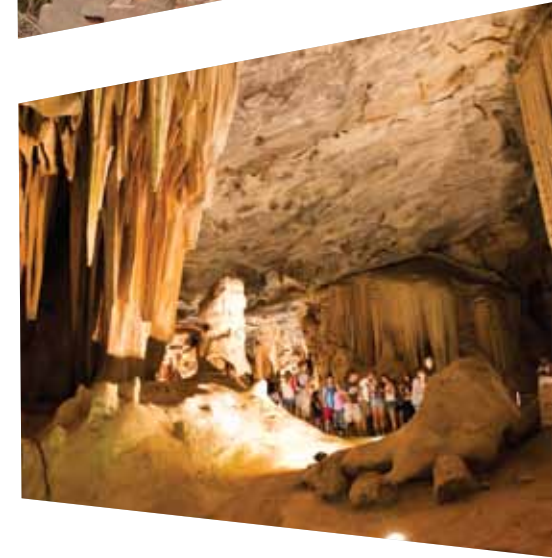




DISTRICT MUNICIPALITY
UMASIPALA WESITHILI
DISTRIKSMUNISIPALITEIT



DRAFT
ANNUAL REPORT
2013-2014

VISION, MISSION & STRATEGIC OBJECTIVES

The vision of the Eden District Municipality is as follows:

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

The **Mission Statement** of the Eden District Municipality is as follows:

- 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.

The list of **Strategic Objective Pillars** to make the strategy succeed:



1. Healthy and socially stable communities
2. Build a capacitated workforce and communities
3. Conduct regional bulk infrastructure planning and implement projects, roads maintenance and public transport; manage and develop council fixed assets
4. Promote sustainable environmental management and public safety
5. Promote good governance
6. Ensure financial viability of the Eden District Municipality
7. Grow the district economy

VALUES



INTRODUCTION

Eden District Municipality is determined as a Category C-municipality with a an mayoral executive system and has the following functions and powers:

- (a) Integrated development planning for the district municipality as a whole.
- (b) Portable water supply systems.
- (c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.
- (d) Domestic waste-water and sewage disposal systems.
- (e) Solid waste disposal sites, in so far as it relates to -
 - (i) the determination of a waste disposal strategy;
 - (ii) the regulation of waste disposal;
 - (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
- (f) Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.
- (g) Regulation of passenger transport services.
- (h) Municipal airports serving the area of the district municipality as a whole.
- (i) Municipal health services.
- (j) Fire fighting services serving the area of the district municipality as a whole, which includes-
 - (i) planning, co-ordination and regulation of fire services;
 - (ii) specialised fire fighting services such as mountain, veld and chemical fire services;
 - (iii) co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures;
 - (iv) training of fire officers.
- (k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.
- (l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.
- (m) Promotion of local tourism for the area of the district municipality.
- (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
- (o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.
- (p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

In addition, Eden District Municipality acknowledges its enabling role as stimulator, facilitator and a co-ordinator and seeks to achieve integrated, sustainable and equitable social and economic development of its area as a whole by ensuring integrated development planning and promoting bulk infrastructural development and services for the district as a whole, building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking and promoting equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

The Eden District encompasses a total area of 123 045km² and is constituent of seven Category B-Municipalities within its geographic area, namely Bitou, Knysna, George, Mossel Bay, Hessequa, Oudtshoorn and Kannaland.



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CHAPTER I

EXECUTIVE MAYORS FOREWORD
AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



Executive Mayor
Councillor Wessie van der Westhuizen

A. VISION

Municipal performance is measured in accordance with the realization of predetermined outcomes identified as a road map leading toward vision. In furthering our strategic objective realization and improving our service delivery afforded to our communities, it is imperative to remain grounded on principle of accountable good governance and clean audit, thereby ensuring transparency in process, inclusivity in approach and staff commitment and dedication in support of activity planning implementation. The vision statement demands excellence in service, is initiated through a developmental agenda and involves an integration and collaboration of critical engagement and reflection of best practice shared between the district, local, national and provincial spheres of government through public participation and communication networks and private business leadership entrepreneurs.

While manifesting itself as a future directed planning process, sustainability inevitably always focuses on a backward looking circumspection of systems, operations, activities and risk calculation. During May 2012, Eden District Municipality adopted its vision "Eden, a future empowered through excellence" followed by the assent of the seven strategic objectives identified hereunder as advocating the way to realization hereof:

- Healthy and Socially stable communities
- Build a capacitated workforce and communities
- Conduct regional bulk infrastructure planning and implement projects, roads maintenance and public transport: manage and develop council fixed assets
- Promote sustainable environmental management and public safety
- Ensure financial viability of the Eden District Municipality
- Promote Good Governance
- Grow the district economy

B. KEY POLICY DEVELOPMENTS

In order to give effect to the implementation of a municipality's strategic objectives, certain policy and legislative guidelines need to be in place. The following policies were inter alia work shopped intensively and approved by the Eden District Council:

- Council's Integrated Development Plan and Service Delivery and Budget Implementation Plan
- Council's Budget and policies for the medium term
- Eden District Economic Development Strategy
- Garden Route and Klein Karoo Tourism Strategy
- Eden Air Quality Management Plan
- Eden Risk Implementation Plan
- Anti-Fraud Hotline Implementation Plan
- Promotion of Access to Information Manual
- Auxillary Services Master Plan
- Eden DM Resorts Management Plan

C. KEY SERVICE DELIVERY IMPROVEMENTS

Some of our key achievements for the 2013/2014 financial year include:

- Eden DM issued the 1st Atmospheric Licence to a refinery in South Africa - The first for South Africa and the Western Cape;
- Eden District Municipality launched, in collaboration with Bitou and Knysna, a Feasibility Study for the Regional Integration of a Bulk Water Supply System for Bitou- and Knysna Municipalities;
- Eden District Municipality hosted an Internal Audit/Performance Management Conference;
- Eden District Municipality in collaboration with PetroSA officially launched an Electrical Learnership;
- The Western Cape Disaster Management handed over a cheque to the value of R15 000 to the Eden District Municipality for the production of the Braille documents, it was a breakthrough for many visually impaired persons living in the Eden region;

CHAPTER 1 - MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

- A section of the Wilderness beach once again enjoyed Blue Flag status during the three-month period of the Summer;
- Eden District Municipality was crowned with the Greenest District Municipality Award during the Western Cape Province third Greenest Municipality Competition; and
- On 15 November 2013, the Garden Route was recognised and awarded as the Golf Destination of the year for Africa and the Gulf States by the Global Trade Association of the Golf Tourism Industry, IAGTO.
- The Roads Services commenced with the construction of the Noll cellular bridge structure, the largest construction undertaken to date, encompassing a volume of approximately 260 m³.
- The Roads Services Agency has also started with the upgrading of 4.15km of the divisional road, 1631 (Geelhoutboom) from gravel to tar. The total cost of the project, plus structures is approximately R42 million.
- An IDP Manager has been appointed with effect 1 April 2014.
- The Intergovernmental Relations Structures have been revived, meet regularly and are fully operational.
- The 2013/2014 LGMTEC 3 Assessment has been thoroughly attended to.
- Eden DM has strengthened their facilitation, co-ordination and supporting role in governance and share best practice along with other municipalities in the province.
- Website design has secured a positive corporate image.

D. FUTURE ACTIONS

As part of our strategy, Council will continue to focus its attention on:

- The implementation of our municipal "Operation Clean Audit Campaign";
- Excelling in the district integration of development planning and placing a greater emphasis on the managing of organisational performance through;
- The functions, powers and mandate of being the district strategic partner through the coordination and facilitation of service delivery;
- Improving the functionality of its Intergovernmental Relations Structures, including the Municipal Managers Forum, District Coordinating Forum and Bulk Infrastructure Forum;
- The identification and implementation of mechanisms to ensure the financial viability of the municipality;
- The restructuring of the micro organisational structure and the development of operational and activity plans that should speak to our functions and powers and availability of financial resources; and
- The implementation of an Anti - Fraud & Anti - Corruption campaign in the municipality.
- The implementation of the Communication Strategy to showcase good practice in governance.
- The annual review and implementation of strategic plans and policies.

E. AGREEMENTS / PARTNERSHIPS

Cooperation and integrated service delivery plays a major role in developmental local government. Apart from national and provincial government working relations, the Eden District Municipality also concluded various agreements with its partners in development, including the PetroSA Centre of Excellence, Santam, Business Adopt A Municipality (BAAM) and the Chrysalis Academy.

F. CONCLUSION

As it was noted earlier, service delivery is at the heart of the roles and responsibilities of local government. My closing remark in our 2012-2017 IDP has pledged commitment toward becoming part of an A-Team, which places the interest of its citizens first. The plotting of a strategic pathway towards an improved forecasted economic performance has remained central to the realisation of an Eden District Vision of Excellence and through innovation, we shall remain true to translating our municipality into a well-functioning service delivery model through decisive governance and adequate resources.

The management of our intellectual property, through efficient and effective good governance practice, public participation and communication administration, our Thusong Centres, Ward Committee's, District Forums and synergy with our national and provincial government counterparts, ensured that we remain on track towards this transformed way of thinking and planning.

(Signed by :)  _____

Councillor Wessie van der Westhuizen
Executive Mayor



Eden Executive Mayor, Councillor Wessie van der Westhuizen (right) paying respect and mourning the death of Former President Nelson Rolihlahla Mandela - 6 December 2013



Municipal Manager
Godfrey Louw

I.1 MUNICIPAL MANAGER'S OVERVIEW

The year under review covers the period 01 July 2013 until 30 June 2014. In terms of legislation, the Municipal Manager is designated as the Accounting Officer, and he or she must perform his/her functions in good faith, act with fidelity, honesty, integrity and in the best interest of the municipality. The Accounting Officer, as the Head of Administration, must oversee the execution and implementation of all council policies. It gives me pleasure, to reflect on the challenges and achievements of the Municipality for the past year.

I) ALIGNMENT OF SERVICES TO THE IDP AND COUNCIL PRIORITIES

The 2nd revision process for IDP commenced during September 2013 and culminated in the final approval of the reviewed IDP on 26 May 2014, by Council. During April 2014 the Provincial Treasury, in collaboration with the Department of Local Government and Environmental Planning hosted the LGMTEC 3 (Local Government Medium Term Expenditure Committee) in the Eden region. This assessment has covered the following areas viz;

- compliance review;
- IDP review and Spatial analysis;
- budget responsiveness; and
- credibility and sustainability of the budget.

Emanating from this engagement, it became apparent that there is no clear linkage between the IDP and Performance Management; however this was addressed by the relevant departments.

II) SERVICE DELIVERY PERFORMANCE

The Service Delivery and Budget Implementation Plan (SDBIP) preparation started effectively after the draft Budget and IDP (revision) was considered by Council during March 2014. The final SDBIP was submitted to the Mayor, 28 days after the budget was approved on 30 May 2014. District municipalities derive their service delivery mandate from sections 83 and 84 of the Municipal Structures Act, 1998 Act 117 of 1998. The SDBIP is a mirror image of the strategic goals and objectives of the council and although we are facing budgetary constraints, many projects have successfully been implemented. The overall performance of the district stands at 87%. The overall performance is dealt with in more detail in Chapter 4.

III) FINANCIAL SUSTAINABILITY AS REPRESENTED BY THE FINANCIAL HEALTH RATIO'S

During October 2013 an independent firm, INCA Portfolio Managers, was appointed to conduct a financial analysis of the municipality. Their findings pertaining to the Medium Term Revenue and Expenditure Framework (MTREF) are as follows:

- revenue remains flat and is highly grant dependent, the Roads Agency function is not factored into the MTREF and is treated as a direct in- and outflow of funds. A small growth of 5% annually is expected, although this is unlikely;
- growth in the RSC Levy Replacement Grant is minimal, around 4% will directly impact on the management of expenditure;
- Eden DM will continue stringently managing expenditure of which salaries remain the largest component;

- a small operational surplus is annually provided for and any further cost saving measures will bode well for the municipality;
- changes in working capital are projected to be fairly managed with limited swings. This is considered positive, however past trends have shown increases in creditors and the provision for employee benefits; and
- scope to sweat investment properties is the only likely alternative for revenue growth through the effective leasing and renting of facilities on a more commercial basis.

IV) EFFORTS TO CONSERVE ELECTRICITY AND WATER IN ITS OFFICES

The Turn Around Strategy approved by Council during May 2012 is still in place and a number of austerity measures have been identified. A culture of optimisation of resources is being put in place and to this end council has embarked on excellence enhancement initiatives, which includes increasing and maximising our outcomes and impact, in our service delivery standards.

V) SPECIAL POLICIES TO CURB IMPACT OF THIS WORLD RECESSION

Council has adopted a Multi-Year Strategy, called Eden Vision 2016, aimed at fostering a new organisational culture, based on values, morals, ethics and leadership. This will enhance the outcomes and impact of service delivery, qualitatively and quantitatively. Saving starts at the office, which culminates in changing the way of life. Municipalities are all financially stressed and we need to focus on the outcomes and impact of our service delivery standards.

VI) SHARED SERVICES

We have recently concluded Shared Service Agreements with Mossel Bay- and Knysna Municipalities in the field of the introduction of an Anti-Fraud & Corruption Hotline.

An inter-municipal corporation exists between Eden DM and Hessequa Municipality in relation to the provision of a fire service.

A Joint Venture Agreement was also concluded between Eden DM and Mossel Bay Municipality in relation to tourism initiatives (leveraging marketing opportunities).

Eden DM has grown in stature since 2011 and is seen as a leader amongst its peers in the Western Cape and for this, I need to salute the Council and officials for their loyal support and understanding in our quest to improve the lives and general well-being of the citizens of this region (Garden Route and the Klein Karoo).

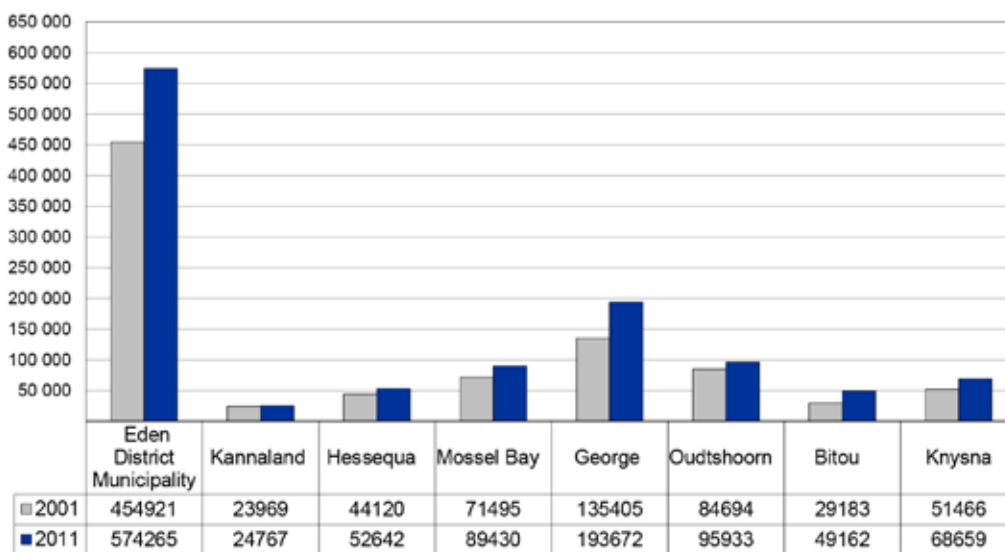


I.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

I.2.1 POPULATION DYNAMICS 2013/2014 IDP DATA

Compared to other districts, the Eden District has the second largest population after Cape Winelands with approximately 787 490 individuals even though its relative share of the Western Cape population decreased from 10.1 per cent in 2001 to 9.9 per cent in 2011.

Population distribution across the municipalities within Eden, 2001 and 2011

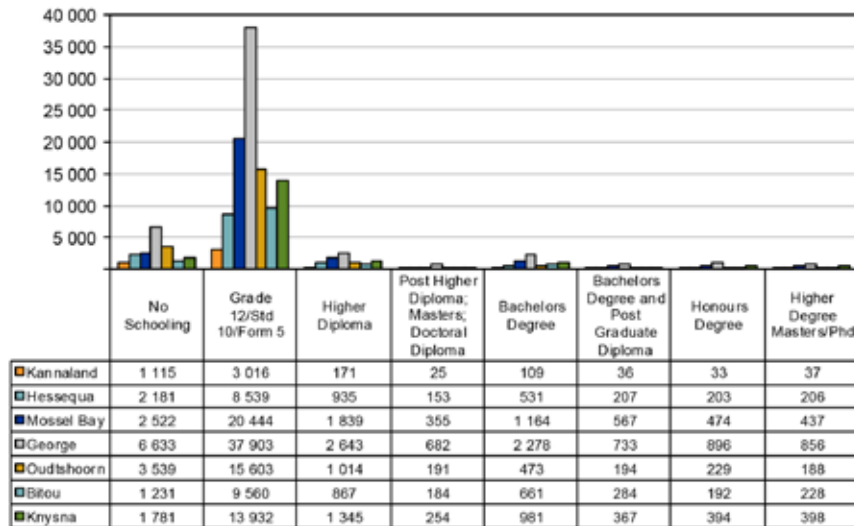


Source: StatsSA, Census 2001 and Census 2011

The 2011 Census results estimate that the George municipal area as the most populous municipal area in the Eden region with 193 672 inhabitants. This is followed by Oudtshoorn with 95 933 individuals and Mossel Bay with 89 430 inhabitants. The least populated municipal areas within the Eden region in 2011 are, Bitou Municipality with 49 162 people, followed by Kannaland with 24 767 people.

I.2.2 EDUCATION

Education Level: Eden Region



The above graph and table compares the educational attainment of the Eden region’s population across municipalities. From this it could be detected that George Municipality has the highest number individuals in the Eden District that has obtained grade 12, followed by the Mossel Bay Municipality. The Hessequa Municipality has the second lowest number of its population that has attained grade 12 with 1.5 per cent; whilst the Kannaland Municipality least number of individuals that have obtained grade 12.

Statistics 2011 provides that one in every three enrolled learner’s dropout of school and that there is approximately one teacher for every three learners within the schools within the Eden region. Thirty – four (34) per cent of learners are enrolled at schools in the George municipal area and the smallest proportion of learners is enrolled in the Kannaland municipal area. The highest dropout rate appears in the Kannaland municipal area with the second lowest learner teacher ratio.

I.2.3 ROADS

The total coverage of roads of Eden District amounts to 7 200 kilometers. Overall, 1 842 kilometers (25.6%) constitute surfaced roads and 5 359 kilometers (74.4%) are gravel roads.

Graveled divisional roads account for 46.63 per cent of all gravel roads in the district making it the largest proportion of all gravel roads. Trunk roads comprise the largest proportion (41.58%) of surfaced roads in Eden District.

I.2.4 ACCESS TO HOUSING

In 2011, Kannaland Municipality had the largest percentage share of households residing in formal dwellings in the Eden region at 94.8 per cent, followed by Hessequa Municipality at 90 per cent. Mossel Bay Municipality had 73.5 per cent of households that had access to formal dwellings in 2011, whilst George had 76 per cent of households having access to formal dwellings, Oudtshoorn Municipality at 78.3 per cent. Bitou had 68.4 of its households that had access to formal dwellings and Knysna municipality had 65.3 per cent of households that have access to formal dwellings. The lowest percentage share of formal dwellings in 2011 was located in Bitou Municipality at 68.4 per cent and Knysna Municipality at 65.3 per cent.

I.2.5 ACCESS TO PIPED WATER

In 2001, 50 percent of households in the Kannaland Municipality had access to piped water inside their dwellings; whilst in 2011, 76 per cent of households have access to piped water inside their dwellings. Hessequa Municipality in 2001 had 50 per cent of its households having access to piped water inside their dwellings, whilst in 2011 the municipality 81 per cent of households has access to piped water inside their dwellings. Mossel Bay Municipality in 2001 recorded a 50 percent accessibility of piped water inside dwellings, whilst the municipality had an increase to 78 percent of households having access to piped water inside their dwellings.

CHAPTER 1 - MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

George Municipality, Oudtshoorn, Bitou and Knysna municipalities all recorded in 2001 that 50 per cent of its households had access to piped water inside their dwellings. In 2011, George and Oudtshoorn recorded that 70 percent and above its households have access to piped water inside their dwellings. The proportion of households with access to piped water inside dwellings was relatively low in Bitou and Knysna relative to other municipalities in the Eden Districts in 2011.

1.2.6 ACCESS TO ELECTRICITY

The percentage of households having access to electricity has seemingly decreased. In 2011, Kannaland Municipality had the highest percentage of its households that had access to electricity; followed by Hessequa, Mossel Bay, George and Oudtshoorn Municipality. On the other end of the spectrum, Bitou and Knysna have the lowest levels of access to electricity within the Eden District in 2011.

1.2.7 SANITATION

In 2011 Mossel Bay Municipality had the largest percentage share of households with access to flush toilets in the Eden region at 93 per cent, followed by George municipality at 89 per cent. In 2011, Knysna municipality ensured that 83 per cent of its households have access to flush toilets; whilst Bitou municipality reported 84 percent of its households that has access to flush toilets in 2011. In Kannaland Municipality 78 per cent of households have access to flush toilets. It is evident from graph 11 that a great improvement in sanitation in general but specifically the provision of flush toilets to households across all the municipalities occurred in 2011.

