unit (Working for Water) is conducting training to Working for Water contractors and workers on an annual basis. Procuring venues and catering for these training remains a challenge in terms of availability suitability and costs of venues. Concordia Training (Pty) LTD Provides their venue free of charge with provision that the catering be provided by them in accordance with the prescribed limits as set by the department of Environmental Affairs: (Catering R40.00 per Person per day). The Eden Natural Resources Management Unit (Working for Water) is conducting training to Working for Water contractors and workers on an annual basis. Procuring venues and catering for these training remains a challenge in terms of availability suitability and costs of venues. (Venue R120.00 per Person per day). St Boniface Church is the only other service provider in the region with a suitable venue at a low cost, as we already rents an office from them in Knysna.	Approved by MM 12/03/2012	Concordia Training	1,800.00	Planning & Development
Only supplier responded	Approved by MM 12/03/2012 Approved by HOD 13/03/2012	St Boniface Church	240.00	Planning & Development
Only supplier responded	Approved by HOD 13/03/2012	Tuinroute Agri	381.80	Planning & Development
Sole Supplier	Approved by HOD 19/03/2012	Friscia Ice	1,539.00	Planning & Development
Emergency	Approved by HOD 20/03/2012	Small Elektries	4,800.00	Planning & Development
Sole Supplier	Approved by HOD 20/03/2012	Oudtshoom Grassnyerdienste	4,070.00	Planning & Development
Emergency	Approved by HOD 28/03/2012	Icon Security	2,679.00	Planning & Development
Only supplier on database	Approved by HOD 29/03/2012	The Garage	6,464.00	Planning & Development
Only two suppliers responded	Approved by HOD 01/03/2012	Candidas	200.00	Community & Social Services
Only two suppliers responded	Approved by HOD 05/03/2012	L.Deli	225.00	Community & Social Services
Sole Supplier	Approved by HOD 06/03/2012	Autolek	1,185.60	Community & Social Services
"Enigste restaurant wat bereid was om etes verskaf aan pilots"	Approved by HOD 06/03/2012	Cracklin Rosy	903.00	Community & Social Services
Only two suppliers responded On Friday 2nd and Saturday the 3rd of March WOF choppers and spotter planes were used to fight the fire in the Kammanassie Mountains was out of control. The chopper pilots were bombing till last light and had to stay for 2 nights in Uniondale. The chopper was used for Friday and Saturday. On Sunday morning they stood down and flew back to Pletteberg Bay and Cape Town. Deviation from normal SCM procedures were done due to the the booking was done after 16h00	Approved by HOD 06/03/2012	Fannies	1,900.00	Community & Social Services
	Approved by MM 08/03/2012	Bon Accord	1,660.00	Community & Social Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
During the devastating veldt and bush fires on 21 - 26 February 2012 at Haelkraal in the Outeniqua Mountains, one of Eden DM's fire fighting vehicles, a Toyota land cruiser CAW 77080, had problems with its transfer box. The gear lever was stuck in reverse and the vehicle needed to be repair as soon as possible. The nearest Toyota dealer was Mossel Bay Toyota and they were contacted to come and inspect the vehicle was towed in by them and repair as this vehicle was used to fight the fire..	Approved by MM 08/03/2012	Mossel Bay Toyota	25,580.14	Community & Social Services
Tuesday 17/01/2011 late afternoon thunder and lightning in the Swartberg and Kouga mountains were experienced. On both these mountains ranges fires started due to lightning and working on fire (WOF) spetter plane had to be tasked to do reconnaissance fights in order to evaluate the extent of the fires as well as to identify areas in immediate risk. In both the mountain ranges the lightning fire were high in mountains, inaccessible to our fire fighting teams on foot or per vehicle. From the 17 - 23 January 2012 WOF support, both in form of aerial assistance as well as ground crews had to be requested to deal with this disaster. Currently the only aircraft available in the Eden District and rated by the Civil Aviation authority as suitable for aerial fire fighting assistance, is the WOF aircraft based at the WOF fire base in Knynsa. Due to the nature of the event and the urgency for the development of resources normal supply chain procedures could not be followed but from 01 December 2011 - 30 April 2012 the stand-by cost for WOF aircraft is paid by the Provincial Disaster Management Centre and the utilisation of this equipment can be dealt with as part of the Provincial MOU dated 28/02/2011.	Approved by MM 08/03/2012	FFA Aviation (Pty) Ltd	193,411.71	Community & Social Services
Sole Supplier	Approved by HOD 09/03/2012	E Van Rooyen	825.00	Community & Social Services
Sole Supplier	Approved by HOD 13/03/2012	George Mechanic	7,923.00	Community & Social Services
Agent	Approved by HOD 13/03/2012	George Lawnmowers & Chainsaw	1,762.31	Community & Social Services
Sole Supplier	Approved by HOD 13/03/2012	Dick Wittinton Shoes	13,566.00	Community & Social Services
Sole Supplier	Approved by HOD 13/03/2012	George Lawnmowers & Chainsaw	1,040.34	Community & Social Services
Agent	Approved by HOD 13/03/2012	George Lawnmowers & Chainsaw	1,016.97	Community & Social Services
Sole Supplier	Approved by HOD 13/03/2012	George Lawnmowers & Chainsaw	1,065.83	Community & Social Services
Agent	Approved by HOD 15/03/2012	Halfway Toyota	5,146.57	Community & Social Services
Agent	Approved by HOD 16/03/2012	Halfway Toyota	3,578.59	Community & Social Services
Sole Supplier	Approved by HOD 16/03/2012	Lexis Nexis	1,363.67	Community & Social Services
Agent	Approved by HOD 16/03/2012	Mossel Bay Toyota	8,352.50	Community & Social Services
Sole Supplier	Approved by HOD 20/03/2012	SCAW Metals Group	2,966.10	Community & Social Services
Sole Supplier	Approved by HOD 27/03/2012	George Lawnmowers & Chainsaw	901.67	Community & Social Services
Sole Supplier	Approved by HOD 27/03/2012	R & S Communication	672.60	Community & Social Services
Sole Supplier	Approved by HOD 27/03/2012	George Lawnmowers & Chainsaw	901.67	Community & Social Services
Sole Supplier	Approved by HOD 27/03/2012	R & S Communication	672.60	Community & Social Services
Only two suppliers responded	Approved by HOD 27/03/2012	L.Deli	750.00	Community & Social Services
Agent	Approved by HOD 29/03/2012	Shorts Nissan	2,162.25	Community & Social Services
Only two suppliers responded	Approved by HOD 05/03/2012	Candidas	270.00	Corporate Services
Only two suppliers responded	Approved by HOD 06/03/2012	Kwelanga Catering	1,225.00	Corporate Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