1.2.8 REFUSE REMOVAL

In 2011, Knysna and Mossel Bay municipalities had the largest percentage share of households with access to refuse removal services⁸ at least once per week in the Eden region at 93 per cent. It is reported that in 2011 66 per cent of households in Kannaland had access to refuse removal services at least once per week, the lowest of the Eden District. The other municipalities' accessibility of refuse removal at least once a week by local authority ranged between 79 and 88 per cent in 2011. The percentage share of households with no waste disposal services in 2011 was largest in Kannaland Municipality at 4.8 percent and Oudtshoorn Municipality at 3.3 per cent.

1.2.9 UNEMPLOYMENT

Eden has the second highest unemployment rate (18.5 per cent) after Central Karoo District (30.8 per cent). George Municipality has the biggest labour force and employed compare to other municipalities in the Eden District municipal area. While Kannaland Municipality has the lowest number of employed compared to other municipalities in the Eden District municipal area, Oudtshoorn Municipality on the other hand has the highest unemployment rate (23.8 per cent) compared to other municipalities in the Eden District Municipality.

The following sectors are the biggest employment contributors in each of the local municipalities in 2007:

- Kannaland (Agriculture; 37.4 per cent)
- Hessequa (Agriculture; 20.2 per cent)
- Mossel Bay (Construction; 17.2 per cent)
- George (Community, social and personal services and Wholesale and retail trade; 15.5 per cent each)
- Oudtshoorn (Community, social and personal services (24.5 per cent)
- Bitou (Wholesale and retail trade; 20.5 per cent)
- Knysna (Wholesale and retail trade; 20.4 per cent)

1.2.10 ECONOMIC OUTLOOK

According to the Municipal Economic Review Outlook (MERO 2012) the Eden District (ED) economy is the second largest of the district economies in the Western Cape outside of the Cape Metro (which produces 73% of the Western Cape GDP-R). The Eden district accounts for 7.3 per cent of the Western Cape GDP-R and 27.5 per cent of the non-Metro GDP-R. The value of the GDP-R generated during calendar 2010 amounted to R25.5 billion. George is the largest municipality, accounting for close to a third of the Eden district GDP-R, followed by Mossel Bay (25 per cent) and Knysna and Oudtshoorn (12 per cent each); the Bitou municipality contributes 7.6 per cent, Hessequa 5.5 per cent and Kannaland 3.6 per cent.

At municipal level, the Bitou municipal economy grew the fastest in the district over the 2000 - 2010 periods (8 per cent per annum), followed by Mossel Bay (7.5 per cent per annum over the corresponding period). According to the Quantec Research data, the Construction sector is well represented in both these municipal economies and performed exceptionally well by growing by 11.9 per cent and 15.3 per cent respectively over the 2000 to 2010 period. The Wholesale and retail trade, catering and accommodation and Finance, insurance, real estate and business services sub-sectors also grew strongly in Bitou Municipality.

On the other end of the spectrum, the Hessequa Municipality's economy grew the weakest, i.e. by 1 per cent per annum with its Wholesale and retail trade, catering and accommodation sector shrinking and the Mining and Quarrying sector decreasing rapidly. Real growth in the Knysna (5.8 per cent per annum) and Kannaland (5.5%) also demonstrated high economic growth.

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

With the transfer of the Eden District Management Area to George Municipality, the Eden District Municipality is no longer responsible for the direct delivery of basic municipal services. The municipality, however, focuses extensively on the achievement of its mandate to remain, via the utilisation of its district wide Intergovernmental Relations (IGR) Structures, Shared Services programme, Technical Fora and close cooperation from B – Municipalities, developmental municipal partners and national and provincial government departments, the region's strategic partner through the coordination and facilitation of bulk service delivery within the district.

The powers and functions of the Eden District Municipality identified in Section 84 of the Municipal Systems Act, 2000 (Act 32 of 2000) include the following:

- Integrated Development Planning for the district as a whole;
- Bulk Infrastructure Planning;
- Solid Waste disposal sites;
- Provincial Roads (agency basis);
- Regulation of passenger transport services;
- Municipal Health Services;
- Fire Fighting Services in the district;
- Disaster Management; and
- The promotion of local tourism.

Linked to this is the municipal council's 2012 – 2017 strategic objectives that were approved on 30 May 2012.

The following table provides an oversight of the district strategic objectives and the key municipal actions that are aligned to them:

Municipal Strategic Objective	Eden Roles and Responsibilities
Healthy and Socially stable communities	Collaborate with leading sector departments (Social Development, Health, Education, Rural Development and Land Reform) in the areas of Early Childhood Development, Youth Development, the disabled, HIV/AIDS and the Elderly Render Municipal Health Services
Build a capacitated workforce and communities	Engage tertiary institutions on training programmes for scarce skills in district Develop and implement the Workplace Skills Plan
Conduct Regional Bulk Infrastructure Planning and implement projects, roads maintenance and public transport: manage and develop council fixed assets	Develop and implement a viable plan for the strategic property portfolio of Council Develop and implement a viable plan for the strategic property portfolio of Council Render an agency service to Province for roads maintenance in the district Conduct bulk infrastructure planning and implement viable projects in the district
Promote sustainable environmental management and public safety	Protect and enhance the natural assets in the district through planning, Disaster Management and Fire Services, Waste Management and Air Quality Control Ensure that environmental management and public safety sector plans are in place and implemented

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Ensure financial viability of the Eden District Municipality	<p>Implement cost saving measures</p> <p>Utilize shared services as an income generating and cost saving measure</p> <p>Investigate fundraising options for the district</p>
Promote Good Governance	<p>Advance communication between internal and external role-players</p> <p>Implement the performance management system in organisation</p> <p>Ensure that the internal audit controls are in place and monitored</p> <p>Follow an inclusive process to develop the district's IDP</p> <p>Provision of ICT infrastructure, systems and support to the organisation</p> <p>Develop and implement shared services initiatives</p>
Grow the district economy	<p>Create an enabling environment for LED in district</p> <p>Implement the revised district LED strategy</p> <p>Facilitate tourism marketing and development in the district</p> <p>Investigate financially viable management model/s for municipal resorts</p> <p>Coordinate the implementation of the Expanded Public Works Programme (EPWP) in district</p>

As part of its 2012/2013 Budget, the Eden District Municipality identified the following initiatives linked to each municipal strategic objective:

Strategic objective	Section	Project
Promote good governance	<p>Corporate Services Administration</p> <p>ICT Resorts Communication</p>	<p>Emergency Preparedness</p> <p>Records Clean-up</p> <p>Shelves - Archive section</p> <p>Purchase Mayoral Vehicle</p> <p>Purchase ICT equipment</p> <p>Upgrading of resorts</p> <p>Purchase Communication Material</p>
Build a capacitated workforce and communities	Human Resources	<p>Establish Education Forum</p> <p>External Bursaries</p> <p>Learnerships</p>
Grow the district economy	Tourism Project Management LED	<p>Tourism + Marketing material</p> <p>Indaba 12/13</p> <p>Tourism Kiosk</p> <p>SMME training</p> <p>Upgrading of resorts</p> <p>Shared Services</p> <p>Eden Trade + Investment</p> <p>ARIYA projects</p> <p>All Leisure</p>
Promote sustainable environmental management and public safety	<p>Community Services</p> <p>Municipal Health</p> <p>Waste Management</p> <p>Environmental Management</p>	<p>Fire Fighting vehicle (bakkie)</p> <p>Air quality study</p> <p>Climate Change & public starter Pack</p> <p>Integrated Waste Management Plan</p> <p>Special Studies</p> <p>Eden Coastal Management</p>
Conduct bulk infrastructure planning, implement projects, roads maintenance and public transport; manage and develop council fixed assets	Bulk Infrastructure Waste Management	<p>Bulk water Augmentation studies</p> <p>Article 78 investigations Phase 2/3</p>

I.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Refer to Section 3 of the draft annual report for the highlights and challenges of the finance department as contained in the draft annual performance report.

Financial Overview: 2013/14 R'000			
Details	Original budget	Adjustment budget	Actual
Income:			
Grants	133 413	141 097	145 733
Other	42 990	133 595	160 830
Sub Total	176 403	274 692	306 563
Less: Expenditure	175 047	273 462	313 913
Net Total*	1 356	1 230	-7 350
*Note: surplus/(deficit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	47.1
Repairs & Maintenance	1.1
Finance Charges & Impairment	1.0
T 1.4.3	

COMMENT ON OPERATING RATIOS:

Employee Costs

47.1 %

The employee related costs are higher than the norm, as the majority of the core functions must have a minimum of employees as stated in legislation to perform the functions. This ratio is calculated on the consolidated financial statements, including the Roads agency function.

Repairs and maintenance

1.1%

There are limited funding available to allocate to repairs and maintenance. Another challenge was that there was no maintenance plans in place.

Aurecon was appointed to compile a maintenance plan for the properties, and the fleet manager compiled a fleet maintenance plan. This will be used in the future as basis for planning and budgeting purposes.

The challenge still remains of funding to source the increased maintenance. The main source of income increases 3% which is not aligned to the average CPI-X.

This ratio is calculated on the consolidated financial statements, including the Roads agency function.

Finance Charges and Impairment

No new loans have been taken up for a number of years. The majority of the finance charges are for old loans with DBSA and finance leases.

1.0% this ratio is calculated on the consolidated financial statements, including the Roads agency function.

Total Capital Expenditure: 2011/12 to 2013/14			
Detail	2011/12	2012/13	2013/14
Original Budget	19 000	1 635	8 885
Adjustment Budget	13 870	935	6 935
Actual	669	730	1 225
			T 1.4.4

COMMENT ON CAPITAL EXPENDITURE:

The majority of the budget includes the purchase of the property for the Regional Landfill site in that will be established in Mossel Bay for 2013/2014 of R5.8m in the adjustment budget. In the original budget the amount was R8m, but after negotiations, the price was reduced to R5.8m.

In 2012/2013, the capital budget only included the purchase of small items e.g. ICT equipment, furniture and fittings, minor upgrades at the resort and buildings.

In the budget for 2011/2012 grant funding was received, therefore a higher amount was available for funding the capital expenditure.

Total Capital Expenditure: 2011/12 to 2013/14			
Detail	2011/12	2012/13	2013/14
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In 2012/2013, the capital budget only included the purchase of small items e.g. ICT equipment, furniture and fittings, minor upgrades at the resort and buildings.

In the budget for 2011/2012 grant funding was received, therefore the higher amount available for capital expenditure.

T 1.4.5.1

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

Performance highlights - Municipal transformation and organisational development highlight	Description
Submission of Workplace Skills Plan and Annual Training Report 2013/2014 to the LGSETA.	Annual Plan entailing training to be implemented, this is submitted to the LGSETA and the report that entails training that has been conducted/ offered.
Submission of the Employment Equity Report 2012/2013 to the Department of Labour.	A legislative report on our Employment Equity statistics, as prescribed by the Department of Labour was submitted.

Awarding of bursaries.	Bursaries awarded to thirty- seven (37) internal staff and four (4) external learners, the unemployed.
Implementation of Employee Wellness Programmes.	Events held annually, to promote the wellbeing of employees, aimed at creating awareness, motivating and changing the attitude of employees. Wellness programmes that were implemented are HIV/AIDS Day and Madiba Day.
Appointment of Interns and Apprentices.	Appointment and training of Financial Interns and Electrical Interns to train and expose them to the working environment.
Implementation of the Municipal Finance Management Programmes.	This is the compliance course prescribed by the Department of National Treasury to ensure efficient financial management in municipalities across the country.
Skills development	Through IDP content, alignment and skills-gap analysis.

1.6 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR I

For the 2012/2013 financial year Eden District Municipality received an unqualified audit opinion with emphasis of matter. Refer to Audit Report included in the annual report.

For the 2013/2014 financial year Eden District Municipality received a clean audit opinion. Refer to Audit Report included in the annual report.

This is the first time in the history of Eden District Municipality that we received a clean audit report.

T 1.6.1

1.6.1. AUDITED OUTCOMES

Year	2009/10	2010/11	2011/2012	2012/12
Status	Unqualified with matters	Unqualified with matters	Unqualified with matters	Unqualified with matters

1.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1.	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	August 2014
2.	Implementation and monitoring of approved Budget and IDP commenced (In-year financial reporting).	
3.	Finalise the 4th quarter Report for previous financial year.	
4.	Submit draft year 0 Annual Report to Internal Audit and Auditor-General.	August 2014
5.	Municipal entities submit draft annual reports to MM.	August 2014
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant).	August 2014
7.	Mayor tables the unaudited Annual Report.	August 2014
8.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	August 2014
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase.	August 2014

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10.	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data.	Sept – Oct 2014
11.	Municipalities receive and start to address the Auditor General's comments.	November 2014
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report.	January 2014
13.	Audited Annual Report is made public and representation is invited.	February 2015
14.	Oversight Committee assesses Annual Report.	
15.	Council adopts Oversight report.	
16.	Oversight report is made public.	March 2015
18.	Oversight report is submitted to relevant provincial council	
19.	Commencement of draft Budget/IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	

COMMENT ON THE ANNUAL REPORT PROCESS:

For the Finance Department the due date for submission of information for the audit report at the beginning of August remains a challenge. The final financial statements are only submitted the end of August for audit, thus draft figures are used to compile the draft annual report which will still be changed until submission date.

Further during the audit process, audit findings can lead to changes to the figures, which will again differ as contained in the final annual report.

With this new deadline of August for the draft report, has the effect of duplication of work by the Finance Department and questions the effectiveness and quality of information of this process.

All figures have been changed in the audit report to reflect the audited figures as contained in the annual financial statements.

T1.7.1.1



Garden Route Best Golf Destination 2014 Award: Africa and Gulf States
Mossel Bay

CHAPTER 2

GOVERNANCE

INTRODUCTION TO GOVERNANCE

Good governance has 8 major characteristics. It is participatory; consensus oriented; accountable and transparent; responsive; effective and efficient, equitable; inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision making. It is also responsive to the present- and future needs of society.

Good Governance and Accountability

Accountability through effective leadership is a fundamental requirement of good governance, good management and responsible administration which requires not only matured and responsible discipline in approach, and dedication in practice. It requires nurturing a culture of performance through structured guidance, activity planning, motivational management, target setting, indicator benchmarking through clear instruction, monitoring and remedial actioning.

Eden DM faces the challenge of adopting a pro- active readiness rather than reactive delayed response to performance management and risk mitigation. This can be guided through IDP content, regular reporting on planned activities and creating strong linkages between the IDP, Performance management and the Budgeting processes.

Good Governance and Transparency

Eden District Municipality ensures transparency in process through initiating discussions at Local Labour Forum engagements, through capacity building workshops with Portfolio Committees and Council and through constant dialogue and collaboration with all Intergovernmental systems and structures.

Good Governance and Participation

Eden DM has revived the District Public Participation and Communication Forum. Credible, relevant and current information is continuously displayed on Eden Municipal Website thereby providing an efficient information service to the communities, ensuring legislative compliance and showcasing various developmental opportunities for public and private engagement.

In the year under review the District Municipality has engaged with various Regional and Provincial Sector Departments in order to received inputs and opinions and have undertaken joint decision making initiatives in the form of indaba agreements and shared service agreements and a support registry initiative thereby fast tracking service delivery.

Eden DM has also launched an Anti-Fraud and Anti-Corruption Hotline which enables protected reporting/ whistle blowing of transgressions.

Good Governance and Rule of Law

Eden District Municipality has embarked on a process of policy review and has adopted the undermentioned policies and strategies which shall guide all future operational and activity planning processes.

- The Regional Economic Development Strategy
- The Communication Strategy
- The Garden Route and Klein Karoo Tourism Strategy
- The Risk Management and Implementation Framework
- The Anti-Fraud & Anti-Corruption Implementation Plan
- The District Air Quality Management Plan
- The Eden DM Multi Year Strategy: Vision 2016
- The Auxiliary Services Master Plan
- The EPWP Policy
- The Budget Related Policies
- The Promotion of Access to Information Manual
- The Section 27 District IDP Framework (2013/2014)

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- The Second Reviewed 2014/2015 IDP
- HR Policies (SHE REP Policy and the Occupational Health and Safety Plan and Travel & Subsistence Allowance Policy)

Eden DM faces the challenge of reviewing all existing policies annually and maintaining the policy register. Good Governance and Responsiveness

Good Governance and Equity

Equity in relation to succession planning needs attention. A Disability Plan is outdated and requires review. Youth structures need to be revitalized and future policy development through guideline determination and a youth summit is envisaged.

Good Governance and Effectiveness and Efficiency

The Eden District Excellence Enhancement Initiative Task Team has been identified as an organizational tool to enhance a responsible organizational culture premised on improved productivity, ethics, values and excellent services delivery standards and is driven by the change agent “Who I am makes a difference” outlook.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Eden District Municipality's Support Services Department 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.

2.1 POLITICAL GOVERNANCE

Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, Councillors are also actively involved in community work and in the various social programmes in the municipal area.

2.1.1 COUNCIL

The Eden District Municipal Council meets quarterly during the last week of the month, in order to resolve matters that have not been delegated to officials or MAYCO. The Council may not delegate the passing of by-laws, the approval of budgets, the imposition of rates and other taxes, levies and duties, the appointment of the Municipal Manager or Senior Manager directly accountable to Municipal Manager, and the raising of loans.

Council meetings are chaired by the Speaker and all Councillors are obliged to attend. The Eden District Municipal Council sits regularly, meetings are well attended and members display an attitude of inclusivity and respect for the Code of Conduct. Council deliberations can be described as robust exchange through critical reflection, whereby Councillors possess the competency, knowledge and expertise of community concerns and take good decisions. A joint decision-making approach in Council is ideal and is translated into a win-win situation for all.

POLITICAL STRUCTURE



MAYOR
Executive Mayor,
Cllr Wessie van der Westhuizen



SPEAKER
Cllr Doris Nayler



DEPUTY MAYOR
Executive Deputy Mayor,
Cllr Lionel Esau

CHIEF WHIPS



CHIEF WHIP
Cllr JJ Gerber(DA)



CHIEF WHIP
Cllr P van der Hoven (ANC)



CHIEF WHIP
Cllr JG Maxim (COPE)



CHIEF WHIP
Cllr W Meshoa (ICOSA)



CHIEF WHIP
Cllr J du Toit (ACDP)

PORTFOLIO CHAIRPERSONS



Chairperson:
Social Development
Cllr Sharon May



Chairperson:
Financial Services
Cllr Johann Koegelenberg



Chairperson:
Management Services
Cllr Henry Mc Combi



Chairperson:
Corporate Services
Cllr Tertius Simmers



Chairperson:
Economic Development and Planning
Cllr John Maxim



Chairperson:
Strategic Services
Cllr Johan du Toit

Chairperson: Infrastructure Services
Lionel Esau (1 November 2013 - current)
VACANT

Note: The Chairperson: Infrastructure was vacant during the 2012/13 financial year.

2011/2016 TERM - COUNCIL



Cllr D Abrahams
African National Congress



Cllr NC Booisen
Democratic Alliance



Cllr N Bityi
African National Congress



Cllr S de Vries
African National Congress



Cllr M Fielies
African National Congress



Cllr H Floors
Democratic Alliance



Cllr JJ Gerber
Democratic Alliance



Cllr JG Janse van Rensburg
Democratic Alliance



Cllr R Johannes
Democratic Alliance



Cllr D Kamfer
ICOSA (since 16/08/2013)



Cllr S Mbandezi
African National Congress



Cllr W Meshoa
ICOSA



Cllr MM Mbali
African National Congress



Cllr N Ndayi
Democratic Alliance



Cllr C Ngalo
African National Congress



Cllr NP Mkalipi
Democratic Alliance

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2011/2016 TERM - COUNCIL



Cllr GC Niehaus
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 Waxa
African National Congress



Cllr D Xego
African National Congress



Vacant
African National Congress

Cllr D Kamfer replaced Cllr BDD Linden from 16/08/2013

COMMENTS ON COUNCILLORS

The Eden District Municipal Council consists of 35 Councillors:

- 17 DA Councillors
- 14 ANC Councillors
- 2 ACDP Councillors
- 1 COPE Councillor
- 1 ICOSA Councillor

Breakdown of Council compilation (Refer to Appendix A & B):

- 9 Full time Councillors
- 30 Proportional Councillors

Below is a table that categorised the councillors within their specific political parties and municipalities:



POLITICAL PARTY	COUNCILLOR NAME	REPRESENTING
DA	Cllr HJ McCombi	Proportional Councillor
	Cllr JJA Koegelenberg	Proportional Councillor
	Cllr HJ Floors	Proportional Councillor
	Cllr TA Simmers	Proportional Councillor
	Cllr SF May	Proportional Councillor
	Cllr NP Mkalipi	Proportional Councillor
	Cllr CM Skietekat	Proportional Councillor
	Cllr JG Janse van Rensburg	Proportional Councillor
ANC	Cllr V Waxa	Proportional Councillor
	Cllr M Fielies	Proportional Councillor
	Cllr NM Tanda	Proportional Councillor
	Cllr ME D Xego	Proportional Councillor
	Cllr CN Ngalo	Proportional Councillor
	Cllr NA Bityi	Proportional Councillor
ICOSA	Cllr D Kamfer	Proportional Councillor
ANC	Cllr PJ van der Hoven	George Municipality
ANC	Cllr T Teyisi	George Municipality
ACDP	Cllr J du Toit	George Municipality
DA	Cllr LBC Esau	George Municipality
DA	Cllr GC Niehaus	George Municipality
DA	Cllr LN Qupe	George Municipality
ICOSA	Cllr WP Meshoa	Kannaland Municipality
ANC	Cllr S de Vries	Knysna Municipality
DA	Cllr D Nayler	Knysna Municipality
DA	Cllr R Johannes	Hessequa Municipality
ANC	Cllr D Abrahams	Hessequa Municipality
DA	Cllr JJ Gerber	Mossel Bay Municipality
DA	Cllr NC Booisen	Mossel Bay Municipality
ACDP	Cllr D van Rensburg	Mossel Bay Municipality
ANC	Cllr SS Mbandezi	Mossel Bay Municipality
ANC	Cllr C Nqalo	Oudtshoorn Municipality
DA	Cllr VI van der Westhuizen	Oudtshoorn Municipality
COPE	Cllr J Maxim	Oudtshoorn Municipality
ANC	Cllr MM Mbali	Bitou Municipality
DA	Cllr N Ndayi	Bitou Municipality

2.1.2 EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, Councillor Wessie van der Westhuizen, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance; since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility.

Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in consultation with the Mayoral Committee. The Mayoral Committee is chaired by the Executive Mayor.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2013 to 30 June 2014:

NAME OF MEMBER	CAPACITY
Cllr V van der Westhuizen	Executive Mayor
Cllr L Esau	Executive Deputy Mayor and Portfolio Councillor for Roads Services
Cllr JJA Koegelenberg	Portfolio Chairperson for Financial Services
Cllr HJ Mc Combi	Portfolio Chairperson for Management Services
Cllr TA Simmers	Portfolio Chairperson for Corporate Services
Cllr J du Toit	Portfolio Chairperson for Strategic Services
Cllr J Maxim	Portfolio Chairperson for Economic Development & Planning
Cllr SF May	Portfolio Chairperson for Social Development

- Cllr L Esau was appointed as Portfolio Chairperson: Road Services since 1 November 2014.

2.1.3 COMMITTEES

Councillors attend three types of decision making meetings:

Section 80 or Portfolio Committees usually meet monthly to discuss matters referred to them and to make suitable recommendations to the Mayoral Committee. The Mayoral Committee also meets every month to consider the recommendations of the Section 80 Committees as well as to resolve on matters referred to in terms of delegated authority, or to make recommendations to Council in matters not delegated to.

2.1.4 PORT FOLIO COMMITTEES

In terms of section 80 of the Municipal Structures Act, 1998, if a council has an executive committee; it may appoint in terms of section 79, committees of councillors to assist the executive committee or executive mayor. Section 80 Committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council.

2.1.5 SECTION 79 COMMITTEES

Section 79 Committees are temporary in nature and appointed by the Council as needed. They are usually set up to investigate and report on a particular issue and do not have any decision making powers. These committees report directly to Council.

Once their ad hoc task has been completed, Section 79 Committees are disbanded.

The portfolio committees for the 2013/14 financial year and their chairpersons are as in the tables below:

EDEN DISTRICT MUNICIPALITY - SECTION 80 COMMITTEES:

OFFICIAL	TANDO	BONISILE	REHANA	REHANA	TANDO	REHANA	BONISILE
PARTIES	COMMUNITY SERVICES	INFRASTRUCTURE SERVICES	FINANCIAL SERVICES	CORPORATE SERVICES	STRATEGIC SERVICES	ECONOMIC DEVELOPMENT & PLANNING	SOCIAL DEVELOPMENT
CHAIRPERSON	HJ McCombi	LBC Esau (From 1 Nov 2013)	JJA Koegelenberg	TA Simmers	J du Toit	J Maxim	SF May
DEPUTY CHAIR	S May	JJA Koegelenberg	J du Toit	Vacant	J Maxim	TA Simmers	HJ McCombi
DA	GC Niehaus T Simmers LN Qupe	H Floors NC Booisen JG Janse van Rensburg	JG Janse van Rensburg JJ Gerber SF May	NP Ngemntu JJ Gerber GC Niehaus	LBC Esau NP Ngemntu LN Qupe	HJ McCombi NC Booisen CMA Skietekat R Johannes	H Floors GC Niehaus LN Qupe
ANC	NM Tanda CN Ngalo	P van der Hoven D Abrahams	D Xego P van der Hoven	T Teyisi SS Mbandezi	P van der Hoven MM Mbali	N Bityi VWaxa	M Fielies MM Mbali
COPE	J Maxim						
ICOSA				D Kamfer			W Meshoa
ACDP		J du Toit	D van Rensburg		D van Rensburg		
TOTAL	8	8	8	8	8	8	8

SECTION 79 COMMITTEES

OFFICIAL			T HOLTZHAUSEN	T HOLTZHAUSEN	REHANA	TANDO	DAPHNE	DISCIPLINARY COMMITTEE
Parties	BUDGET STEERING	APPEALS COM	GOVERNANCE	MPAC	TRAINING & DEV	HEALTH & SAFETY	LOCAL LABOUR FORUM	AS AND WHEN REQUIRED
CHAIRPERSON	JJA Koegelenberg	D van Rensburg	D Nayler	D Xego	TA Simmers	TA Simmers	D Baartman as at 1 FEB 2014	
DA	JJ Gerber	JJ Gerber	JJ Gerber	LN Qupe HJ Floors JG Janse van Rensburg	NP Ngemntu	Vacant GC Niehaus	J du Toit TA Simmers HJ McCombi SF May Municipal Manager T Holtzhausen CFO	
ANC			P van der Hoven	P van der Hoven		MM Mbali	P van der Hoven T Teyisi	
COPE			J Maxim		J Maxim			
ICOSA			WP Meshoa	WP Meshoa	D Kamfer		D Kamfer	
ACDP		J du Toit	J du Toit	D van Rensburg				
UNIONS					2 IMATU Vacant (SAMWU) M April	P Koopman D Baartman M Solani	6 SAMWU 3 IMATU	

OTHER COMMITTEES IN TERMS OF LEGISLATION

	WORKPLACE & RESTRUCTURING	BASIC CONDITIONS OF SERVICES	HUMAN RESOURCE DEV COMMITTEE	AUDIT COMMITTEE
	DAPHNE	DAPHNE	DAPHNE	DAPHNE
CHAIRPERSON				J Stoffels JRN Metelerkamp G Harris A Potgieter
DA	TA Simmers SF May	TA Simmers GC Niehaus NP Ngemntu	TA Simmers	
ANC				

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COPE			J Maxim	
ICOSA				
ACDP	J du Toit		J du Toit	
SAMWU	D Baartman N Nkasoyi	Shane Qhalo NW Nkasoyi	D Baartman M April	
IMATU	P Raath P Koopman	P Raath P Koopman	P Koopman	

OTHER COMMITTEES

POLITICAL PARTY	PUBLIC TRANSPORT COUNCIL REPRESENTATIVE	ROAD AGENCY	DAC
	Chairperson of Infrastructure	Chairperson of Infrastructure	Chairperson of Social Dev (SF May)
DA	NC Booisen as secundus	NC Booisen as secundus	JJA Koegelenberg JG Janse van Rensburg (secundus)
ANC			
COPE			
ICOSA			
ACDP			

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is regarded, in terms of legislation, as the head of administration and is responsible and accountable for the management of the municipality's administration. The Accounting Officer must at all times act with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs.

The Management team comprises of the following officials:

Mr GW Louw	-	Municipal Manager
Mr C Africa	-	Executive Manager: Management Services
Ms B Holtzhausen	-	Executive Manager: Support Services
Ms L Hoek	-	Manager: Financial Services
Mr H Ottervanger	-	Senior Manager: Roads Services

In order to ensure administrative governance is enforced and elevated, a number of departmental structures have been put in place viz;

1. Senior Management meetings (ManCom);
2. Middle Management meetings (Reflection group);
3. Operation Clean Audit (GRAP / OPCAR);
4. Excellence Enhancement Initiative Task Team; and
5. Departmental Management meetings.

The administration ascribes to the Batho Pele Principles and the values contained in the vision and mission of the Municipality. The administration has also implemented an Anti-Fraud & Anti-Corruption Hotline during February 2014, which is aimed at fostering a clean administration and enhancing a code of ethics and good governance.

Senior Management is continuously striving at elevating the corporate culture of the administration, by inculcating corporate values, high levels of integrity and professionalism.

TOP ADMINISTRATIVE STRUCTURE

TIER I _____

MUNICIPAL MANAGER - MR GODFREY W LOUW

- Chief Internal Auditor – Nomakhwezi Dlengezele
- Risk Management Officer: Richard Bruiners
- Performance Management Officer – Ilse Saaiman

TIERS 2 AND 3 _____

EXECUTIVE MANAGER: SUPPORT SERVICES - MSTRIX HOLTZHAUSEN

- Manager: Human Resources - Mr Gerhard Le Roux
- Manager: Auxiliary Services – Mr Francois Goosen
- Acting Manager: IDP & Communication - Mr Ricardo Davids (1 June 2013 - 31 March 2014)
- Manager: IDP & Communication – Ms Celeste Domingo (since 1 April 2014)
- Manager: ICT – Mr Koos Nieuwoudt
- Legal Advisor – Ms Janine de Klerk
- Tourism Co-ordinator - Marketing & Development - Ms Fathima Hassain
- Senior LED Officer - Ms Natalie Raubenheimer

EXECUTIVE MANAGER: MANAGEMENT SERVICES - MR CLIVE AFRICA

- Manager: Social Development - Ms Melanie Wilson
- Manager: Municipal Health - Mr Johan Compion
- Manager: Waste Management - Mr Morton Hubbe
- Manager: Air Quality - Mr Johan Schoeman
- Manager: Disaster Management - Mr Gerhard Otto
- Manager: Regional Development - Mr Henry Hill
- Program Manager - Mr Willie Fourie
- Coordinator: Bulk Infrastructure - Mr Faan van der Merwe
- EPWP Coordinator - Mr Kenny Langeveldt

MANAGER: FINANCIAL SERVICES - MS LOUISE HOEK

- Deputy Manager: Budget, Treasury, Income & Expenditure - Mr Jeff Adams
- Deputy Manager: Assets, Stores, Data & SCM – Mr Tebello Mpuru

SENIOR MANAGER: ROADS SERVICES - MR HANS OTTERVANGER

- Manager: Projects Roads Services - Mr Ezron du Plessis
- Manager: Technical Maintenance & Mechanical Services - Mr Japie Strydom
- Cost & Management Accountant - Ms Verna Hofsta
- Administrative Officer - Ms Bernadene Prinsloo

T2.2.2

TOP ADMINISTRATIVE STRUCTURE



MUNICIPAL MANAGER
Mr Godfrey W Louw



EXECUTIVE MANAGER
SUPPORT SERVICES
Ms Trix Holtzhausen



EXECUTIVE MANAGER
MANAGEMENT SERVICES
Mr Clive Africa



MANAGER
FINANCIAL SERVICES
Ms Louise Hoek



SENIOR MANAGER
ROADS SERVICES
Mr Hans Ottervanger

PERFORMANCE AGREEMENT STATUS

Name of manager	Department	Performance Agreement signed (Yes / No)
Mr Godfrey W Louw	Municipal Manager	Yes
Ms Trix Holtzhausen	Executive Manager: Support Services	Yes
Mr Clive Africa	Executive Manager: Management Services	Yes
Ms Louise Hoek	Manager: Financial Services	Yes
Mr Hans Ottervanger	Senior Manager: Roads Services	Yes

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTER-GOVERNMENTAL 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 three 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.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

T2.2.1

Eden District Municipality as a category C – local authority strives to deliver on its mandate, and the cooperate 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.

The following table:

Name of the Meeting	Responsible of Person	Sphere of Government
Tourism Indaba (exhibition)	Ms Fathima Hassain Ms Amagene Pietersen	National
South African Institute for Environmental Health	Mrs Emmy Douglas	National

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Eden District Municipality also serve on various provincial government platforms and structures mainly to report and share local experiences and identify practical solutions on how to improve its planning processes. These meetings and forums are usually scheduled on a quarterly basis by the directorates responsible for the specific function at the Provincial Department of Local Government. For the 2012/2013 financial year, the Eden District Municipality attended the following Forums and meetings:

- The Provincial IDP Managers Forum meeting
- IDP Indaba 1 and 2

- A Meeting with Provincial IDP Assessment Panel
- The Provincial Public Participators and Communication Forum

The main reason for attendance include inter alia:

- To report on district planning processes
- To attain technical and financial support to the Municipal IDP, public participation and ward committee operations
- To attain general guidance to municipal strategic planning processes
- To ensure the compliance to national and provincial legislation with respect to Integrated Development Planning and Public Participation
- To ensure alignment of with provincial and national sector department policies and programmes
- To identify capacity shortages and training and development opportunities
- To promote credible Integrated Development and Public Participation processes on a municipal level

T2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Various internal municipal platforms are utilised by the Eden District Municipality to enhance departmental accountability. These include:

- Mayoral Committee
- Council's Portfolio Committees
- Management Committee
- Municipal Public Accounts Committee (MPAC)
- Audit Committee
- Budget Steering Committee
- Eden Risk Committee

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

The following table provides an overview of Intergovernmental Relations Structures that are currently operational and coordinated by the Eden District Municipality.

Forum name	Is forum active?	Frequency of meetings	Forum purpose	Forum composition
Eden Municipal Managers Forum	Yes	Bi Monthly	To discuss matters of Municipal Interests	Municipal Managers, and Provincial Departments
District Coordinating Forum (Mayoral Forum)	Yes	Bi Monthly	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)
District IDP Managers Forum	Yes	Quarterly, for 2012 will only meet thrice	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
District LED Managers Forum	Yes	Bi Monthly	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
District Communicators & Public Participation Forum	Yes	Quarterly	Platform for local communications and public participation practitioners in the region to discuss plans, strategies and best practices for public participation and communications	Public Participation Officials Communications Officers GCIS DPLG – Public Participation Directorate
Eden District Youth Council	No	Bi - Monthly	Discuss district –wide youth issues	Civil society structures Youth Coordinators

CHAPTER 2 - GOVERNANCE

Forum name	Is forum active?	Frequency of meetings	Forum purpose	Forum composition
Eden Municipal Managers Forum	Yes	Bi Monthly	To discuss matters of Municipal Interests	Municipal Managers, and Provincial Departments
Integrated Communications and Technology (ICT) Forum	Yes		To discuss and strategize issues with regard to IT	Local Municipalities IT Specialists and administrators
Public Transport Technical Steering Committee	Yes	As requested	To discuss Integrated Public Transport related issues regionally	District and Local Municipalities and Relevant Provincial Department
Eden Waste Management Forum	On Request	Bi Monthly	To discuss matters related to waste management	Provincial Waste Managers Regional Waste Managers Environmental Officers
Eden Disaster Management Forum	Yes	Quarterly	To discuss the regional disaster management related issues	District and local municipalities Head of Departments Provincial and local Head of Departments in Government
Regional Tourism Board	Yes	Monthly	To plan for the impact upon, improve and monitor tourism development	Tourism portfolio Councilors Tourism Officials Technical Committee Members (LTO Members)
Town Engineers Bulk Infrastructure Forum	No	Quarterly	To discuss any matters related to bulk infrastructure in the region	Department of Public Works Town Engineers Cape Nature Department of Environmental Affairs
District Legal Advisors Forum	No	Bi- Monthly	To discuss legal matters in the district	District and Local Municipalities Legal Advisors
Eden District Aids Council	Yes	Bi- Monthly	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
Eden/ Central Karoo HR Forum	Yes	Bi monthly	To discuss Corporate issues	District and local Municipalities HR Managers and Labour Relations Officers
Regional Skills development facilitators forum	Yes	Quarterly	Coordinate skills development initiatives in the region	Skills Development Facilitators Representatives from both unions
Labour relations forum	Yes	Bi – Monthly	To address and determine best practices and uniform approach	Regional Labour Relations Officers
Occupational Health and Safety Forum	Yes	Quarterly	To discuss Health and Safety issues, and consultation with employees representations	Councillors Executive Managers Health & Safety sub-committees reps Union reps
Chief Financial Officers Forum	Yes	Quarterly	Provincial and National Department provide update on any financial related issues.	CFO'S Designated Persons
Environmental Health Forum	Yes	Quarterly	Discuss KPI's , development and share experiences	District & Local Health Practitioners Law enforcement Officers
District Speakers Forum	No	Not active	To identify and implement programs.	District Speaker Local Municipalities Speakers
EPWP	Yes	Quarterly	To identify, discuss and implement programs	Regional EPWP Coordinators National Representatives

T2.3.

COMPONENT C: PUBLIC ACCOUNTABILITY

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

MSA section 15 (b) requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (i) states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18 (i) (d) requires a municipality to supply its community with information concerning municipal gov-

ernance, management and development.

The participation outlined above is required in terms of:

- the preparation, implementation and review of the IDP;
- the establishment, implementation and review of the performance management system;
- the monitoring and review of performance, including the outcomes and impact of such performance; and
- the preparation of the municipal budget.

2.4 IDP PARTICIPATION & ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs 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	T2.5.1

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.5 RISK MANAGEMENT

In terms of Section 62 (1)(c) of the Municipal Finance Management Act 2003, Act 56 of 2003, the accounting officer of a municipality is responsible for the financial administration and must take all reasonable steps to ensure that the municipality has and maintain effective, efficient and transparent systems of financial and risk management.

The Risk Management Unit is a newly established unit within the organisation and it has grown in leaps and bounds over the past year. Mr Richard Bruiners has been appointed as the interim Risk Officer of Eden District Municipality (Eden DM) where he has, together with the Municipal Manager, put in place a Risk Management Policy, Framework (Strategy) and Implementation Plan for Eden DM.

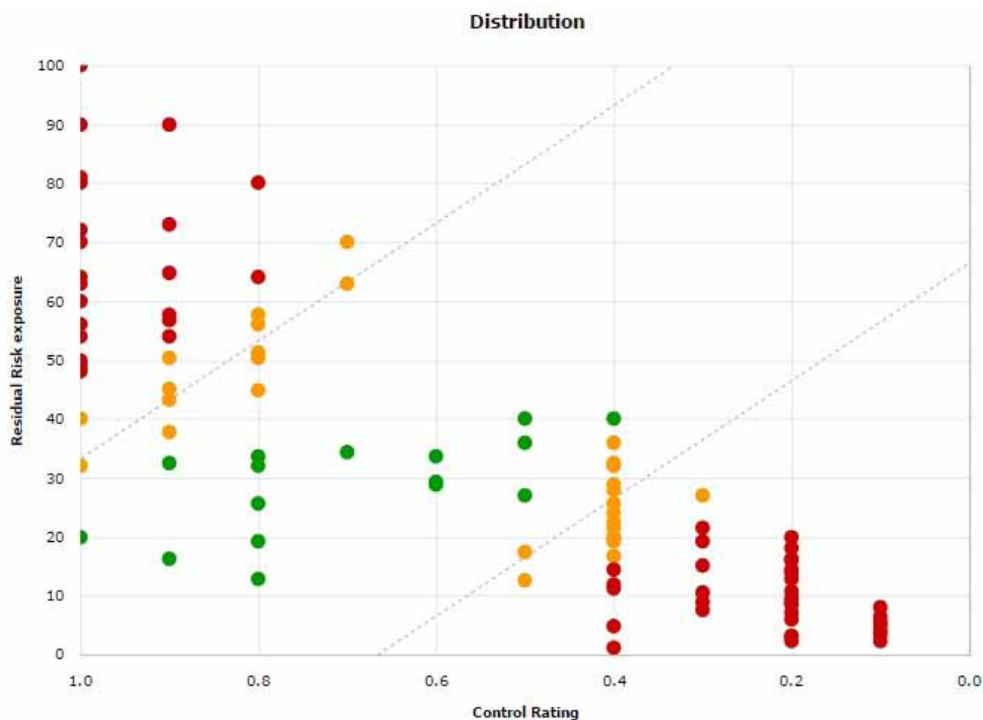
The Risk Management Policy, Framework (Strategy) and Implementation Plan were work shopped with Council to obtained their buy-in for the establishment of an effective Unit within the organisa-

CHAPTER 2 - GOVERNANCE

tion, which will ensure the integration of risk management into daily activities, the planning and ultimately the achievement of Eden DM’s strategic goals and objectives.