We received complaints that the exit gate at the main office, George will not open.
The problem is that officials will not be able to enter the premises of Council from the back. There was not enough time to follow the SCM process. Smart Access did work on the gates before and they were contacted to assist.

Approved by MM
08/03/2012

Smart Access

435.00

Corporate Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Telkom is since 2003 a service provider of EDEN DM for part of the telephone system. EDEN DM entered into various contracts for different periods with Telkom, but all the contracts of which the last ended on 30 April 2011. Therefore a new tender process have to be entered into to appoint a new service provider. Due to the fact that EDEN DM is dependent on a reliable telephone system till the tender process is completed and a new services provider appointed, it will be necessary to make an interim arrangements in order to comply with the Supply Chain Regulations. It is therefore recommended that the request for deviation to utilise Telkom as service provider from 01 June 2011 until a new service provider is appointed, be supported and approved	Approved by MM 08/03/2012 Approved by HOD	Telkom	9,400.00	Corporate Services
Only one supplier responded	09/03/2012 Approved by HOD	Margot Swiss	94.00	Corporate Services
Only one supplier responded	09/03/2012 Approved by HOD	Ress & Van Zyl Aptek	335.00	Corporate Services
Only one supplier responded Deloitte is the only service provider for the refresher course for the regional TASK job evaluation unit. Deloitte developer of TASK system. TASK used through collective agreement in local government nationality.	12/03/2012 Approved by MM 26/03/2012 Approved by HOD	Uniforms of George Deloitte	5,071.05 16,650.00	Corporate Services Corporate Services
Only one supplier responded	27/03/2012	Multi Projects	1,675.80	Corporate Services
Refer Electrical Services breakdown at Roads department. After continuous power outages the power supply unit of the UPS (Uninterrupted Power Supply) at roads department also stop working. As the UPD forms an integral part of our disaster management procedures, it was necessary to start repair procedure immediately George Emergency Power Services is familiar with Eden DM's Emergency Power System, and was able to respond quickly. Eden District Municipality investigated the potential of an Enterprise License Agreement with ESRI South Africa as a shared Service initiative for the Eden Region. The importance of such agreement for the Eden DM has been discussed at the regional ICT Forum, and the ICT Steering Committee of Eden DM as well as other Technical Forum Meeting. The management committee of Eden District Municipality, at the last MANCOM, dated 16 February 2012 took a decision to support such an ELA on condition that the B-Municipality share in the contractual basis	Approved by MM 12/03/2012	George Emergency Power Services	8,322.00	Executive & Council
Agent	Approved by MM 13/03/2012 Approved by HOD	Esri South Africa	450,000.00	Executive & Council
"Alleen verskaffer gelys of databasis	01/03/2012 Approved by HOD	Hino George Oudthoom Sweiswerke	3,732.18 565.15	Technical Services Technical Services
Sole supplier	01/03/2012 Approved by HOD	Tyres & Treads	990.91	Technical Services
Only two suppliers on database	01/03/2012 Approved by HOD	Silverton Radiators	350.00	Technical Services
Agent	01/03/2012 Approved by HOD	Meyers Motors	4,536.66	Technical Services