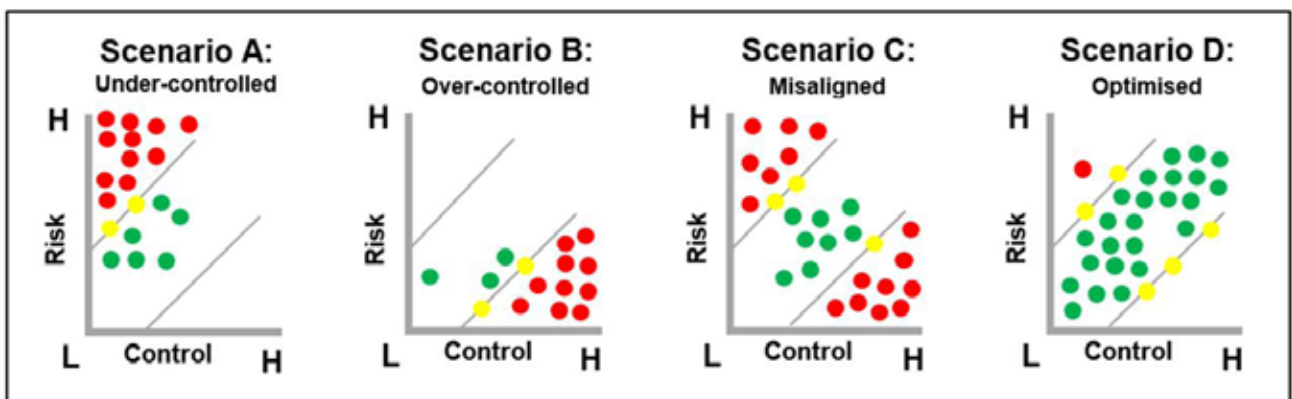
The objective of Eden DM is to provide reasonable assurance that the key risk areas identified are mapped with effective and timely controls and actions to mitigate risks in a cost-beneficial manner. The organisation currently has 128 identified risks on its Risk Register as drawn from the Ignite Risk Model which is utilized for managing of risks within Eden DM. The 128 risks include the strategic and operational risks. The Risk Register, however, is a revolving document and these figures change on a quarterly basis. The Risk Register as well as the supporting reports are submitted to the Risk Committee whereafter the Risk Committee submit these documents to the Audit and Performance Audit Committee for their review.

With the identification of the current risks for the 2013/14 financial year based on residual risk exposure versus control, it became evident that the identification process is partial in being misaligned. The organisation needs to rectify the error in the new financial year and move towards an integrated and effective risk identification process.



Under-controlled:	46
Almost Under-Controlled:	18
Optimised	21
Almost Over-Controlled	21
Over Controlled	22
Total Risk:	128

Table 2.7.2 Different Residual Risk vs Control scenarios



Scenario A illustrates an organisation where high risks exist and there is a low level of risk. This refers to an organisation that has identified and measured high residual risks but do not have effective controls in place to monitor these risks. Too little resources were allocated in order to secure high level controls for the monitoring of risks.

Scenario B represents an organisation where the residual risks have a low rating and high levels of resources are used to implement controls. This leads to a misuse of the organisations resources and misallocation of staff.

When comparing table 2.7.1 with table 2.7.2, it becomes clear that Eden DM's graph is very similar to Scenario C, which is representative of a misaligned organisation. This is a combination of both A and C.

For the 2014/15 financial year, Eden DM must strive to move towards implementing a scenario similar to Scenario D where high residual risks have high control and lower risks have a lesser level of control implementation.

Most of the targets are set for the implementation of an effective risk management system been implemented; however there is still room for improvement. During the 2014/15 financial year, the risk officer will imbed processes which will entail training of all required staff with regards to their roles and responsibilities in risk management.

The way forward:

The primary goal set out by Eden District Municipality is to ensure that all strategic objectives as identified in the IDP are achieved in line with the SMART Principles. This can be reached by integrating risk management into the organisations' business processes, and aligning the performance of the organisation with the key risk areas.

Risk Management is an ever evolving system and it is the responsibility of the Municipal Manager, together with the Risk Officer, to guide the organisation in achieving their objectives by implementing an effective risk management system.

2.6 ANTI-CORRUPTION AND FRAUD

Section 83(c) of the Municipal Systems Act (MSA) refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), Section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1)(b) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

2.6.1 EDEN ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY

See Chapter 4 for details of Disciplinary Action taken on cases of financial mismanagement (T4.3.6). The MSA 2000 S83(c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

A tender for the implementation of an Anti-Fraud & Anti-Corruption Hotline was awarded to KPMG for a period of three years. During a Municipal Managers Forum meeting held on 25 of June 2013, KPMG presented the initiative to the different Municipal Managers who approved this project for Eden District Municipality as well as the B-Municipalities in the region.

B-Municipalities were invited to participate in this initiative on a shared services basis. The total costs for all seven participating Municipalities amounts to R3 420.00 (VAT inclusive) per month, in respect of 1-50 reports. In the case where more than 50 reports are generated, the respective municipalities will

be individually invoiced. This amount includes services to the community and officials of a municipality.

The Anti-Fraud and Anti-Corruption Policy and Implementation Plan were workshopped on 9 September 2013 and approved by Council on 31 March 2014 (DC 624/03/14).

Eden District Municipality also established a secure internal reporting line with regards to reports received from KPMG. This reporting structure will ensure that all reports receive the necessary attention; both the Audit and Risk Committee's are informed of the reports received, but is also handled in a highly confidential manner.

2.6.2 INTERNAL AWARENESS CAMPAIGN

On 13 August 2013, an information session was held for employees of Eden District Municipality. During this occasion the Hotline was formally opened by the Municipal Manager.

To assist in introducing and enlighten the Eden DM employees regarding the initiative, the Communications Unit was tasked to execute the internal awareness campaign. Posters raising awareness of the procedures and processes to be followed when reporting instances relating to fraud, corruption and misconduct were also placed on strategic locations at most of Eden's offices. A web-banner that serves as tool to externally create awareness regarding the Hotline was placed on the Eden DM's corporate website, as well as on the Facebook Fanpage. Business cards, pool and Roads vehicles now also display the relevant branding of the Hotline. Monthly progress reports are submitted to the Corporate Services Portfolio Committee.

Through the presentations done, approximately 98% of all Eden DM staff right through the Eden region were reached. At these sessions, key rings and stickers were also distributed to the various groups. After the completion of the campaign, a competition to test the knowledge of staff regarding the procedures of reporting fraudulent and corrupt activities as well as the rules of the Hotline will be launched. Awareness campaigns will commence once every month to remind the employees of the Hotline service.

2.7.1

2.7 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

With every year that passes, we are given an opportunity to reflect and transform ourselves to be in a position to keep our operations aligned to the ever evolving demands of the markets. Eden District Municipality has seen its Supply Chain Management Policy evolve over a period, transforming from being regurgitation of the Regulation in molding its policy to the operational requirements. The organisational maturity level for 2013/2014 will see the organisation gear up its Demand Management Plan and ensure that Supply Chain Management is not a reactive tool but a cost and budget management planning tool. In 2014, the Organisation equipped itself with a Demand Management Plan as well as a Procurement Plan that will result in significant decrease in deviations.

Eden District Municipality is proud to have been selected as part of a Working Group in partnership with the University of Stellenbosch, who will interrogate learning material which will become a pilot project for the training of Supply Chain Management officials in the public sector.

As legislation transforms, Supply Chain Management as an active local economic development tool, we have seen a great deal of resistance to practical problems arising out of South Africa being a global player. Creating a fine balance between developing local industries and creating markets through Government spending versus open Market dynamics of the free world that allow the consumer to source goods and services from the most efficient and effective producer. Preferential Procurement Regulations (PPR), 2011, has gathered momentum in increasing sectors under Regulation 9, Local Production and Content. Pending from your school of thought in economics, this could be seen as good or bad, however the one element that is affected the most, is the principle of value for money in terms of rands and cents. Whichever way you look at it, the Regulation is eroding the municipality's ability to explore all options available to it and with limited resources; section 217 of the Constitution remains a reality under such conditions. The Department of Trade & Industry will be visiting the District on the 8th of August 2014 where this matter would be discussed. B-municipalities have been

invited with invitations to SCM Managers and Technical Department's Managers.

2013/14 was an exciting year for the Supply Chain Management of Eden DM as they have initiated one of the biggest projects Eden District Municipality has ever undertaken, the Regional Land Fill Site. The Project is being rolled out using the Public Private Partnership process; the learning curve has been steep to all concerned, but nonetheless, a pleasant experience. As PETROSA equip itself in closing their landfill site, Eden DM trust that their processes will be complete that will enable them to service the Region with its very own Regional Landfill site.

Supply Chain Management is in a process of evolving and ensuring organisational maturity and some of these elements can be found in the Supply Chain Management Policy, approved by Council at the end of May 2014. We trust that the upcoming audit would be a good reflection on the milestones achieved in the 2013/14 financial year.

2.8 WEBSITE

Eden DM views its municipal website as an integral part of communication infrastructure and strategy. The website serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires municipalities to place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

The Communication Unit strive to place all relevant information on the website as require in terms of legislation. In order to achieve Eden's vision: "Eden a future empowered through excellence" the website are used 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; 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 within the next few months. The new website will be more functional and user friendly.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the Municipality's / Entity's Website	Yes/No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	12/06/2014
All current budget-related policies for the 2013/14 budget	Yes	27/06/2014
The annual report for 2011/12	Yes	18/02/2013
The annual report for 2012/13 to be published	Yes	05/02/2014
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2012/13 and resulting scorecards	Yes	17/10/2014
All service delivery agreements for 2013/14	No	
All long-term borrowing contracts for 2013/14	No	Not applicable for 2012/13
All supply chain management contracts above a prescribed value (give value) for 2013/14	Yes	Continuously
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2013/14	No	
Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in 2013/14		
All quarterly reports tabled in the council in terms of section 52 (d) during 2013/14	Yes	Quarterly

2.9 COMMUNICATION

OVERVIEW OF COMMUNICATION

The Communications Unit is a vital internal structure resorting under the Support Services Department and is directed by an extensive number of legislation such as the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and the Promotion of Access to Information Act, 2000 (Act 2 of 2000), as well as the Intergovernmental Relations Act, 2005 (Act 13 of 2005) which gives guidance on how the function must be coordinated. The purpose of the functioning of the Unit is to coordinate communication activities within the organisation and to implement the Communication Strategy that outlines the roles and responsibilities of communication role-players within the Eden District Municipality. Eden's Communications Strategy was approved on 26 May 2014. The objective of the Communications Strategy is to:

Various services were rendered by the Unit during the year under review to all internal Departments, which in the end positively affected all the stakeholders of the Municipality including its staff, management, Council, other governmental organizations as well as all Eden District Municipality's external stakeholders.

STAFF COMPONENT

The Unit is manned by 3 permanent staff members and acting Communications Manager, namely:

Marlene Nqumse	-	Communications Officer: Content Creation
Marillia Veldkornet	-	Communications Officer: Content Creation
Herman Pieters	-	Graphic Designer

The position of Manager: Communications Unit was not permanently filled due to the completion of the microstructure and therefore the following person acted in the position for the following periods:

Ricardo Davids (IDP Assistant):	1 July 2013 to 31 March 2014
Celeste Domingo (District IDP Coordinator):	1 April 2014 to 30 June 2014

CONTENT CREATION (INCLUDING COPYWRITING AND TRANSLATIONS)

In showcasing the role and service offering of the Eden District Municipality, the Unit promoted projects and programmes that were rolled out by the municipality for the purpose to portray the message of growth and development of our economy and also to boast with a stable resourced and capacitated organisation. The purpose of this function is to fully and effectively, in a realistic manner communicate messages in various forms to all applicable stakeholders of the Eden District Municipality. Various forms of written pieces were created by means of copywriting such as reports, news articles, press releases, advertorials etc. that were published in applicable local, provincial and national newspapers, in the Municipality's staff- and District IGR Newsletters etc, on Eden's corporate Website and Facebook Fanpage and in certain instances on notice boards at the various offices of the organisation. This function served as the tool that effectively communicated messages with all stakeholders of the organisation with the aim to attract more investors into the entire Eden region.

More than 200 press releases/news articles/reports were written.

MEDIA LIAISON

The function, during the year under review, made enormous progress in terms of strengthened media relations. By strengthening the relations with the media, the Unit constantly fed information through to all relevant media houses for publishing/broadcasting. These media houses included the "Burger", SABC (for radio and television), Group Editors (Knysna-Plett Herald, George Herald, Mossel Bay Advertiser, Suid-Kaap Forum and Oudtshoorn Courant), Eden Express, George Mini-Ads, Eden FM local radio station, covering almost the entire Eden region, and Algoa FM which covers the entire Southern Cape. These media houses were alerted and invited to events that took place during the year.

Requests from the media for comments to be incorporated into their news articles were also been provided to these media houses within a specific timeframe. The Content Creators attended a network session in June 2014 that were held by Algoa FM to engage on matters that would further strengthening the relationship between the radio station and Eden. The network session was well accepted.

More than 10 responses to media requests were processed during the year.

SOCIAL MEDIA: FACEBOOK/TWITTER

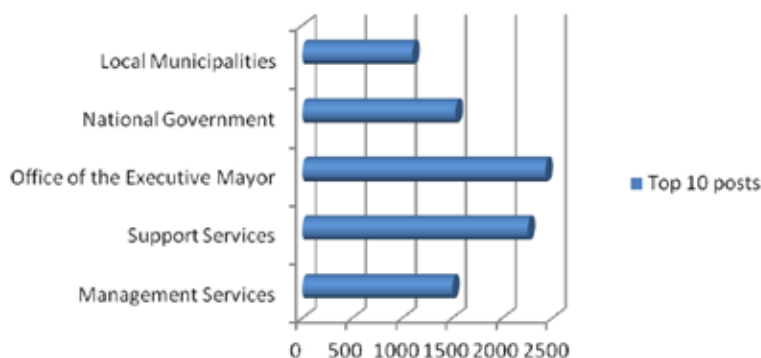
The Facebook social media platform emerged as a major trend in creating and maintaining brand awareness while interacting with a global audience in 2004. The Unit commenced with an effective communication strategy by starting to post on Facebook on 6 December 2011. As communicating via Facebook is free of charge, Eden only had to invest some time to gain an edge in being able to timeously respond to communities' requests and comments through its online presence.

The Unit aims to continuously promote the Eden brand in this technology-driven world where community interaction and involvement is crucial to the district municipality's reputation. Legislation promulgated in the Municipal Structures Act (Act 117 of 1998), Chapter 4, drives and directs the Unit's approach to Public Participation. Discussing topics that are of mutual and beneficial interest aid the Unit towards an integrated community and a driven developmental approach of inclusive public participation. Currently, the Twitter account is directly linked to the Eden District Municipality Fanpage (www.fb.com/edendistrictmunicipality).

The top 10 Facebook posts that reached the most community members were:

Nr	Topic	Sphere/Department	Date posted	Community reach
1	Learnership opportunities for unemployed youth in EDM	Support Services	February 2014	1903
2	Best Performing Municipalities in South Africa	National	May 2014	1534
3	Load Shedding	George Municipality	June 2014	1101
4	Toughest Fire Fighter competition	Management Services	June 2014	966
5	Etana Daredevil Run Cancer awareness - Mayor opening	Office of the Executive Mayor	December 013	801
6	Eden residents benefit from collaborative partnership	Office of the Executive Mayor Support Services	October 2013	706
7	Welcome to Eden Region by the Mayor	Office of the Executive Mayor	December 2013	650
8	Mayors wish Garden Route and Klein Karoo tourists a safe journey	Office of the Executive Mayor	December 2013	628
9	Eden Firefighters excel during International Firefighters Day Celebrations	Management Services	May 2014	296
10	Awareness about snakes	Management Services	March 2014	239

Top 10 posts



A total number of 242 posts were uploaded on Facebook.

GRAPHIC DESIGN

During the year under review many publications/artwork were produced by the Unit for various reasons, either to uphold the corporate image of the organisation, for the promotion of Eden's tourism brand, Garden Route and Klein Karoo etc. This was done in collaboration with all relevant internal departments to achieve their objectives. These types of artwork included, brochures, banners, logos, programmes, headers, invitations webpage banners, certificates etc.

A total of 631 artwork designs were developed internally.

PHOTOGRAPHIC SERVICES

To visually portray the events that took place by means of projects and programmes that were rolled out by the Municipality, the services of professional photography was rendered by the Unit, as part of the content creation function. Merely placing an article on the website without a descriptive photograph limits the reader from the showcasing of the true reflection of the event itself or would not justify the impact the event has made. The types of photographic services that were rendered include:

Event Photography:	Portraying a visual image of the events that took place.
Landscape Photography:	Tourism and resorts marketing purposes.
Portrait Photography:	To uphold the database with newly appointed staff/councillors etc.
Architectural Photography:	For corporate branding purposes, to produce signage for buildings etc.
Macro Photography:	The capturing of detailed items to promote the Tourism brand, The Garden Route and Klein Karoo, the Resorts, services rendered by Municipal Health, Emergency Services etc.

A total of 168 photographic services were rendered.

ADVERTISING

The municipality, during the year, had to fulfil its role in creating an environment that is beneficial to all the residents of its jurisdiction. By doing so, the municipality have to keep all its stakeholders informed about opportunities and compliance related events/meetings, especially where public participation is required. In doing so, the Unit in collaboration with internal departments, advertised such opportunities (vacancies and tenders), notices etc in newspapers applicable to certain demographical areas (local, provincial and national).

A total of 90 advertisements were placed in newspapers or on the website/intranet/fanpage by the Unit.

WEBSITE ADMINISTRATION: CORPORATE

The Unit started to review the content and visible appearance of the Municipality's corporate website. In doing so, old documents were replaced with more current documents and all legislative documents (policies, frameworks, legislation etc) that were not visible, were uploaded. The exercise was performed in accordance with legislation and all internal departments were involved by providing all the applicable documents for uploading. This exercise was executed to secure the website's credibility, but also to serve as information hub for all the organisation's stakeholders. During the year the website also contained current news of Eden's activities, advertisements (tenders, vacancies and notices), weekly updated events calendars and other relevant information.

A total number of 40 frontpage updates of news articles were done and more than a 200 of repository updates were done (tenders, vacancies, notices etc, compliance documents, etc).

WEBSITE ADMINISTRATION & DESIGN: TOURISM

Eden's graphic designer saved Council a substantial amount of money by developing the Garden Route & Klein Karoo Tourism website in 2013. The Communication Unit maintains the Tourism Unit's website and regularly updates the site with content-rich blogposts. A total of 22 blog posts were uploaded to website during 2013, as well as page- and slide updates.

Website address: www.visitgardenrouteandkleinkaroo.com

WEBSITE ADMINISTRATION & DESIGN: RESORTS

The graphic designer developed websites for various resorts during 2013, with the aim of maintaining a uniform, aesthetically pleasing and user-friendly interface across the board. Resort rates and fees are regularly update to ensure the representation of accurate information.

Resort website addresses:

www.calitzdorpspa.co.za

www.victoriabaycaravanpark.co.za

www.swartvleicaravanpark.co.za

www.dehoekmountainresort.co.za

WEEKLY EVENTS CALENDAR

During the year, a weekly events calendar was issued to the public on a Monday of every week. All information that was incorporated into the calendar was obtained from all internal departments to be published. This tool served to inform all members of the public of events to be taking place. The calendar included the name of the event, date and time of the event, contact details of the person that were organising the event and who the organising Department was. Only in the case where nothing was scheduled to happen during a specific week, then no calendar was issued for distribution during such a week. These calendars were then placed on Eden's corporate website, Eden's Fanpage, the intranet and on all Eden's notice boards.

A total number of 24 calendars were issued.

CORPORATE BRANDING

Upholding the corporate image of the organization is one of the core functions of the Communications Unit. During the year under review, the Unit strove to further enhance the corporate image of the organization. With this, more banners were designed and printed, door labels for employees and newly appointed employees were designed, good quality business cards were printed for staff and e-mail stationary were also created for e-mail users. These are done on continuous basis through the year.

SPECIAL PROGRAMMES/PROJECTS

Anti-Fraud and –Corruption Awareness Campaign

Eden District Municipality, in October 2013, implemented an Eden Anti-Fraud and –Corruption Hotline as part of its fraud prevention programme. The Support Services Department was appointed as custodian of the Hotline and the Communications Unit was tasked to create awareness of the Hotline by facilitating presentations at all offices/stations within the Eden region, to the staff. The Communication also developed various marketing material, such as posters, stickers for laptops and council vehicles as well as key rings that reflected the relevant branding of the Hotline, which were distributed to all staff during the presentation. These presentations were well received and the platform served as an opportunity for the staff to engage on matters related to the Hotline and more specifically its procedures that are in place to fully and efficiently utilise the tool available to them to curb fraudulent and corrupt activities. However, some of the staff could not been reach due to them being on leave/sick leave. One-on-one sessions will be scheduled in future with such employees, as well as newly appointed employees to ensure that all staff members are fully aware of the 24/7 Eden Anti-Fraud Hotline.

A total number of 62 presentations were conducted and 519 employees were reached.

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DISTRICT IGR NEWSLETTER

The District IGR Newsletter serves as a communications tool to reach most of the lower income residents within the District, especially the elderly who do not have access to the Internet to be able to view Eden's achievements online on its corporate website and fanpage. The content that is published in the Newsletter is written by the Communications Officers when events were covered by them during the year. The Newsletter are distributed at strategic points within the Eden region, such as clinics, libraries, garages, government organizations, schools, police stations etc.

A total of 3 IGR Newsletters were issued during the year.

STAFF NEWSLETTER

The staff newsletter serves as an instrument to inform internal staff of processes, and procedures that is reviewed and implemented on a continuous basis. The publication also reflects staff progress and activities, as well as achievements and assists management to convey other important messages including legislative/ compliance processes and educational material to ensure that employees are capacitated during the year, by the Municipality. The publication also has a reserved space for the Municipal Manager's foreword, where the Municipal Manager give an overview of processes that should be noted by staff.

A total of 4 Staff Newsletters were issued during the year.

2.10 SHARED SERVICES

GIS

Esri South Africa was appointed by Eden District Municipality (Eden DM) for the implementation of an Enterprise License Agreement (ELA), and the implementation commenced on 25 February 2013. To date all participating municipalities have done the installation and activation of the full suite of Esri's ArcGIS.

Esri South Africa's was appointed by PGWC (Department of Local Government) to assist the Eden DM to leverage their and the associated Municipalities current investment in the Esri GIS software that they have procured via the Eden DM ELA.

Benefits of the project include:

- Creating a uniform platform for spatial data management;
- Integration of the GIS solution with the Billing System; and
- Assistance with improved Service Delivery monitoring (Spatial Reports)

Ultimately the objective of this project was to further develop the existing GIS by implementing a sustainable GIS solution at Eden DM and the Associated Municipalities. This project was successfully concluded at the end of July 2014, with possible enhancements now being discussed by the various role players.

CALL CENTRE

Eden District Municipality has a state of the art, fully functional call taking and dispatch facility. The centre was designed to effectively and efficiently cater for approximately 50 000 calls per month with full voice-and data capturing. The centre is run by a qualified Centre Supervisor and 24/7 shift seniors. Currently, Eden DM has a signed Service Level Agreement with Mossel Bay Municipality.

ANTI-FRAUD HELPLINE

A Tender for the implementation of the Anti-Fraud & Anti-Corruption Hotline was awarded to KPMG for a period of three years. B-Municipalities were invited to participate in this shared services initiative. George-, Hessequa-, Knysna- and Mossel bay Municipalities indicated that they will form part of the initiative. The finalisation of the Service Level Agreements is in process.

The Anti Fraud Policy and Implementation Plan was workshopped on 9 September 2013 and approved by Council on 31 March 2014 (DC 624/03/14). Eden District Municipality also established a secure internal reporting line with regards to reports received from KPMG, this reporting structure ensures that all reports receives the necessary attention, both the Audit and Risk Committee's are informed of the reports received, but is also handled in a highly confidential manner.

On 13 August 2014, an information session was held in the council chambers for the employees of Eden where the hotline was formally opened by the Municipal Manager.

TASK JOB EVALUATIONS

On 26 June 2013, Ms Megan Cunningham was appointed as the new Task Administrator for the Eden/Central Karoo PJEC. 16 new primary job evaluation committee members from various municipalities in the Eden and Central Karoo region attended a training session, held on 16 January 2014. The session was presented by Deloitte. SAMWU and IMATU representatives also underwent the training.

During the year under review a total of 8 Task Job Evaluation Sessions were conducted in which an overall amount of 220 job descriptions were successfully evaluated and 162 job descriptions have been audited.

The respective municipalities that contributed to the Task Unit are:
Beaufort West Municipality, Central Karoo District Municipality, Eden District Municipality, George Municipality, Hessequa Municipality, Oudtshoorn Municipality, Kannaland Municipality, Knysna Municipality, Laingsburg Municipality, Mossel Bay Municipality, Bitou Municipality and Prince Albert Municipality.

FIRE SERVICES

Eden DM Fire and Rescue Section provide Category-B firefighting services to other Municipalities in the region. Currently, Hessequa Municipality has entered into a Service Level Agreement with Eden District Municipality.

2.11 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 report to the Audit & Performance Audit committee on the implementation of the audit plan and matters relating to:
 - 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:

- The role of the internal audit 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 and governance processes.
- Develop a three year strategic and flexible annual audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management and submit that plan to the Audit Committee for review and approval;
- Implement the risk-based annual audit plan, as approved covering Section 165(2) of the Municipal Finance Management Act (MFMA) and as appropriate, any special tasks or projects requested by management and the Audit Committee;
- Establish policies and procedures to guide the Internal Audit Unit and direct its administrative functions;
- Maintain a professional audit staff with sufficient knowledge, skills, experience and professional certifications to meet the requirements of this charter (Refer standard 1200 of the Standards for the professional practice of internal auditing);
- Establish a quality assurance program by which the Chief Executive Auditor assures the operation of internal audit activities (Refer standard 1300 of the Standards for the professional practice of internal auditing);
- Perform consulting services, beyond internal auditing assurance services, to assist management in meeting its objectives. Examples may include training, advisory services. Informal consulting engagements include routine activities such as participating in Council and management meetings, ad hoc meetings and routine information exchange (Refer standard 1100 of the Standards for the professional practice of internal auditing); and
- Issue at least quarterly reports to the Audit Committee and management summarising results of audit activities.

INTERNAL AUDIT ACTIVITIES

- Actions plans on the Auditor-General audit findings for the financial year 2011/12 and 2012/13 were developed and maintained by the internal audit unit in conjunction with the GRAP Steering Committee. Action plans were verified for effectiveness and outstanding action plans were monitored. This report was reviewed at the audit committee meetings.
- Follow-up was performed on previously audited areas to confirm whether the reported recommendations has been implemented alternatively other action plans has been put in place in order to determine the status of the risks identified.

Extensive internal audit procedures were performed based on our Audit Plan (2013/2014) on the following areas:

NUMBER	AREA OF REVIEW	CRITICAL	SIGNIFICANT	HOUSEKEEPING	TOTAL
1	Expenditure		3	1	4
2	Annual Leave		4		4
3	Project Management - Leases		3		3
4	Compliance Audit	Refer to Quarterly reports			
5	Human Resource and Payroll	1	13	1	15
6	Audit of Performance Information	Refer to Quarterly reports			
7	Follow-up on SCM		9		9
8	Follow-up on Holiday Resorts		8		8
9	Follow-up on Auxiliary Services		8		8
10	Follow-up on Petty Cash		8		8
11	Follow-Up Political Administration		3		3
12	Follow-Up of the Mr J Zeelie’s forensic audit	12			12
13	Follow up of the AG findings		39		39

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. Currently the APAC comprises of four (3) members, namely:

- Mr J Stoffels (Chairperson)
- Mr N Metelerkamp
- Ms A Potgieter

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.



Mr J Stoffels (Chairperson)



Mr N Metelerkamp



Ms A Potgieter

MAIN RESPONSIBILITIES OF THE AUDIT COMMITTEE

- Advising Council, the political office-bearers, the accounting officer and the management staff of the municipality.
- Overseeing internal controls, financial reporting and compliance with regulatory matters.
- Review the effectiveness of the council's system of internal control and risk management.
- Review the financial reporting and financial statements.
- Review the internal audit function.
- Review the performance management system and reports.
- Review compliance to policies, regulations and procedures in terms of prescribed guidelines and applicable laws.

Internal audit reports are submitted to the Audit Committee on a quarterly basis for review, through formal meetings.

The Audit Committee is functional and their purpose is in line with the Municipal Finance Management Act and clearly outlined in the audit committee charter which was approved by Council. For the period under review, the audit committee convened 3 official meetings at the following dates:

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- 2 September 2013
- 10 April 2014
- 12 May 2014

The APAC also has monthly engagement meetings with the Municipal Manager, Chief Financial Officer, Chief Audit Executive and other managers.

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. We have a goal of being able to extend the Internal Audit service to the district as a regional facilitator through the shared services.
5. We had a challenge of capacity as the Internal Audit Unit in this financial year, after having been 4 members in a team – 1 official was transferred to another department. 2 other members of the team including the CAE were on maternity leave for a period of 3 – 4 months. This left the unit only with 1 official and made it impossible to execute the approved internal audit plan.
6. Due to the capacity constraints in the Internal Audit Unit, MeyerOtto Inc was subsequently appointed to co-source the internal audit function in order to implement the outstanding audit engagements as approved on the internal audit plan as well as to assist the municipality in working towards achieving operational clean audit report.



Dutch Reformed Mother Church, George

CHAPTER 3

SERVICE DELIVERY PERFORMANCE
(PERFORMANCE REPORT PART I)

A) OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community,
- and to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 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, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. 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. Eden District Municipality is currently in the process of reviewing the policy and will submit to Council by August 2014.

B) LEGISLATIVE REQUIREMENTS

In terms of section 46(1)(a) a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

C) ORGANISATION PERFORMANCE

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act, 2000 and an overall summary of performance on municipal services.

D) THE PERFORMANCE SYSTEM FOLLOWED FOR 2013/14

1.3.1 ADOPTION OF A PERFORMANCE MANAGEMENT FRAMEWORK

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. Eden District Municipality is currently in the process of reviewing the policy and will submit to Council by August 2014.

E) THE IDP AND THE BUDGET

The IDP was reviewed for 2013/14 and the budget for 2013/14 was approved by Council 27 May 2013 per Council Resolution DC 494/05/13 and DC 495/05/13.

The strategic goals and projects of Eden's IDP are linked to the district's budget through the SDBIP. The SDBIP serves as a performance management tool and forms part of the Eden District Municipality's Performance Management System.

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 2013/14 reviewed IDP. The strategic objectives are linked to the outcomes for 2013/14.

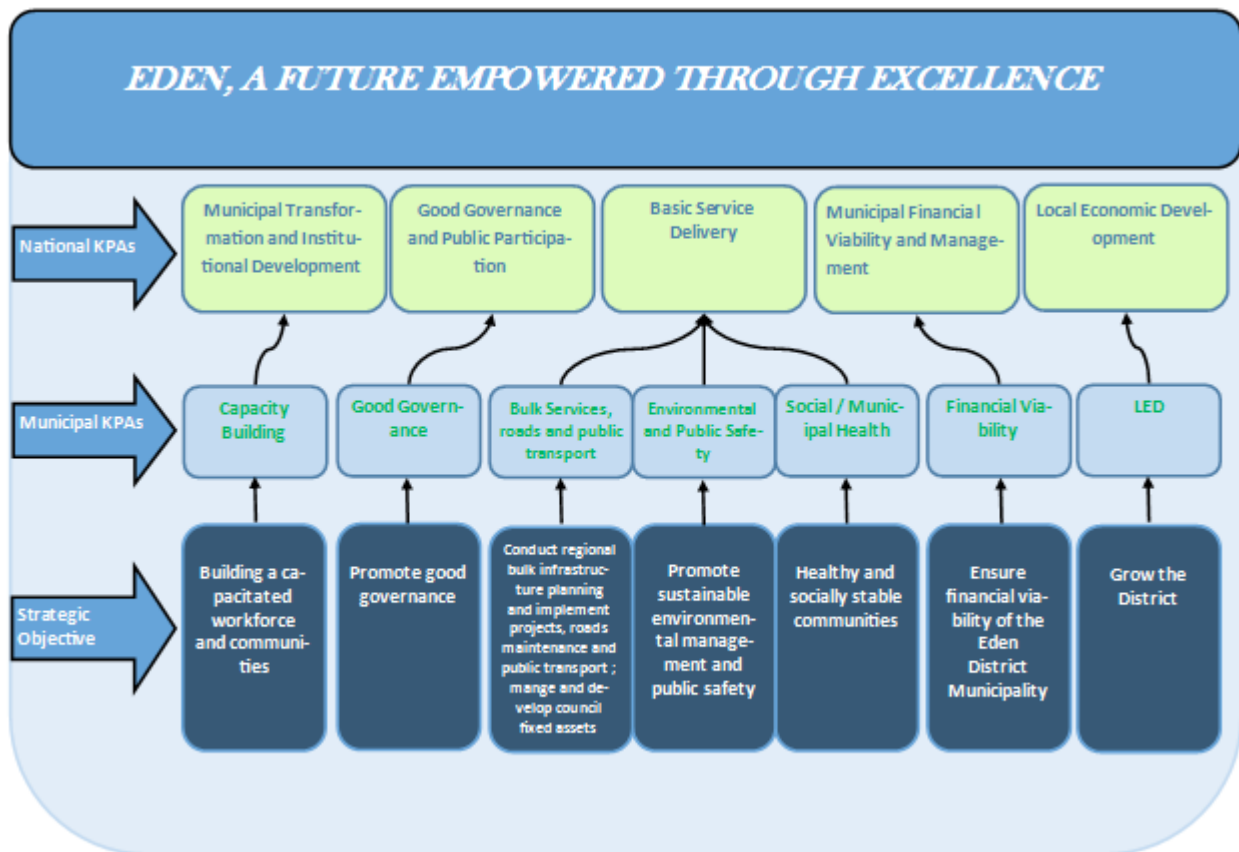


Figure 1: Strategy Map

F) THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and at directorate levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned
- The budget must address the strategic priorities
- The SDBIP should indicate what the municipality is going to do during next 12 months
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The SDBIP were prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 28 June 2013.

The Top Layer SDBIP was revised with the Adjustments Budget in terms of section 26 (2)(c) of the Municipal Budget and Reporting Regulations and an amended Top Layer SDBIP was approved by the Council on the 26 May 2014. The following were considered in the development of the amended Top Layer SDBIP:

- Areas to be addressed and root causes of the Auditor-General management letter, as well as the risks identified during the 2012/13 audit
- Alignment with the IDP, National KPA's, Municipal KPA's and IDP objectives
- Alignment with the Adjustments Budget
- Oversight Committee Report on the Annual Report of 2012/13
- The risks identified by the Internal Auditor during the municipal risk analysis

1.5.1 THE MUNICIPAL SCORECARD (TOP LAYER SDBIP)

The municipal scorecard (Top Layer SDBIP) consolidates service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

One-year detailed plan, but should include a three-year capital plan

The 5 necessary components includes:

- Monthly projections of revenue to be collected for each source
 - Expected revenue to be collected NOT billed
- Monthly projections of expenditure (operating and capital) and revenue for each vote
 - Section 71 format (Monthly budget statements)
- Quarterly projections of service delivery targets and performance indicators for each vote
 - Non-financial measurable performance objectives in the form of targets and indicators
 - Output NOT input / internal management objectives
 - Level and standard of service being provided to the community
- Ward information for expenditure and service delivery
- Detailed capital project plan broken down by ward over three years

Top Layer KPI's were prepared based on the following:

- Key performance indicators (KPI's) for the programmes / activities identified to address the strategic objectives as documented in the IDP.
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders.
- KPI's to address the required national reporting requirements.

It is important to note that the municipal manager has implemented a system to monitor the submission of Portfolios of Evidence (POE's) for reporting and auditing purposes.

G) ACTUAL PERFORMANCE

The municipality utilizes an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- A performance comment.
- Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

3. PERFORMANCE MANAGEMENT

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 2007 and will be currently in the process of review and will be submitted to Council during August 2014.

3.1 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 approved by the Mayor on 28 June 2013 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 pre-determined day of every month for the previous month’s performance.
- Additionally, the performance system administrator reminded all departments on a monthly 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 Municipal Manager and Executive Managers to determine early warning indicators and discuss corrective measures if needed.
- Performance reports are submitted on a quarterly basis to the Municipal Manager and Council. The sec 72 report as prescribed by the MFMA, was submitted to the Mayor and Council for approval. This report contained requests for changes from departments with regards to the SDBIP. These changes were noted by Council, referred to SCOPA for perusal and approved on 20 February 2014.
- Quarterly SDBIP performance reports will be submitted to the Performance Audit Committee going forward in the 2014/2015 financial year. The quarterly Audit reports reflecting the SDBIP and audited actuals were submitted to the committee.

3.2 INDIVIDUAL PERFORMANCE MANAGEMENT

3.2.1 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 2013/14 financial year were signed 31 July 2013 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 2012/13 financial year (31 July 2012 to 30 June 2013) took place during October 2013 and the mid-year performance of 2013/14 (1 July 2013 to 31 December 2013) took place on 29 April 2014.

The appraisals was done 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

3.2.2 OTHER MUNICIPAL PERSONNEL

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

3. SERVICE DELIVERY PERFORMANCE

This section provides an overview of the key service achievements of the municipality that came to fruition during 2013/14 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 2013/14 compared to actual performance in 2012/13.

3.1 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LAYER)

3.1.1 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).

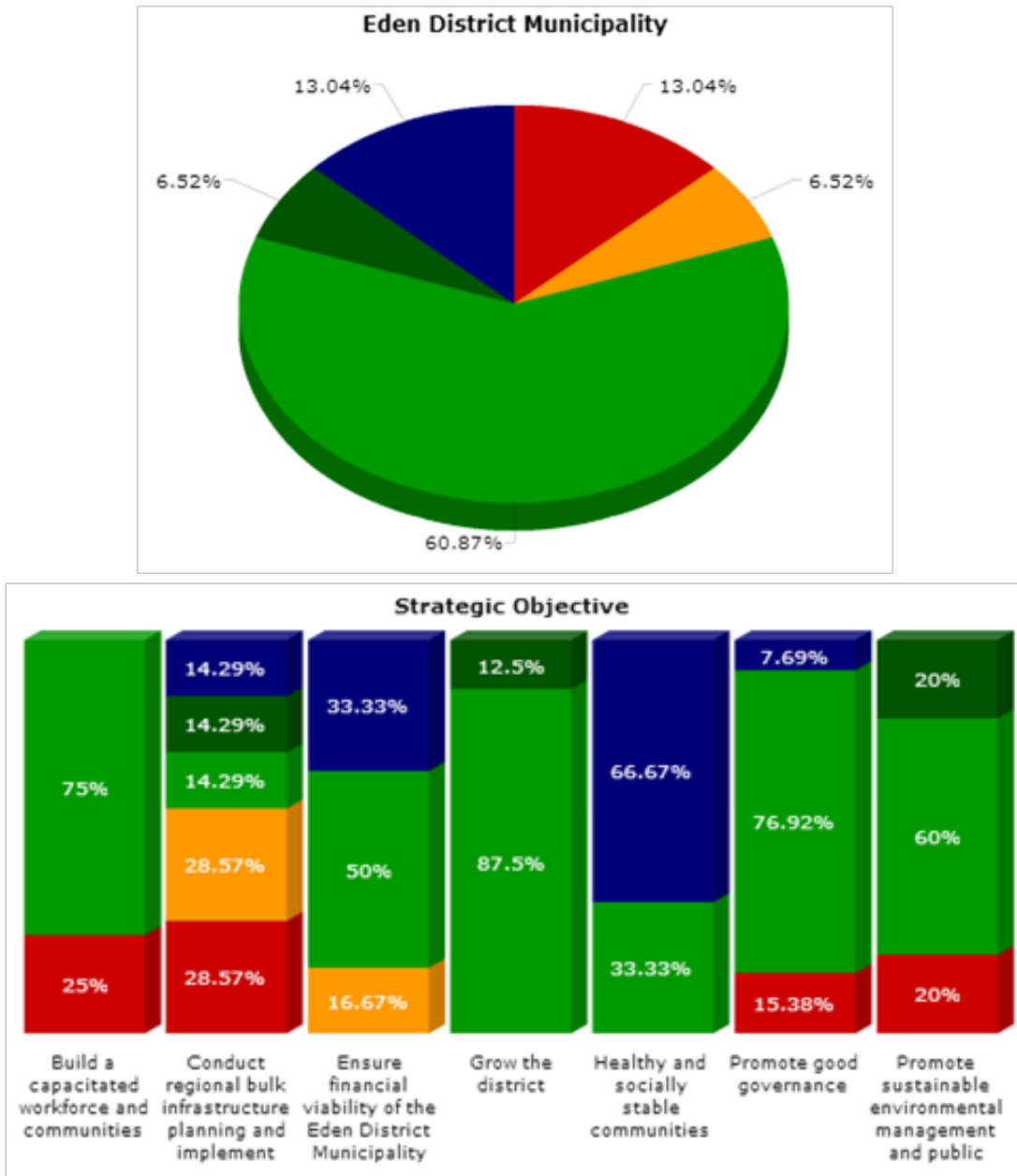
In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to their Strategic Objectives.