Sole supplier	01/03/2012 Approved by HOD	Prosphat	1,209.54	Technical Services
Sole supplier	01/03/2012 Approved by HOD	J & E Communications	347.70	Technical Services
Agent	01/03/2012 Approved by HOD	Tata Garden Route	11,375.70	Technical Services
Only two suppliers on database	01/03/2012 Approved by HOD	Fannie's	480.00	Technical Services
Agent	01/03/2012 Approved by HOD	ELB Equipment	455.05	Technical Services
Agent	02/03/2012 Approved by HOD	Half Way Toyota	161.08	Technical Services
Agent	02/03/2012 Approved by HOD	Hino George	1,796.34	Technical Services
Agent	02/03/2012 Approved by HOD	Bell Equipment	522.70	Technical Services
Only two suppliers on database	02/03/2012	Silverton Radiators	627.00	Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Sole supplier

Approved by
HOD
05/03/2012

Proworxs

9,075.00

Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Emergency	Approved by HOD 05/03/2012	Kriess Hydraulics	1,216.15	Technical Services
Agent	Approved by HOD 05/03/2012	ELB Equipment	71,670.61	Technical Services
Agent	Approved by HOD 05/03/2012	Klein Karoo Toyota	296.12	Technical Services
Agent	Approved by HOD 05/03/2012	Babcock	2,368.75	Technical Services
Agent	Approved by HOD 05/03/2012	Agrico	1,539.00	Technical Services
Agent	Approved by HOD 05/03/2012	Stanmar Motors	2,947.82	Technical Services
Agent	Approved by HOD 06/03/2012	Rodmile Motors	1,933.25	Technical Services
Agent	Approved by HOD 07/03/2012	George Lawnmowers & Chainsaws	499.57	Technical Services
Sole supplier	Approved by HOD 09/03/2012	Proworx	1,673.19	Technical Services
Agent	Approved by HOD 09/03/2012	Hino George	5,004.73	Technical Services
This is the only caravan park in Uniondale where we can accommodate our 10 caravans for our staff which is busy with regravelling projects in the Uniondale area since last year	Approved by MM 09/03/2012	Uniondale Karavan Park	13,600.00	Technical Services
Agent	Approved by HOD 12/03/2012	ELB Equipment	12,487.17	Technical Services
Agent	Approved by HOD 12/03/2012	Babcock	2,954.95	Technical Services
Only two suppliers responded	Approved by HOD 12/03/2012	Bolt and Tool World (Pty) LTD	90.00	Technical Services
Only two suppliers responded	Approved by HOD 13/03/2012	M.E.D	2,924.00	Technical Services
Best available supplier of service for items	Approved by HOD 13/03/2012	Time Freight	935.02	Technical Services
Sole supplier	Approved by HOD 13/03/2012	Hi Way Bande	329.00	Technical Services
Emergency	Approved by HOD 13/03/2012	Oudthoorn Sweiswerke	467.85	Technical Services
Sole supplier	Approved by HOD 13/03/2012	Jackson	330.53	Technical Services
Sole supplier	Approved by HOD 13/03/2012	Hi Way Bande	260.00	Technical Services
Agent	Approved by HOD 14/03/2012	Babcock	29,771.16	Technical Services
Only two suppliers responded	Approved by HOD 15/03/2012	LT's Catering	415.00	Technical Services
Agent	Approved by HOD 15/03/2012	Barloworld	267.80	Technical Services
Agent	Approved by HOD 16/03/2012	Rodmile Motors	194.71	Technical Services
Noodgeval	Approved by HOD 16/03/2012	Tyres & Treads	35.00	Technical Services
Only one supplier responded	Approved by HOD 01/03/2012	Garden Route	144.90	Technical Services
Only two suppliers responded	Approved by HOD 19/03/2012	Silencer Shop	456.00	Technical Services
Only two suppliers responded	Approved by HOD 19/03/2012	Che Radiators	5,660.76	Technical Services
Only two suppliers on database	Approved by HOD 20/03/2012	Kriess Hydraulics	7,033.80	Technical Services

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Agent	Approved by HOD 05/03/2012	Barlows	1,515.45	Finance & Admin
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EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

46 Details of Non-Compliance with Chapter 11 of the Municipal Finance Management Act as reported in Note 37.7 (Continued)

Reason for Deviation	Date Approved by MM	Supplier Name	Amount	Department
Wearcheck is a preferred service provider from our principal Provincial Government (PAWC). After a conversation with the Head Engineer, M.H Strydom he confirmed that all provincial government departments make use of th service provider and if no monster bottles can be provided the fleet would come to a stand still because services can not go ahead if no monsters are taken.	Approved by HOD 07/03/2012	Wearcheck	11 491.00	Finance & Admin
Agent	Approved by HOD 07/03/2012	Babcock	7 085.53	Finance & Admin
Single supplier	Approved by HOD 16/03/2012	PWC Combined Systems	2 451.00	Finance & Admin
Agent	Approved by HOD 16/03/2012	Babcock	2 054.15	Finance & Admin
Business with suppliers appointed irregularly		Eden FM	75 000.00	Excecutive & Council
Business with suppliers appointed irregularly		De Swart Vogel	184 861.00	Excecutive & Council
Business with suppliers appointed irregularly		Myambo Attorney	160 000.00	Excecutive & Council
Business with suppliers appointed irregularly		Bay Breeze	4 800.00	Excecutive & Council
Business with suppliers appointed irregularly		Eden FM	4 600.00	Excecutive & Council
Business with suppliers appointed irregularly		Imvusa Trading 1581 CC	3 600.00	Excecutive & Council
Business with suppliers appointed irregularly		Imvusa Trading 1581 CC	6 240.00	Excecutive & Council
Business with suppliers appointed irregularly		Imvusa Trading 1581 CC	5 999.00	Excecutive & Council
Payment amount greater than the quoted amount		Leading Edge	10 000.00	Excecutive & Council
Bid Adjudication Committee structure		Standard Bank	230 928.00	Excecutive & Council
Bid Adjudication Committee structure		Wispernet	121 641.00	Excecutive & Council
Bid Adjudication Committee structure		Wispernet	71 506.00	Excecutive & Council
Bid Adjudication Committee structure		Diesel Electric; Ground Breakers	16 835.00	Excecutive & Council
Bid Adjudication Committee structure		Diesel Electric, ER Filtration	3 544.00	Excecutive & Council
Bid Adjudication Committee structure		Transand; Volmoed Wuarries	326 082.00	Excecutive & Council
Bid Adjudication Committee structure		AON	74 928.00	Excecutive & Council
Bid Adjudication Committee structure		Benefit IT service; Computer Centre; EOH PE; ISM; Mantella; Mars Technologies; Toshiba	2 032.00	Excecutive & Council
No interest declaration		Suiderkruis Security	13 860.00	Excecutive & Council
Supplier not on database		Cutty Sark Restaurant	12 603.00	Excecutive & Council
Supplier not on database		Man Truck & Bus (SA)	175 004.00	Excecutive & Council
Award to close family members		Suid-Kaap Waardeorders	1 178.00	Excecutive & Council
Awards to persons in service of the state		Nashua Mobile	4 556.00	Excecutive & Council
Awards to persons in service of the state		The Business Zone 1681	17 450.00	Excecutive & Council
Awards to persons in service of the state		Kay Beez Development Projects	8 750.00	Excecutive & Council
Awards to persons in service of the state		The Business Zone 2628	30 750.00	Excecutive & Council
Awards to persons in service of the state		Southern Cape Fire Protection Association	30 601.00	Excecutive & Council
Award to close family members		JDI Plumbing and Hardware		