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	Colour	Explanation
KPI Not Yet Measured	Grey	KPI's with no targets or actuals in the selected period
KPI Not Met	Red	$0\% \geq \text{Actual/Target} < 75\%$
KPI Almost Met	Orange	$75\% \geq \text{Actual/Target} < 100\%$
KPI Met	Green	$\text{Actual/Target} = 100\%$
KPI Well Met	Dark Green	$100\% > \text{Actual/Target} < 150\%$
KPI Extremely Well Met	Blue	$\text{Actual/Target} \geq 150\%$

Figure 2: SDBIP Measurement Categories

The graph below displays the overall performance per Strategic Objective for 2013/14:



Graph I: Overall Strategic performance per Strategic Objective

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

	Eden District Municipality	Strategic Objective						
		Build a capacitated workforce and communities	Conduct regional bulk infrastructure planning and implement projects, roads maintenance and public transport; manage and develop council fixed assets	Ensure financial viability of the Eden District Municipality	Grow the district	Healthy and socially stable communities	Promote good governance	Promote sustainable environmental management and public safety
KPI Not Met	6 (13%)	1 (25%)	2 (28.6%)	-	-	-	2 (15.4%)	1 (20%)
KPI Almost Met	3 (6.5%)	-	2 (28.6%)	1 (16.7%)	-	-	-	-
KPI Met	28 (60.9%)	3 (75%)	1 (14.3%)	3 (50%)	7 (87.5%)	1 (33.3%)	10 (76.9%)	3 (60%)
KPI Well Met	3 (6.5%)	-	1 (14.3%)	-	1 (12.5%)	-	-	1 (20%)
KPI Extremely Well Met	6 (13%)	-	1 (14.3%)	2 (33.3%)	-	2 (66.7%)	1 (7.7%)	-
Total:	46	4	7	6	8	3	13	5

Table I: Top Layer SDBIP Performance per Strategic Objective

3.1.2 ACTUAL STRATEGIC PERFORMANCE ACCORDING TO STRATEGIC OBJECTIVES AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED.

a) Build a capacitated workforce and communities

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2013/14							Corrective measures for targets not achieved
					Targets						R	
					Q1	Q2	Q3	Q4	Annual	Actual		
TL32	Spent 0.5% of operational budget on training (Actual total training expenditure divided by total operational budget)	% of the operational budget spend on training	All	0.8	0%	0%	0%	0.5%	0.5%	0.5%	G	N/A
TL36	Review Workplace Skills Plan and submit to Council by 31 March	Number of plans submitted to Council	All	1	0	0	1	0	1	1	G	N/A
TL37	Review OH&S Plan and submit to Council by 31 December	Number of plans submitted to Council	All	1	0	1	0	0	1	1	G	N/A
TL46	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	Number of people employed in the three highest levels of management	All	3	0	0	0	1	1	0	R	National Reporting KPI to Reg 796. No appointments have been made due to the fact that no vacancies existed

Table 2: Top Layer SDBIP – Build a capacitated workforce and communities

b) Conduct regional bulk infrastructure planning & implement projects, roads maintenance and public transport; manage and develop Council fixed assets

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for Sep 2013 to Jun 2014							Corrective measures for targets not achieved
					Targets						R	
					Q1	Q2	Q3	Q4	Annual	Actual		
TL21	Spent 100% of roads maintenance conditional grant (Actual expenditure divided by approved allocation received)	% spent of approved grant allocation	All	100	35%	0%	100%	0%	100%	97.3%	O	Processes will be monitored more diligently with more detail in the next financial year.
TL22	Submit revised District Integrated Transport Master plan (DITP) to council by 30 June	Revised District Integrated Transport Master plan (DITP) submitted to council by end June	All	1	0	0	0	1	1	1	G	N/A

CHAPTER 3 - SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for Sep 2013 to Jun 2014						Corrective measures for targets not achieved	
TL23	Patch roads according to approved Annual Performance Plan	Number of square meters of roads patched	All	10 999	2,500	1,250	1,250	0	5,000	3,116	R	There were less potholes than expected due to diligent maintenance planning. KPI will be addressed properly in the new financial year
TL24	Blade roads according to approved Annual Performance Plan	Number of kilometres graded	All	New performance indicator for 2013/14. No comparatives available	4,000	2,000	2,000	0	8,000	7,021	O	When flood damage occurs machines are utilized to make roads safe and maintenance lacks behind. After the floods occurred in Nov 2013 and Jan 2014, 2134km of road were bladed under flood damage. The activity code for normal blading is G01 or G02, activity code for flood damage blading A02.
TL25	Re-gravel roads including repair of rain damage on roads	Number of kilometres re-gravelled and repaired	All	New performance indicator for 2013/14. No comparatives available	20	10	10	0	40	24.18	R	Re-gravel teams were utilized to repair 2013 and 2014 flood damage. This leads to re-gravel under performance
TL26	Reseal roads	Number of kilometres resealed	All	New performance indicator for 2013/14. No comparatives available	0	0	50	0	50	61.07	G	N/A
TL47	The percentage of the municipal capital budget actually spent on capital projects identified in terms of the IDP (Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects) X100	% of the municipal budget spent (Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects)X100	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	70%	70%	9%	R	Purchase of the land for the regional landfill site will only be completed in 2014/2015. This amount is R5.8m which represents the majority of the budget.

Table 3: Top Layer SDBIP – Conduct regional bulk infrastructure planning & implement projects, roads maintenance and public transport; manage and develop Council fixed assets

c) Ensure financial viability of the Eden District Municipality

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2013/14							Corrective measures for targets not achieved
					Targets							
					Q1	Q2	Q3	Q4	Annual	Actual	R	
TL9	Financial Viability: Debt coverage (Total Operating Revenue - Operating Grants)/ Debt service payments due within financial year)	Ratio achieved	All	85.81	0	0	0	20.4	20.4	84.45	B	N/A
TL10	Financial Viability: Outstanding service debtors to Revenue: Total outstanding service debtors/annual revenue received for services	% achieved	All	N/A	0%	0%	0%	-273%	0%	156.63	B	National Reporting KPI ito Reg 796 and not applicable to Eden DM
TL11	Financial Viability: Cost coverage (Available cash + Investments)/ monthly fixed operational expenditure	Ratio achieved	All	3.28	0	0	0	0.4	0.4	3.05	B	N/A
TL12	Review required financial policies annually by the end of March	Number of policies reviewed	All	4	0	0	8	0	8	6	O	6 policies were tabled to council. Other policies will be drafted and table to council during the 2014/15 financial year.
TL13	Submit the final main budget to Council by the end of May	Final main budget submitted by the end of May	All	I	0	0	0	I	I	I	G	N/A
TL14	Submit the adjustment budget to Council by the end of February	Adjustments budget submitted to council by the end of February	All	I	0	0	I	0	I	I	G	N/A
TL15	Submit the approved financial statements by the end of August to the Auditor-General	Financial Statements submitted to the AG by the end of August	All	I	I	0	0	0	I	I	G	N/A

Table 4: Top Layer SDBIP –Conduct regional bulk infrastructure planning & implement projects, roads maintenance and public transport; manage and develop Council fixed assets

d) Grow the District

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2013/14							Corrective measures for targets not achieved
					Targets							
					Q1	Q2	Q3	Q4	Annual	Actual	R	
TL17	Create temporary jobs through EPWP projects with person working days (FTE's developed = 21 X 230 person days)	Number of person working days developed	All	1 610	0	0	0	4,830	4,830	6,210	G2	N/A
TL18	Sign a yearly incentive agreement for EPWP funding with the National Minister for Public Works by the end of June	Agreement signed	All	4	0	0	0	1	1	1	G	N/A
TL19	Hold bi-monthly district EPWP forum meetings with all local (B) municipalities	Number of meetings	All	6	1	2	1	2	6	6	G	N/A
TL20	Submit the yearly EPWP business plan to the National Minister of Public Works for all internal projects by the end of June	Business plan submitted	All	1	0	0	0	1	1	1	G	N/A
TL43	Submit Process plan to council by December 2013	Process plan submitted to council by December 2013	All	New performance indicator for 2013/14. No comparatives available	0	1	0	0	1	1	G	N/A
TL44	Compile LED process plan and submit to Council by end June	Process plan submitted to Council by end June	All	1	0	0	0	1	1	1	G	N/A
TL45	Tourism marketing plan by May 2014	Tourism marketing plan completed by May 2014	All	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1	G	N/A
TL48	Review LED strategy and submit to Council by end June	Reviewed LED strategy submitted to Council by end June	All	1	0	0	0	1	1	1	G	N/A

Table 5: Top Layer SDBIP – Grow the District economy

e) Healthy and socially stable communities

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2013/14							Corrective measures for targets not achieved
					Targets							
					Q1	Q2	Q3	Q4	Annual	Actual	R	
TL1	Conduct inspections at food production and handling sites (formal)	Number of inspections	All	781	285	285	285	285	1,140	5,970	B	N/A
TL2	Monitor the non-food premises through the number of inspections per annum	Number of inspections	All	5,598	1,110	1,110	1,110	1,110	4,440	6,940	B	N/A
TL3	Report monthly to the National Department of Health (Sinjani)	Number of reports	All	16	3	3	3	3	12	12	G	N/A

Table 6: Top Layer SDBIP – Healthy and socially stable communities

f) Promote good governance

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2013/14							Corrective measures for targets not achieved
					Targets							
					Q1	Q1	Q1	Q1	Annual	Actual	R	
TL27	Formally evaluate the performance of sec56 and sec57 employees into their performance agreements	Number of formal performance evaluations completed	All	2	1	0	1	0	2	2	G	N/A
TL28	Completed the Risk based audit plan and submit to the Audit Committee by 30 June	RBAP completed and submitted to the Audit Committee	All	1	0	0	0	1	1	1	G	N/A
TL29	Submit progress reports on the implement of the RBAP to the Audit committee on a quarterly basis	Number of reports submitted	All	4	1	1	1	1	4	2	R	Meeting should be scheduled regularly and monitored
TL30	Submit quarterly performance reports into the Top layer SDBIP to the Council	Number of performance reports submitted to Council	All	4	1	1	1	1	4	4	G	N/A
TL31	Submit the draft Annual Report to Council by 31 January	Number of reports submitted to Council	All	1	0	0	1	0	1	1	G	N/A

CHAPTER 3 - SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2013/14						Corrective measures for targets not achieved	
TL33	Review the District Communication Strategy and submit to council by 31 March	Number of strategies submitted to Council	All	0	0	0	1	0	1	1	G	N/A
TL34	Review the District Integrated Development Plan (IDP) and submit to Council 31 May	Number of plans submitted to Council	All	1	0	0	0	1	1	1	G	N/A
TL35	Review the Municipal Resorts Strategy and submit for Council by 31 May 2014	Minutes and proof of submission	All	1	0	0	0	1	1	1	G	N/A
TL38	Compile annual meeting schedule for established IGR forums and submit to Council by 31 December	Number of schedules submitted to Council	All	New performance indicator for 2013/14. No comparatives available	0	1	0	0	1	0	R	Target not achieved due to time constraints and feedback from the DPLG on provincial wide meetings which should inform Eden planning. An item was however, submitted to Council for the approval of this schedule by 31 January 2014
TL39	Compile Official Council and Committee meeting schedule and submit to Council by 31 December	Number of schedules submitted to Council	All	1	0	1	0	0	1	1	G	N/A
TL40	Compile ICT Master Systems Process Plan and submit to Council by 31 March 2014	Number of plans submitted to Council	All	New performance indicator for 2013/14. No comparatives available	0	0	1	0	1	1	G	N/A
TL41	Compile an Auxiliary Service Master Plan and submit to the LLF by 31 January	Number of plans submitted to LLF	All	1	0	0	1	0	1	1	G	N/A
TL42	Assist Council and relevant municipal departments with legal advisory support services within 30 days	85% of requests received/ formal services rendered	All	New performance indicator for 2013/14. No comparatives available	85%	85%	85%	85%	85%	175%	B	N/A

Table 7: Promote good governance

g) Promote sustainable environmental management and public safety

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2013/14							Corrective measures for targets not achieved
					Targets							
					Q1	Q2	Q3	Q4	Annual	Actual	R	
TL4	Hold quarterly district waste management forum meetings	Number of meetings held	All	4	I	I	I	I	4	4	G	N/A
TL5	Purchase land for the regional disposal facility for domestic and hazardous waste for the Southern Cape Region by the end of June 2014	Land purchased	All	New performance indicator for 2013/14. No comparatives available	0	0	0	I	I	0	R	Purchase contracts has been finalised but council legal consultant must finalise enquiries still outstanding from Pienaar Brothers Trust As soon as the legal consultant has conveyed the responses discussed during the meeting to the Pienaar Brothers Trust legal advisor the contract will be handed to the property owners to sign.
TL6	Monitor the air quality through the number of inspections done on a monthly basis	Number of inspections	All	358	50	50	50	50	200	215	G2	N/A
TL7	Hold quarterly meetings of the Eden Air Quality Forum	Number of meetings	All	6	I	I	I	I	4	4	G	N/A
TL16	Purchasing of a Fire fighting vehicle before end of year	Vehicle purchased	All	New performance indicator for 2013/14. No comparatives available	0	0	0	I	I	I	G	N/A

Table 8: Promote sustainable environmental management and public safety

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:

1. Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
2. External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
3. 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 per Directorate:

3.2.1 FINANCIAL SERVICES

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Meyer Otto/ Mubesko Consortium: Accounting support / Financial Statements	3 Years	Refer to contract	Up to date	Satisfied	Not applicable
BAUD: Asset Register	1 Years (renewed on annual basis, this is part of the financial system utilized for asset management)	Refer to contract	Up to date	Satisfied	Active constant liaison between parties as issues arises

Table 9: Service Provider Performance – Financial Services

3.3 MUNICIPAL FUNCTIONS

3.3.1 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

Municipal Function	Municipal Function Yes / No
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
Stormwater management systems in built-up areas	Bulk infrastructure
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater 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
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	Yes
Local amenities	No
Local sport facilities	No
Markets	No
Municipal abattoirs	Yes
Municipal parks and recreation	No
Municipal roads	No. Agent for PGWC on provincial roads
Noise pollution	Yes
Pounds	No
Public places	No
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	No
Traffic and parking	No

Table: I0: Functional Areas

Component A: Bulk Infrastructure Planning

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

3.4 BULK INFRASTRUCTURE PLANNING

Feasibility Study of the Regional Integration of the Bulk Water supply systems of the Knysna and Bitou Municipalities. The Main purpose of the feasibility study would be to investigate whether it would be viable to implement a regional scheme of sustainable potable water supply to the communities and businesses in the Bitou and Knysna Municipal areas.

a) Highlights: Bulk Services

Highlights	Description
Identified possible regional schemes	Bulk water storage facilities link to a pipeline between Knysna and Plettenberg Bay

Table 11: Bulk Services Highlights

b) Challenges: Bulk Services

Description	Actions to address
Funding	Submit funding application to DWS for RBIG funding

Table 12: Bulk Services Challenges

c) Employees: Bulk Services

Job Level (T-grade)	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	1	0	0	0	0
16 - 18	0	1	1	0	0
19 - 20	0	0	0	0	0
Total	1	1	1	0	0

Table 13: Employees: Bulk Services

d) Capital Expenditure: Bulk Services

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Regional Landfill Site	8 000	5 800	0	-	+ R140m
Total project value represents the estimated cost of the project on approval by Council					

Table 14: Capital Expenditure 2013/14: Bulk Services

3.4.1 WASTE DISPOSAL SITES

a) Introduction to Waste Disposal Provision

Within the Eden District are situated the municipalities of Bitou, George, Hessequa, Kannaland, Knysna, Mossel Bay and Oudtshoorn. A new regional waste disposal facility is needed as the contract for the disposal of the solid waste from Bitou, George, Gouritsmond, Knysna and Mossel Bay at the PetroSA waste disposal site near Mossel Bay will be expiring at June 2015, as PetroSA needs the facility for the disposal of their own waste.

b) Highlights: Waste Disposal

Highlights	Description
Environmental Authorization	Department of Environmental Affairs and Development Planning has issued an Environmental Authorization in accordance with the National Environmental Management Act 107 of 1998 to operate a landfill facility.
Waste License number 12/9/11/11395/9.	Department of Environmental Affairs has issued a Waste Licence in accordance with the National Environmental Management Waste Act 59 of 2008 to build and operate a regional landfill facility to Eden District Municipality.
Funding R1.8 million to include Alternative Waste Management Technologies	The Development Bank of South Africa and National Treasury has made fund available to Eden District Municipality to include the implementation of alternative waste management technology in the planning process of the regional landfill facility.

Table 15: Waste Disposal Highlights

c) Challenges: Waste Disposal

Description	Actions to address
Acquiring land	Eden District Municipality must purchase private land to construct the landfill facility. Negotiations has been finalised with the individual property owners. Purchase contracts was finalised and councils appointed legal advisor is in the process to obtain the signed contracts from the property owners.
Securing a Private Partner	Eden District Municipality has proceeded with the Public – Private Partnership procurement process to secure a private partner to build and operate the regional landfill facility and the implement alternative waste management technologies. The Request for Qualification procurement document will be advertised as soon as Treasury views and recommendation 2 A is received.
Extending the PetroSA Disposal Contract of the Municipalities of Knysna, George, Bitou and Mossel Bay	PetroSA has extended the existing disposal contract to June 2015. The proposed regional landfill facility will be in operation at the end of 2015. A meeting will be held with the management of PetroSA to request an extension until the end of 2015.

Table 16: Waste Disposal

d) **Employees:Waste Disposal**

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	1	0	1	100
7 - 9	0	0	0	0	0
10 - 12	1	1	1	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	2	3	2	1	33

Table 17: Employees Waste Disposal

e) **Capital:Waste Disposal**

No capital expenditures incurred for the 2013/14 financial year.

COMPONENT B: ROADS AND TRANSPORT

3.5 ROADS

a) **Introduction to Roads**

The main objective is to provide an excellent service to the principle, which is Provincial Department of Transport and Public Works. 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 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.

b) **Highlights: Roads**

Highlights	Description
Upgrading of DR 1631 (Geelhoutboom)	4.15 km of road is being upgraded to permanent surface

Table 18: Roads Highlights

c) **Challenges: Roads**

Description	Actions to address
Lack of funding to adequately maintain road network	To work more effectively and efficiently and apply for funding

Table 19: Roads Challenges

d) Gravel Roads

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2012/13	4 557.88	0	0	4 557.88
2013/14	4 556.88	0	1	4 556.88

Table 20: Gravel road infrastructure

e) Tarred Roads

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2012/13	680.23	0	62.09	0	680.23
2013/14	681.23	1	50.43	0	681.23

Table 21: Tarred road infrastructure

f) Construction and Maintenance Cost

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements	Resealed	Maintained
	R'000		
2012/13	26 000	15 800	42 700
2013/14	31 944	16 960	67 371

*The cost for maintenance include stormwater

Table 22: Cost of construction/maintenance of roads

g) Employees: Roads

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	180	180	177	3	2
4 - 6	43	48	44	4	8
7 - 9	39	42	39	3	7
10 - 12	24	27	25	2	7
13 - 15	4	4	4	0	0
16 - 18	1	1	1	0	0
19 - 20	1	1	1	0	0
Total	292	303	291	12	4

Table 23: Employees: Roads

h) Capital Expenditure: Roads

No capital expenditures incurred for the 2013/14 financial year.

3.5.2 TRANSPORT

a) Introduction to 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. Funds were made available to the District Municipality for projects in previous financial years, but the Department of Transport and Public Works 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 Community has been established which has now also incorporated the Eden Public Transport Forum.

COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

3.6 PLANNING AND LOCAL ECONOMIC DEVELOPMENT

3.6.1 REGIONAL DEVELOPMENT AND PLANNING

a) Introduction to 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 vs., the objectives of public policy to protect and allocate resources to ensure long term sustainability.

b) Highlights: Regional Development and Planning

Highlights	Description
Revised Provincial Spatial Development Plan (PSDF)	Eden DM contributing to the revision process of the PSDF

Table 24: Regional Development and Planning Highlights

c) Challenges: Regional Development and Planning

Description	Actions to address
Relevancy of Eden DM regional planning role in the context of the municipal Spatial Development Frameworks (SDF)	New SPLUMA created a platform to compile a regional SDF
Contribution by local municipalities	IGR forums should be utilised

Table 25: Regional Development and Planning Challenges

d) **Employees: Regional Development and Planning**

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 – 3	1	0	0	0	0
4 – 6	0	1	0	1	100
7 – 9	0	0	0	0	0
10 – 12	0	1	0	1	100
13 – 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	2	3	1	2	67

Table 26: Employees: Regional Planning and Development

e) **Capital: Regional Development and Planning**

No capital expenditures incurred for the 2013/14 financial year.

3.6.2 LOCAL ECONOMIC DEVELOPMENTa) **Introduction to LED****Vision of the District Economic Development Strategy**

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 District Economic Development Strategy (DEDS) was developed and adopted by council in July 2012 and relevant until June 2017. The aim of the Eden DEDS was to develop a district-wide strategy that harnesses the resources and skills of all relevant stakeholders in a uniform and coherent manner in order to achieve agreed aims and objectives per key identified economic sector.

This resulted in the fostering of new, and the evolution of existing partnerships in the region. One of the most advantageous realities of the regional economy is that it has an active business community showing a willingness to collaborate.

- Examples of excellent partnerships which came into existence are:
- the Southern Cape Business Partnership consisting of all municipalities, business chambers and local tourism offices in the Eden District,
- Within sectors (e.g. Furniture in Knysna, ICT across region)

At various economic discussion platforms it became apparent that the cause for many or most of the economic planning mistakes made can be directly attributed to an atmosphere of competition amongst local authorities. This was followed by the realization of an increasing need for the utilisation of a more coordinated approach to regional economic development.