**EDEN DISTRICT MUNICIPALITY
ANNEXURE A
SCHEDULE OF EXTERNAL LOANS
FOR THE YEAR ENDED 30 JUNE 2012**

EXTERNAL LOANS	Loan No.	Redeemable	Balance 30/06/2011 R	Received during the period R	Redeemed or written off R	Balance 30/06/2012 R	Carrying Value of Property, Plant and Equipment R	Other Costs in accordance with the MFMA
LONG-TERM LOANS								
Prosperity Ins. Company @ 18.75%	9	31.12.2006	-	-	-	-	-	-
Standard Bank Nominees @ 16.75%	27	31.12.2008	-	-	-	-	-	-
Standard Bank Nominees @ 16.75%	27	31.12.2008	-	-	-	-	-	-
Total long-term loans			-	-	-	-	-	-
Annuity Loan								
ABSA								
Dysseisdorp Loan:								
(14.5% interest rate, six monthly installments of R 153 143.36 with the final payment on 28/02/2010)			-	-	-	-	-	-
DBSA LOANS								
Loan: 10130/102 (10% interest rate, six monthly installments of R 25 669.04 with the final payment on 01/01/2015)			3,995,824	-	708,626	3,287,198	-	-
Loan: 10132/102 (10% interest rate, six monthly installments of R 184 150.24 with the final payment on 01/01/2015)								
Loan: 10129/202 (10% interest rate, six monthly installments of R 130 001.34 with the final payment on 01/01/2015)								
Loan: 10131/102 (10% interest rate, six monthly installments of R 193 023.80 with the final payment on 01/01/2015)								
			3,995,824	-	708,626	3,287,198	-	-
LEASE LIABILITY								
Office Equipment @ average of 12%			1,119,975	-	1,119,975	-	2,919,231	-
TOTAL EXTERNAL LOANS			5,115,799	-	1,828,601	3,287,198	2,919,231	-