The strategy has now been reviewed and thus a shift in focus took place towards this approach, which will mainly rely on the establishment of partnerships based on the agreement that it is necessary to adopt a regional lens to advance innovation and economic clusters that operate across municipal boundaries.

b) Highlights: LED

The following performance highlights with regard to the implementation of the LED strategy are:

Highlights	Description
Eden Entrepreneurship Week 2013	The Eden Entrepreneurship Week 2013 took place from 9 – 13 September 2013 and was done in collaboration with the Department of Economic Development and Tourism (DEDAT), Small Enterprise Development Agency (SEDA) and the local municipalities within the Eden District. The goal of the programme is to support entrepreneurs in the areas with skills and business development training, as well as sourcing opportunities for them to trade with UK-based businesses.
Municipal Red Tape Reduction (MRTR)	The purpose of the MRTR process is to assist municipalities to assess the efficiency level of their internal processes and how it impacts on business development in their areas. The process has been promoted to municipalities in the form of a road show undertaken in July 2013 by the MRTR unit of the Department of Economic Development and Tourism, and the LED unit of Eden DM, and extensive buy-in has been received.
Work & Skills Programme	The Work and Skills Programme creates learning and work placement opportunities for unemployed youth in the Western Cape's economy in order to improve the future employment prospects of participants. This 6 month contractual work opportunity is coupled with skills development in the context of work experience and the provision of technical and soft skills training to learners. It places mostly first time entrants with host companies, support learners exiting the programme as well as refer learners to work related opportunities.
Regional Funding Mobilization	The Resource Mobilization process has been initiated by Eden DM in order to obtain funding through private sector partnerships for various projects initiated by the District Municipality and all its B-municipalities.
South Cape Business Partnership	The Eden District Economic Development unit is currently driving a process (in collaboration with and with the support from our Executive Manager and the Municipal Manager) of formalizing the existing South Cape Business Partnership, consisting of representatives from all B-municipalities, Business Chambers, Small Enterprise Development Agency (SEDA) and other business role players, as a sub-structure of the Western Cape Economic Development Partnership (WCEDP) within the province.
Review of the District Economic Development Strategy	The Regional Economic Development strategy for the Eden region was developed and adopted by council in 2012. This strategy was due to be reviewed in 2013/14 financial year to allow for adjustments in response to changing local economic conditions, and to assess the progress in terms of the adopted strategy.

Table 27: LED Highlights

c) Challenges: LED

The following challenges with regard to the implementation of the LED strategy are:

Description	Actions to address challenges
Human capacity constraints	Investigate the possibility of additional staff
Funding	Regional Funding/Resource Mobilization Process and own funds from municipality allocated towards implementation of inter-municipal area implementation of economic development projects for 2014/15 financial year.

Table 28: Challenges LED

d) Strategic areas

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

Strategic areas	Description
Regional business retention and expansion	To ensure that Eden DM assist local municipalities within the district to keep abreast of the challenges existing businesses within their economies are facing to enable them to identify areas of intervention to retain the multiplier effect of revenue within their areas, which are derived from these businesses.
Coordinate regional infrastructure	Refers to economic infrastructure specifically and entails playing our coordinating role with regard to what infrastructure is required by the regional economy and creating those linkages amongst potential investors, government departments, etc. and municipalities.
Increase trade and investment	Playing a facilitating role in terms of promotion and creating promotional tools and platforms for effective investment promotion in an attempt to increase investor interest in the Eden economy.
Increase skills and economic development through institutional support	Assisting local municipalities by coordinating capacity building opportunities for LED units.

Strategic areas	Description
Enabling an Environment for Economic growth through procurement	Supply Chain policies of municipalities impact directly on economic development as it holds direct opportunity creation for businesses. Therefore training, mentoring and other capacity building programs rolled out to develop small businesses should be done in a complimentary and integrated manner, with the Supply Chain Management unit of the municipality to link these programs with actual opportunities in the supply chain of municipalities, parastatals, government departments, etc .

Table 29: LED Strategic areas

e) Employees: Local Economic Development

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 - 12	2	2	2	0	0
13 - 15	0	1	0	1	100
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	2	3	2	1	33

Table 30: Employees: Local Economic Development

f) Capital: LED

No capital expenditures incurred for the 2013/14 financial year.

3.6.3 TOURISM

a) Introduction to Tourism

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 is coordinated at a district Level. The office works closely with the local tourism bureaus, provincial, national and international tourism organizations in promoting the Garden Route and Klein Karoo.

The Regional Tourism Office's main functions are inter alias:

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

Our core international markets, in line with South African Tourism and WESGRO have been identified as Germany, Holland, Belgium, Ireland, United Kingdom and African Countries of Kenya, Nigeria and Namibia. And the emerging markets which are China, UAE and Gulf, Australia, Brazil, Sweden and the Nordic countries. The above targeted markets and countries therefore reflect in our marketing plans and hence our proposed participation in strengthening our position within our lucrative core markets to increase awareness of Garden

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Route and Klein Karoo environments as premier and desirable destination within South Africa and therefore increasing visitor numbers and tourism spend from these countries to the Garden Route and Klein Karoo.

b) Highlights: Tourism

The following performance highlights with regard to the implementation of the Tourism strategy are:

Highlights	Description
Indaba 2014	For the past 3 years Garden Route & Klein Karoo Tourism has attended Indaba on the Cape Town & Western Cape Stand, with WESGRO the Western Cape Tourism destination organization. This initiative is economically expedient and in line with national tourism strategy initiatives to attend marketing platforms on joint stands with the Western Cape tourism destination organization, WESGRO.
Garden Route Best Golf Destination 2014 Award: Africa and Gulf States	On 15 November 2013 the Garden Route was awarded as 2014 Golf Destination of the year for Africa and the Gulf of States. CEO of WESGRO, Mr N. Flatten, collected the award on behalf of the Garden Route in Spain at the International Golf Travel Market.
Weekend Weekly Journalists from Hong Kong visit Garden Route & Klein Karoo	Eden District Municipality, trading as Garden Route & Klein Karoo was approached by WESGRO to host media in our region for free marketing and exposure to our area and products to the International market. Weekend Weekly Travel Magazine's Journalists from Hong Kong visited the Garden Route & Klein Karoo Region from the 12– 15 November 2013.
Eden DM Regional Tourism Marketing And Development Strategy for Garden Route & Klein Karoo 2014/2015	The tourism unit of the Eden DM in association with the local tourism offices in the region started with the review of the Tourism Marketing and Development Strategy for the Garden Route & Klein Karoo since July 2013. Strategy aims to position Garden Route & Klein Karoo as a unique and competitive visitor destination within the Western Cape and South Africa. Eden DM Regional Tourism Marketing and Development Strategy for Garden Route & Klein Karoo 2014/2015 was approved by Council on 26 May 2014.
September 2013 – Tourism Month	September was Tourism Month and last year it was launched with the focus firmly on fun, easy and affordable breaks. The domestic theme for Tourism month was: "Nothing's more Fun than a Sho't Left". It emphasised the fun of a domestic leisure getaway and it encouraged South Africans to take short breaks.
Mossel Bay Travel Festival	The Mossel Bay Travel Festival was organised to take place on the 18-20 October 2013. The Mossel Bay Travel Festival is now officially affiliated with the New York Travel Festival– and Mossel Bay has been given permission to adapt the logo for Mossel Bay's own use. Eden DM trading as Garden Route & Klein Karoo Tourism attended & exhibited at the Travel festival which took place in the Bartolomeu Dias Museum Complex
Tourism Arts and Entertainment Plenary Session- Mossel Bay	On Friday, 18 October 2013 all tourism stakeholders gathered at the Garden Court Hotel in Mossel Bay for the Western Cape Tourism Arts and Entertainment Plenary. The Minister for Economic Development and Finance in Western Cape, Mr. Alan Winde presented the overall status update for Tourism in the province and also congratulated tourism practitioners on the work that had been done in the province thus far and thanked Mossel Bay Tourism for organizing the meeting.
Cater Care Certificate Ceremony – 5 December 2013	This year Absa Bank has once again made the commitment to sponsor the Cater Care training program that has been running for the past 4 years. This year 20 candidates were trained in the region. On Thursday, 5 December 2013, 12 learners received their certificates for successfully completing the intensive 6 month course.
Joint Marketing Agreements	Joint Marketing Agreement (JMA) is a strategic alliance where two or more parties, usually businesses, form a partnership to share markets, intellectual property, assets, knowledge etc. The Garden Route & Klein Karoo Regional Tourism decided to take the route of entering into JMA's with local tourism offices in the region to ensure that we effectively and strategically market the Garden Route & Klein Karoo without spending too many resources and duplication of marketing activities.
Namibia Tourism Expo	The Namibia Tourism Expo ran over a period of four days, from the 4 - 7 June 2014. The Garden Route & Klein Karoo Regional Tourism did not attend this platform but the region was represented by Oudtshoorn Tourism, Mossel Bay Tourism and George Tourism at the Namibia Expo. It is the district municipality's mandated responsibility to coordinate and facilitate regional tourism marketing in the most effective manner possible.

Highlights	Description
Attractions Management Conference	The inaugural Attractions 2014 conference was held on 4 and 5 June at Kirstenbosch. It was the first time such a forum had been created and the aim was to bring together everyone in the business of attracting, satisfying and retaining visitors. Attractions are the central, guiding reason why a visitor decides to visit a destination. Topics of discussion were learning from international experts and from each other about experience enhancement, seasonality, ticketing and queuing, human resources and more. The two day conference included case studies and demonstrations plus networking opportunities and social gatherings for Tourism Practitioners and destination marketers
WESGRO Sponsorships	Partnerships were coordinated by Eden Tourism Unit between WESGRO and Local Tourism Offices as well as B- Municipalities. The following partnerships were created: <ul style="list-style-type: none"> • Proe Mossel Bay Joint Marketing Agreement, sponsorship of R20 000 • George 7's Rugby Tournament Joint Marketing agreement and sponsorship of R30 000 • African Otter Trail Route -R40 000 • Knysna Pop up Shop at Oyster Festival - R20 000 • Knysna Green Chef initiative - R20 000

Table 31: Tourism Highlights

c) Challenges: Tourism

The following challenges with regard to the implementation of the Tourism strategy are:

Description	Actions to address challenges
Capacity within the Tourism unit	The unit has one permanent employee and two employees on contractual basis. As per the re-structuring of the organisation, a permanent position for 1 tourism official is vacant. This vacancies needs to be budgeted, advertised and filled.
Budget restrictions	The Regional offices' functions are to facilitate and coordinate tourism marketing and development within the region. The Eden DM Tourism office, has started to form more effective partnerships with private stakeholders, Provincial and National Government in order to piggy back on projects and initiatives to be rolled out in the region.
Lack of cooperation from Local Tourism Offices (LTO's)/ B-Municipalities	Improve communication with LTO's to communicate the importance of cooperation with between various role players.
Short lead times from external stakeholders	Stakeholders send meeting and conference invitations on short notice, which in turn results in that the region is not represented at certain important platforms outside the district. More effective planning and communication should be done.

Table 32: Challenges Tourism

d) Employees: Tourism

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 - 12	2	2	1	1	50
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	2	2	1	1	50

Table 33: Employees: Tourism

e) Capital: Tourism

No capital expenditures incurred for the 2013/14 financial year.

3.6.4 EPWP

a) Introduction to EPWP

Since its launch in 2003/04 the EPWP has come to be regarded as the flagship employment project of post-apartheid government as it sets out to provide temporary job opportunities supported by training to enable job seekers to access more permanent employment. The completion of the short term and achievement of the longer term objective would, in turn, serve to alleviate poverty. These objectives were situated in the GDS as “part of all three spheres of government’s collective efforts” to halve unemployment by 2014. It is universally agreed there is a great need to meet the crisis of structural unemployment particularly as those who suffered most intensely under apartheid are also those who have benefited least in terms of greater employment in the recent past.

The National EPWP framework provides that local government develop an EPWP Policy embedded within Eden District’s Integrated Development Plan. Eden District Municipality’s EPWP policy document promotes EPWP principles and the re-structuring of local government activities to facilitate and create greater employment opportunities per unit of expenditure. EDM’s Management Service’s EPWP Unit is responsible for District –wide coordinating and supporting the implementation of the National Expanded Public Works Programme.

The National Development Plan Vision 2030 through the Diagnostic Report identified nine main challenges facing South Africa, amongst others are: two few people work and the quality of education available to the majority is poor. The persistently high rate of unemployment in South Africa (25%) is one of the most pressing socio-economic challenges facing government. High youth unemployment in particular means young people are not acquiring the skills or experience needed to drive the economy forward. This inhibits the country’s economic development and imposes a larger burden on the state to provide social assistance.

b) Highlights: EPWP

The following performance highlights with regard to EPWP are:

Highlights	Description
Approval of EPWP Policy Document	The EPWP Policy document was approved as per Council Resolution: DC 451/03/13
Accredited training provided by UNISA	During the financial year 2013/14 a total of 36 project beneficiaries received accredited training via UNISA for a period of one year.
Five EPWP elementary workers received multi-skilled on-the-job accredited and non-accredited training to become Assistant-EPWP Project Linked Managers / Implementers	During the financial 2013/14 five EPWP elementary workers received 220 accredited and non-accredited training working days.
All 2013/14 project beneficiaries signed an Employment Contract with Council	In terms of Council’s EPWP Policy, each project beneficiary is entitled to sign an Employment Contract, which ensures their remuneration / stipend paid via their Banking Institution, deduction of UIF and covered by COIDA for any injury on the job.

Table 34: EPWP Highlights

c) Challenges: EPWP

The following challenges with regard to EPWP are:

Description	Actions to address challenges
Attendance of Managers at EPWP policy and best practice engagement platforms such as National Summits, Provincial Steering Committees and District Forum Engagements	More senior official should be assigned to attend these platforms
Accurate data / information on the National MIS or IRS, EPWP project integrated reporting system is a constant challenge.	Continues upgrading and training on these information / data systems is crucially important for all Eligible Public Bodies to improve job creation and decision-making

Table 35: Challenges EPWP

d) Job creation through EPWP

Eden DM has created 288 work opportunities and 1 734 training days' in the 2013/14 financial year via the National EPWP. The table below indicates the number of FTE's created for the 2012/13 and 2013/14.

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]
2012/13	17	313	115	25	42.41
2013/14	23	288	41	1 734	71.30

Table 36: EPWP job creation

e) Total MIG and EPWP Grants allocated to Eden DM

The following table indicates the 2013/14 integrated grants allocated for the Eden District.

Municipality	Expanded Public Works Programme Integrated Grant for Municipalities		Infrastructure Grant Allocations to Municipalities (Schedules 4B and 5 B)	
	2013/14 FTE Performance Target	National and Municipal Financial Year		
		EPWP Grant R 000	MIG Funds R 000	
Kannaland	55	1 000	10 934	
Hessequa	59	1 000	12 622	
Mossel Bay	96	2 240	19 940	
George	201	3 285	41 815	
Oudthoorn	89	1 800	18 824	
Bitou	65	1 000	16 845	
Knysna	95	1 000	23 245	
Eden District Municipality	19	1 000	0	
Total	679	12 325	144 225	

Table 37: EPWP Projects

f) District-Wide Job Creation 2013/14

Project Per Municipal Area	No. of Projects Registered	Description of Sector Programme	Project Duration (person Days)	No. of Work Opp.	Wage		Total Accredited Or Non-Accredited Training Days	No. of FTE's Created
					Min Daily Wage (R)	Max Daily Wage (R)		
Eden District Municipality								
Eden District	1 Project	Training	1 265	5	291	291	1 265	5.5
Hessequa Municipality								

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Project Per Municipal Area	No. of Projects Registered	Description of Sector Programme	Project Duration (person Days)	No. of Work Opp.	Wage		Total Accredited Or Non-Accredited Training Days	No. of FTE's Created
					Min Daily Wage (R)	Max Daily Wage (R)		
Gouritzmond	1 Project	Beautification	273	13	80	291	0	1.18
Gouritzmond	1 Project	Beautification	403	13	80	291	0	1.75
Albertinia	1 Project	Beautification	273	13	80	291	0	1.18
Albertinia	1 Project	Beautification	403	13	80	291	0	1.75
Oudtshoorn Municipality								
Dysselsdorp	1 Project	Beautification	315	15	80	291	0	1.36
Dysselsdorp	1 Project	Beautification	465	15	80	291	0	2.02
Dysselsdorp	1 Project	Food Security	360	4	80	291	360	1.56
Knysna Municipality								
Rheenendal	1 Project	Beautification	273	13	80	291	0	1.18
Rheenendal	1 Project	Beautification	403	13	80	291	0	1.75
Rheenendal	1 Project	Food Security	816	8	80	291	816	3.54
Smutsville	1 Project	Food Security	816	8	291	291	816	3.54
Bitou Municipality								
Kranshoek	1 Project	Beautification	315	15	80	291	0	1.36
Kranshoek	1 Project	Beautification	465	15	80	291	0	2.02
George Municipality								
Pacaltsdorp	1 Project	Food Security	1 734	17	80	291	1734	7.53
Mission Street	1 Project	Building Maintenance	264	11	120	291	0	1.14
Mission Street	1 Project	Building Maintenance	150	5	120	291	0	0.65
Noll	1 Project	Road Maintenance	1380	12	120	291	0	6
Noll	1 Project	Road Maintenance	660	12	120	291	0	2.86
Noll	1 Project	Road Maintenance	473	11	120	291	0	2.05
Geelhoutboom	1 Project	Road Maintenance	2 288	23	120	291	0	9.94
Geelhoutboom	1 Project	Road Maintenance	2 596	23	120	291	0	11.28
Geelhoutboom	1 Project	Road Maintenance	1 952	16	120	291	0	8.48

Table 38: Registered Work Opportunities

g) Work opportunities breakdown in each EPWP sector

Description of Sector Programme	Total Limited Term Employment Contract Appointed per Sector	Total Person Days per Sector	Total Youth Employed per Sector	Total Women Employed Per Sector	Total Disabled People Employed Per Sector	Total FTE's per Sector
			%			
Environmental Sector	138	2 912	38.89	30.55	0	12.66
Social Sector	37	3 726	12.85	9.37	0	16.20

Infrastructure Sector	113	9 763	34.72	13.54	0.69	42.44
Total	288	16 401	86.46	53.82	0.69	71.30

Table 39: Work opportunities breakdown

h) Employees: EPWP

Job Level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	1	0	1	100
7 - 9	0	0	0	0	0
10 - 12	1	0	0	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	2	1	1	50

Table 40: Employees: EPWP

j) Capital: EPWP

No capital expenditures incurred for the 2013/14 financial year.

3.6.5 MUNICIPAL RESORTS

a) Introduction to Municipal Resorts

EDEN ran four resorts during the 2014/2015 financial year:

- Calitzdorp Spa
- De Hoek Mountain Resort
- Swartvlei Caravan Park
- Victoria Bay Caravan Park

Kleinkranz, the fifth resort was not operational during the 2014/2015 financial year.

b) 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 as well as a day visitor area. The resort has cold and natural warm water pools, hiking trails, tennis courts and mountain bikes trails. There are 14 staff members at Calitzdorp Spa.

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 and two dormitories which can accommodate 144 persons. There are 12 staff members at De Hoek.

Swartvlei Caravan Park

Swartvlei, just off the N2, borders on the Swartvlei Lake approximately 25 km from George. The caravan park consists of 156 grassed sites of which 30 are electrified with four ablution blocks. There are 3 staff members at Swartvlei.

Victoria Bay Caravan Park

Victoria Bay Caravan Park has 38 caravan sites and is approximately 10 km from George. There are four staff members at Swartvlei.

c) Resorts income for 2013/14

Month	Spa	De Hoek	Swartvlei	Victoriabaai
(R)				
July 2013	158 869	27 070	30 513	15 013
August 2013	120 120	20 710	298 839	70 322
September 2013	147 631	45 749	176 035	71 929
October 2013	79 876	30 435	136 625	34 307
November 2013	86 311	78 281	222 158	93 725
December 2013	173 062	68 021	44 298	25 381
January 2014	100 015	48 190	64 526	71 971
February 2014	49 556	23 591	28 697	47 868
March 2014	97 029	59 652	18 607	57 376
April 2014	77 964	67 042	58 462	40 223
May 2014	83 844	35 320	259 692	81 051
June 2014	84 884	24 579	0	0
Total	1 259 165	528 642	1 338 456	609 171

Table 41: Resorts income 2013/14

d) Marketing

INTERNET WEBSITE

The following websites were actively updated and utilized during the 2013/14 financial year:

- www.lalakoi.co.za
- www.dehoekmountainresort.co.za
- www.victoriabaycaravanpark.co.za
- www.r62.co.za
- www.calitzdorpspa.co.za
- www.gardenrouteaccommodation.co.za

SOCIAL MARKETING

The following social media were used during the 2013/14 financial year:

- Calitzdorp Facebook page
- Garden Route and Klein Karoo Facebook page
- De Hoek Fanpage
- Swartvlei Fanpage
- Victoria baai Fanpage

ANNUAL EVENTS

The following annual events were hosted during the 2013/14 financial year:

De Hoek Mountain Resort

- Springbok Rally
- Drylands Event

- Eco bound Cycle Race

Swartvlei Caravan Park

- Voortrekker Week

Victoria Bay Caravan Park

- Billabong Surfing Competition

Employees: Municipal Resorts

Job Level (T-grade)	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	23	29	24	5	17
7 - 9	2	3	1	2	67
10 - 12	2	3	1	2	67
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	27	35	26	9	26

Table 42: Employees: Municipal Resorts

g) Capital Expenditure: Municipal Resorts

No capital expenditures incurred for the 2013/14 financial year.