**APPENDIX B
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Description	Provider	1 July 2011 Opening balance	Correction of Error	Restated Opening balance	2012 Financial Year					Closing Balance 30-Jun-12	
					Receipts Grants received	Debtor	Operating Expenditure	Capital	Repaid to National Revenue Fund		Vat Income
Municipal Systems Improvement Grant (MSIG)	National Government Grants	10,147	-	10,147	790,000	-	247,719	-	189,000	34,681	328,747
Dpt. Land Affairs: District Assessment Committee	Provincial Government Grants	49,893	-	49,893	-	-	550	-	-	-	49,343
Donation Funds National Water	Provincial Government Grants	41,700	-	41,700	-	-	-	-	-	-	41,700
Socio Economic Survey Sanitation Practices	Provincial Government Grants	(161,950)	161,950	-	-	-	-	-	-	-	-
Housing Consumer Education Fund	Provincial Government Grants	32,167	-	32,167	-	-	-	-	-	-	32,167
Local Government Bulk Infrastructure	Provincial Government Grants	-	-	-	-	-	-	-	-	-	-
Integrated Human Settlement Grant	Provincial Government Grants	-	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant (FMG)	National Government Grants	(245,736)	-	(245,736)	1,250,000	-	671,730	-	-	2,358	330,174
LGESTA: Re-imbursements	Other Grant Providers	272,953	-	272,953	415,197	-	-	-	-	-	688,150
MSIG	National Government Grants	-	-	-	-	-	-	-	-	-	-
LGSETA: LED Learnership	Other Grant Providers	30,654	-	30,654	-	-	19,695	-	-	1,795	9,164
GLOBAL FUND	Provincial Government Grants	(26,179)	84,000	57,821	-	-	57,821	-	-	-	(0)
Human Rights Programme	Provincial Government Grants	53,797	-	53,797	-	-	-	-	-	-	53,797
Sports Grounds: Haarlem	Provincial Government Grants	18,178	-	18,178	-	-	-	-	-	-	18,178
Libraires Grant - Facilities	Provincial Government Grants	85,817	-	85,817	-	-	8,311	-	-	-	77,506
Non-Motorised Transport	Provincial Government Grants	94,915	-	94,915	-	-	67,375	-	-	9,433	18,107
Bucketsystem Elimination Schools/Clinic	Provincial Government Grants	146,332	-	146,332	-	-	12,936	-	-	602	132,794
WC079: Regional Landfill Site	Provincial Government Grants	75,014	-	75,014	-	-	50,131	-	-	7,018	17,965
LG: Bulk Water and Waste Water Infrastruct.	Provincial Government Grants	62,850	-	62,850	-	-	-	-	-	-	62,850
Expanded Public Works Incentives	National Government Grants	69,000	-	69,000	-	-	3,251	-	-	455	65,294
Umsobomvu Youth Fund	Provincial Government Grants	41,003	-	41,003	-	-	41,003	-	-	-	-
Financial Assistance Aerial Fire fighting	Provincial Government Grants	276,750	-	276,750	-	-	243,220	-	-	33,531	(0)
Task Contributions - Municipalities	Other Grant Providers	155,635	-	155,635	219,071	-	266,683	-	-	7,193	100,830
Emergency Housing DMA	Provincial Government Grants	282,478	282,478	-	-	-	-	-	-	-	282,478
Emergency Housing Zcar	Provincial Government Grants	174,048	174,048	-	-	-	-	-	-	-	174,048
ROADS - DEPARTMENT OF TRANSPORT	Provincial Government Grants	-	-	-	120,761,442	-	120,761,442	-	-	-	-
CONSOLIDATED MIG PROJECTS - OPERATIONAL											
TOTALS		1,082,939	702,477	1,785,416	123,435,710	-	122,451,868	-	189,000	97,065	2,483,194
WFW: Brandwacht 2010/11	Provincial Government Grants	-	-	-	401,305	-	376,862	-	-	24,443	(0)
WFW: Great - Brak 2010/11	Provincial Government Grants	-	-	-	527,300	-	506,679	-	-	20,621	(0)
WFW: Uniondale 2010/11	Provincial Government Grants	-	-	-	47,130	-	46,173	-	-	957	0
WFW: Karatara 2010/11	Provincial Government Grants	-	-	-	1,379,919	-	1,373,386	-	-	6,533	0
WFW: Knysna 2010/11	Provincial Government Grants	-	-	-	543,355	-	537,909	-	-	5,446	0

**APPENDIX B
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

	2012 Financial Year									
	1 July 2011	Correction of	Restated	Receipts	Expenditure	Repaid to National	Vat	Closing Balance		
Provincial Government Grants	(324,722)	-	(324,722)	324,722	-	-	-	-	-	-
WORK FOR WATER TOTALS	(324,722)	-	(324,722)	3,651,445	3,251,438	-	75,285	(0)		
TOTALS	758,217	702,477	1,460,694	127,087,156	125,703,306	189,000	172,350	2,483,194		
CAPITAL PROJECTS										
OTHER GRANTS										
Financial Management Grant	-	-	-	-	-	-	-	-	-	-
National Government Grants	-	-	-	-	-	-	-	-	-	-
Municipal System Improvement Grant	-	-	-	-	-	-	-	-	-	-
TOTALS										
Provincial Government	(46,930)	46,930	(1)	-	-	-	-	(1)		
DME GRANTS										
Electricity Demand Side Grant	-	-	-	-	-	-	-	-	-	-
Electricity Demand Side Management	7,490,210	-	7,490,210	-	478,838	1,572,000	39,387	5,399,984		
TOTALS	7,490,210	-	7,490,210	-	478,838	1,572,000	39,387	5,399,984		
TOTAL CAPITAL BALANCES	7,443,279	46,930	7,490,209	-	478,838	1,572,000	39,387	5,399,984		
UNSPENT BALANCES END OF REPORTING PERIOD	8,201,496	749,407	8,950,903	127,087,156	126,182,144	1,761,000	211,737	7,883,177		
Consolidated MIG Projects	-	-	-	-	-	-	-	-	-	-
Consolidated FMG Projects	(245,738)	-	-	1,250,000	247,719	-	34,681	721,863		
Consolidated MSIG Projects	10,147	-	-	790,000	671,730	-	-	128,417		



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