Component D: Community And Social Services

3.7 COMMUNITY AND SOCIAL SERVICES

3.7.1 SOCIAL DEVELOPMENT

a) Introduction to Social Development

Social Development function focuses on the following focus areas, namely: Youth Development, Elderly, Gender, Household Food Security, Substance abuse, HIV and AIDS, Disability and Early Childhood Development (ECD). A formal agreement (MOU) was also entered into with the Provincial Department of Social Development to implement programmes collectively to address issues of substance abuse, youth development, Disability and ECD. The amount of R20 000, in terms of projects, was made available to initiate the implementation of the MOU.

b) Highlights: Child Care; Aged Care; Social Programmes

Highlights	Description
Powertown crèche	Started food garden in collaboration with Womb-to-Tomb (NGO in George). Placed 2 workers on non-state sector EPWP through Womb-to-Tomb.
Avontuur Primary	HIV and AIDS awareness programme

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Highlights	Description
Establishment of toy libraries for crèches	Educational equipment and materials were obtained towards the establishment of 3 toy libraries, i.e. Knysna, Oudtshoorn and Mossel Bay.
Training of Early Childhood Development (ECD) Call Centre personnel	Training was provided to 12 call centre operators as part of the establishment of an ECD Call Centre to address the issue of unregistered crèches.
VIP toilets for crèches in Thembaletu	In partnership with the (EHP)'s and George municipality, addressed the risk of poor sanitation and accidents due to VIP toilets dilapidated in the area.
Elderly awareness programmes: Vleesbaai, Farleigh and Smutsville	Awareness programmes were held in collaboration with Sanparks, Age-In-Action and Knysna Alcohol and Drug Centre. Approximately 110 elderly was reached through this programme.
Substance abuse programme: Local Drug Action Committee Training	Training was arranged for municipal officials in terms of the establishment and role of municipalities in Local Drug Action Committees (legislative mandate) in collaboration with Dept. Local Government and Social Development.
Farleigh Substance abuse programme (Early Recovery Intervention Programme)	Was done in collaboration with Dept. Social Development, Knysna Alcohol and Drug Centre and Sanparks. Approximately 30 young people was reached.
Development of Eden District Municipality HIV and AIDS / STI / TB (HAST) Plan	A HAST Plan was developed for internal and external programming in collaboration with relevant stakeholders.
Disability Plan	An Eden DM Disability Plan as part of the MOU with Social Development has been developed in collaboration with relevant Government and community stakeholders
District Food Security Plan	An Integrated Food Security Plan has been developed in collaboration with UNISA, Department Social Development, SASSA and Department of Agriculture.

Table 43: Child care; Aged care; Social programmes Highlights

c) Challenges: Child care; Aged care; Social programmes

Description	Actions to address
Unregistered crèches in the District is a risk to sustainability, safety and quality care.	<ul style="list-style-type: none"> Successful operation of ECD Call Centre; Awareness programmes in terms of registration; Reduce/constrain the mushrooming of crèches; Good cooperation amongst all stakeholders to address the issue collectively. Encourage municipalities to budget for ECD centres in terms of their mandate given by the Constitution.
Insufficient facilities to accommodate the homeless elderly and elderly in need of frail care	Funding, personnel and land to be made available by the different stakeholders to address the challenges.
Elderly abuse	Awareness programmes and referral system.
Substance abuse beyond control and escalating on a daily basis	Substance abuse being declared as a disaster to ensure that it gets the priority attention it deserves.
Unemployment, especially amongst youth.	<ul style="list-style-type: none"> Establishment of National Youth Development Agency (NYDA) office in the District to ensure the implementation of NYDA programmes in Eden. EPWP should be expanded to create jobs. Skills programmes linked to opportunities should be implemented. Assisting youth to become entrepreneurs through mentorship programmes and assistance with funding. Availability of bursaries to encourage youth to enter tertiary institutions after Grade 12. Career pathing from at least Grade 9.
Education, health and wellness issues: Teenage pregnancies, school drop outs, youth suicides.	<ul style="list-style-type: none"> Non-core mandate at local government level to address these issues collectively with other stakeholders poses the biggest risk for the social upliftment of communities as mandated by Constitution. Sufficient resources in terms of personnel and funding for programmes should be made available to make the impact that is needed and expected. Networking and cooperation amongst stakeholders, especially government, to avoid duplication and promote pooling of resources.

Table 44: Child care; Aged care; Social programmes Challenges

d) Service Statistics for Child Care; Aged Care; Social Programmes

Description	2012/13	2013/14
Veggie gardens established	0	55
Youngsters educated and empowered	268	848
Initiatives to increase awareness on disability	10	7
Women empowered	120	435
Initiatives to increase awareness on HIV/AIDS	6	11

Description	2012/13	2013/14
Initiatives to increase awareness on Early Childhood Development	6	9
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	2	10
Special events hosted (World's Aids Day, World Arbour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	2	1
Initiatives for the elderly	1	3

Table 45: Service statistics for Child care; Aged care; Social programmes

e) Employees: Child care, aged care, social programmes

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 – 3	0	0	0	0	0
4 – 6	1	1	1	0	0
7 – 9	0	0	0	0	0
10 – 12	3	4	3	1	25
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	5	6	5	1	17

Employees and Posts numbers are as at 30 June.

Table 46: Employees: Child care, aged care, social programmes

f) Capital Expenditure: Social Development

No capital expenditures incurred for the 2013/14 financial year.

Component E: Environmental Protection

3.8 ENVIRONMENTAL PROTECTION

3.8.1 AIR QUALITY CONTROL

a) Introduction to Air Quality Control

Part B of Schedule 4 to the Constitution lists air quality services as a local government matter to the extent set out in section 155 (6) (a) and (7). Eden is also the licensing authority for listed activities in the Eden region in terms of the National: Environmental: Air Quality Act, 2004 (Act 39 of 2004). Notwithstanding limitations, EDM has succeeded in substantially meeting the diverse tasks and duties associated with air quality management and defined in the Air Quality Management Plan (AQMP) compiled during 2013.

b) Highlights: Air Quality Control

Highlights	Description
2nd Generation AQMP	Formulation of 2nd Generation AQMP and also assistance to B-authorities ensuring AQMP's for all authorities within Eden.
Eden Clean Fires Campaign	Educational project to educate informal settlements on air pollution.
Renewal of Licencing of Listed Activities	All Listed Activities within Eden applied for renewal before the cut-off date of 31 March 2013. 100% of these applications were renewed during 2013/14.
Odour control in Oudtshoorn	Eden is addressing the odour problem in Oudtshoorn through its Intergovernmental Task Team.

Table 47: Air Quality Control Highlights

c) Challenges: Air Quality Control

Description	Actions to address
Budgetary constraints	Provision to be made in the budget
Personnel shortage	Budget for more personnel and fill vacancies

Table 48: Air Quality Control Challenges

d) Renewal of Atmospheric emission Licences

In terms of the National Environmental: Air Quality Act, 2004 (Act 39 of 2004), Eden District Municipality is the licensing authority for the licencing of Listed Activities within the Eden region. In terms of the said act, a registration certificate issued in terms of the Air Pollution Prevention Act (APPA), which was a valid certificate at the time, continuous to be valid for a period of four years from the 1 April 2010. This meant that Eden had to renew all these licences within the period of 31 March 2013 and 31 March 2014.

All the renewal applications received were processed in terms of legislator requirements. The licences were issued for a five year period, after which it must be renewed again. The processing fees invoiced for the renewal process amounted to R323 760. Fifteen licence renewal applications were received during 2013 and all were renewed during 2013/14.

The following table provides a indication on the total renewal licences processed in Eden region for 2013/14:

Name of Industry	Processing fee (R)	Issue date
George Crematorium	4 560	1 December 2013
Houttek	18 240	12 March 2014
Johnsons Bricks	18 240	11 November 2013
KKI Abattoir	18 240	1 November 2013
KKI Tannery	18 240	11 February 2014
Koffieklop Woodworks	4560	1 March 2014
Kurland Bricks	18 240	1 August 2013
Much Asphalt	57 000	1 December 2013
Optimum Waste	18 240	31 March 2014
PetroSA Tank Farm	57 000	12 December 2013
Rheebok Stene	18 240	1 August 2013
Riversdal Sawmill	18 240	9 December 2013
Spitskop Stene	18 240	1 February 2014
Thesen Sawmill	18 240	1 July 2013
Vantell Bricks	18 240	12 November 2013
Total	323 760	

Table 49: Eden progress on atmospheric emission licensing

e) Monitoring/ Passive sampling

Eden is conducting passive air quality monitoring for SO₂, NO₂, H₂S and BTEX in various towns within the Eden region. The towns involved are selected due the potential air quality impacts that are eminent. Albertinia, Mossel Bay, Oudtshoorn and Great Brak River are towns in Eden where passive sampling is undertaken.

Town	Pollutant	Exceeding in 2013
Albertinia	SO ₂ / NO ₂ , BTEX	0
Mossel Bay	SO ₂ / NO ₂	0
Great Brak River	SO ₂ / NO ₂	0

Table 50: Eden passive sampling programme

f) Eden Air Quality by-Laws

Eden published the Eden Air Quality by-laws during December 2012. These by-laws are district municipality-specific and are based on the air quality functions of district municipalities. It is unique and was presented, and

well received, at the 2012 annual air quality Lekgotla in Rustenburg. Eden also set offenses and penalties during 2013 in terms of the Eden Air Quality by-laws and issued several spot fines to industry that contravenes the by-laws.

g) Eden Industrial working group meetings

Eden District Municipality established an industrial forum (working group) in 2010. Since establishment the forum is held quarterly between the industry and the Eden District Municipality. The B-Municipalities in the Eden region are also actively involved in this forum. This forum serves as platform for industry to report back to Eden District Municipality on a specific reporting template. The forum is also seen as a platform to provide feedback to Industry regarding any air quality issues on Provincial, Municipal and National level. During 2013/14 four meeting were held.

h) Hessequa Air Quality Service level agreement

The Hessequa Municipality urgently needed to implement an air quality control function within its jurisdiction and entered into a service Level Agreement with Eden District municipality which has the capacity to render the service to the Hessequa Municipality. Eden is in the 3rd year cycle and capacitated the Hessequa air quality staff in fulfilling its air quality obligations.

i) Eden 2nd Generation AQMP, 2013

In terms of section 15(2) of the National Environmental Management: Air Quality Act, 2004 (Act 39 of 2004) each municipality must include in its Integrated Development Plan (IDP) contemplated in chapter 5 of the Municipal Systems Act, an Air Quality Management Plan (AQMP). In terms of the Air Quality Act, an AQMP must be renewed every 5 years. The AQMP was reviewed and revised and the 2nd Generation AQMP has been completed, approved and included in the IDP as a Sector plan. The project also entailed assistance to the 7 B-authorities within Eden whereby Eden also ensured that all the 7 B-authorities have AQMP's and are in compliance with the Air Quality Act.

j) Service Delivery

Type of service	2013/14
Licensing of Listed Activities (renewals issued)	15
Licensing renewal applications	15
Inspections	144
Passive Sampling	72
Vehicle Emissions campaigns	4
Air Quality forum	4
Eden Air Quality working group	4

Table 51: Service Delivery STATS: Air quality control

Air quality management is a complex issue, but Eden DM has succeeded in substantially meeting the diverse tasks and duties associated with air quality management in the Eden region. Good co-operation exist between Eden and the local B- municipalities and Eden is looking forward to continuous support in order to promote and maintain a healthy and pollution free environment in the Eden district.

k) Employees – Air Quality Control

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 – 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	1	1	1	0	0

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	2	2	2	0	0

Table 52: Employees: Air Quality Control

I) Capital Expenditure – Air Quality Control

No capital expenditure was incurred for the 2013/14 financial year.

3.8.2 ENVIRONMENTAL MANAGEMENT

a) Introduction to Environmental Management

Sustainable development looks for a balance between economic, social and natural environmental needs. The term environment is defined to include our natural, social, economic, urban, rural and cultural context as experienced by the communities of Eden. The Environmental management Unit functions to adopting and implementing the principles and underlying approaches to sustainable development of Eden, and ensuring the integration of environmental issues into District government decision-making at all levels. It aims to ensuring that current generations use natural resources in such a way so as to maximise the benefit to all, while ensuring that those resources are protected for the use of future generations. It strives towards the protection of the constitutional right to a healthy environment and the recognition of the responsibilities and obligations of sustainable service delivery and ecologically sustainable development for the benefit for all.

The Unit adopts a holistic approach to the environment and to protecting Eden’s unique biodiversity. Furthermore, the unit takes on a special responsibility on behalf of the global community to ensure the conservation and protection of the Cape Floristic Kingdom. The unit furthermore demonstrates a commitment to, as a minimum, meeting or where practical exceeding the requirements of relevant international, national and provincial environmental legislation. The Unit recognizes the inherent rights of all living creatures and a commitment to the humane treatment of all animals, both domestic and wild. We foster responsible stewardship of the resources within the District government’s charge, through open, consultative, integrated and transparent governance of the region. This is achieved by ensuring that best practice environmental solutions and activities are implemented at all times and that sustained partnerships with communities are achieved. The core functions of municipal environmental obligations as per Western Cape Government and SALGA include: Biodiversity Management / Climate Change Mitigation and Adaptation / Coastal management and Environmental Compliance.

b) Highlights: Environmental Management

Highlights	Description
Carbon Sequestration project	The Gouritz Cluster Biosphere Reserve (GCBR) has developed a project called “Jobs for Carbon” which is being implemented in the Vanwyksdorp area of the Kannaland Municipality through collaboration between the Gouritz Cluster Biosphere Reserve (GCBR), the Wildlife and Environment Society of South Africa (WESSA), Eden District and the Rhodes Research Restoration Group (RRRG). The overall goal of the project is to improve the rural economy and ecosystem health and resilience of the Klein Karoo by exploring carbon farming as a sustainable use of spekboomveld.
Launch of the Eden Climate Change Adaptation Plan	The Eden DM has launched the Eden District Climate Change Plan. Eden and DEA&DP followed a collaborative approach with B municipalities in our region looking at measures underway and implementation of adaptation projects.
Estuary Management Plans	Estuary Functioning and Adaptation Programmes: Eden in conjunction with local municipalities and the Cape Action Plan for the Environment (C.A.P.E.) estuaries programme have developed and are implementing Environmental Management Plans (EMPs) for estuaries entirely within the jurisdiction of a specific local municipality and are in consultation with the affected local municipalities where estuaries fall within the jurisdiction of more than one local municipality.

Highlights	Description
EDEN Eco Schools	2013/14 marked an active year for environmental education throughout the Eden District by both registered Eco Schools and non-registered Eco Schools. For this reason, Eden decided to register two new schools for the 2014 year, Laerskool Vanwyksdorp and Laerskool Touws-ranten. Hessequa Municipality again allocated funds to ensure the sustainability of the schools for which we all remain grateful whilst Eden DM funded a further 13 Eco Schools in Bitou. This included registration costs, transport costs to venues, and the organization of entry fees, luncheons etc.
Eden Secure Hosting the Fynbos Forum 2014	In a bid held at the 2013 Fynbos Forum Annual General Meeting (AGM), the Eden DM managed to secure the 2014 bid for Knysna. The Knysna Municipality have since allocated R50 000 towards the Forum and Eden R40 000 and have embraced the idea of having experts, scientists and conservation researchers to conduct their Fynbos Forum activities in Knysna.
Eden Wilderness Blue Flag	Wilderness Blue Flag - Despite several challenges due to the oil spill, Wilderness has managed to retain its Blue Flag status. Lionel Esau, Deputy Mayor of the Eden DM, Vernon Gibbs-Halls, Biodiversity and Coastal Management at the Eden DM and several other role players proudly hoisted the 2013/14 Blue Flag on 29 November 2013. The Eden District Municipality remains the main driving force behind the programme.
Celebration of Special Environmental Calendar Days 2013/14	The following environmental calendar days were celebrated in the 2013 /14 year: Eden and SanParks Wetlands Day Celebrations 2014 – George Eden celebration of Water Week, March 2014 – Knysna Water Works Eden celebration of Enviro Week 2014 – Mossel Bay Fynbos with Schools Eden celebration of Oceans Day 2014 – Mossel Bay – A Mr and Miss Ocean Day
EDEN District secure two Coastal HOPE SPOTS	Hope Spots are Special Marine Conservation Areas igniting the power of people. Hope Spots, only FIVE to be recognised in South Africa, TWO falls in the Eden District. Hope Spot will be officially launched on 7 December 2014 in Knysna and 8 December 2014 in Plettenberg Bay.

Table 53: Environmental Management Highlights

c) Challenges: Environmental Management

Description	Actions to address
Funding	The Environmental Unit have, due to austerity measures, had no budgetary provision for projects for 3 years. Money is self-generated through undertaking environmental assessments for the Roads Division, securing sponsorships and more recently prize money from winning the Greenest Municipality.
IDP targets	The Unit will require a fully Integrated Environmental Management Plan for Eden. This will need to take place within the next year 2015.
General and on-going challenges are: <ul style="list-style-type: none"> • Compliance Enforcement • Illegal Developments / Jetties / Slipways • Flooding and Breaching • Validation of Abstraction up river / agricultural pressures on wetlands • Angling / Recreational Drivers and Pressures • Water Quality • Pollution – sewage • Erosion • Poaching • Monitoring • Lack of Science / Research and Management • Alien Invasive Management • Reserve Determinations • Signage / Boat Licences / Public facilities 	To address these challenges the municipality will require the necessary capacity and resources, empowerment, research, education, stewardship along with the required funding and cooperation of B-municipalities.

Table 54: Challenges

d) Employees – Environmental Management

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 – 3	0	0	0	0	0
4 - 6	1	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	1	1	0	0
16 - 18	0	0	0	0	0

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
19 - 20	0	0	0	0	0
Total	1	1	1	0	0

Table 55: Employees –Environmental Management

e) Capital Expenditure –Environmental Management

No capital expenditure was incurred for the 2013/14 financial year.

3.8.3 NATURAL RESOURCE MANAGEMENT SERVICES

a) Introduction to Natural Resource Management Services

The Working for Water programme was managed in five project areas being Brandwag, Great Brak, Karatara, Knysna and Moordkuyl catchments. Operations in Karatara and Knysna focussed on completing the last follow-up operations. Operations in the Great Brak River catchment, north of the Wolwedans dam, as well as the Moordkuyl River catchment focussed on clearing riparian zones. Road reserves were cleared on behalf of the provincial roads department.

The Implementing Agent (IA) agreement between Eden District Municipality and the Department of Environmental affairs expired on 31 March 2014. The Department of Environmental Affairs requested proposals on principles that Eden District Municipality could not adhere to and council decided not to submit proposals.

b) Highlights: Natural Resource Management Services

Highlights	Description
Job Creation	11 715 person work days were created from 1 July 2013 to 31 March 2014.
Training	910 person days training were provided to beneficiaries, from 1 July 2013 to 31 March 2014.
Hectares Cleared	1 248 hectares were cleared of alien plant species.
Road Reserves	278 km road reserves were cleared.
Health and Safety	Only two Injury of Duty (IOD) incidents occurred and both workers returned to their contracting teams.

Table 56: Highlights

c) Challenges: Natural Resource Management Services

Description	Actions to address
Job Creation	The creation of job opportunities on council properties and in road reserves.
Funding	The sourcing of funding towards alien eradication on council properties and in road reserves.
Income Generation	Creation of job opportunities through commercial activities on council properties.

Table 57: Challenges

d) Capital Expenditure – Natural Resource Management Services

No capital expenditure was incurred for the 2013/14 financial year.

Component F: Municipal Health

3.9 MUNICIPAL HEALTH

Introduction to Municipal Health

According to the constitution of the republic of South Africa 1996, the Local Government: Municipal Struc-

tures Act No. 117 of 1998 and the National Health Act, No 61 of 2003, it is the statutory responsibility of the District Municipality to render Municipal Health Services.

Section 24 of the Constitution of the Republic of South Africa entrenches the right of all citizens to live in an environment that is not harmful to their health or well-being. Section 1 of the National Health Act, 2003 (Act 61 of 2003), defines municipal health services and clearly stipulates the responsibilities of municipalities in the performance of such services.

Environmental health comprises those aspects of human health, including quality of life, that are determined by physical, chemical, biological, social and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling and preventing factors in the environment that can adversely affect the health of present and future generations.

Environmental health services are services that implement environmental health policies through monitoring and controlling, which improve environmental parameters and encourage the use of environmentally friendly and healthy technologies and behaviours. Controlling and monitoring also play a leading role in suggesting and developing new policy areas. (These definitions are in line with the definitions of the World Health Organization.)

The role and function of the Municipal Health Services

Residential, business and public premises are regularly monitored to ensure that there are no health nuisances. This is done to ensure compliance with the applicable legislation, the principles of Agenda 21 and the “Healthy Cities” approach, and the minimisation of any detrimental environmental health risk.

Key Performance Areas:

- Chemical Safety
- Disposal of the Dead
- Environmental Pollution Control
- Food Control
- Health Surveillance of Premises
- Surveillance and Prevention of Communicable Diseases
- Vector Control / Monitoring
- Waste Management
- Water Quality Monitoring
- Administration – general

3.9.1 HEALTH INSPECTION; FOOD AND ABATTOIR LICENSING AND INSPECTION; ETC.

a) Introduction to Health Inspection; Food and Abattoir Licensing and Inspections, etc.

In order to fulfil its constitutional and legal obligations, the Eden DM Municipal Health Services fulfils its mandate through highly qualified and skilled environmental health practitioners (EHPs). They provide and facilitate comprehensive, pro-active and need-related services to ensure a safe, healthy and clean environment, thereby preventing and eliminating sources of disease.

Within Eden District there are functional Municipal Health Offices with in all 7 B Municipalities. The Municipal Health inspectorate is divided into 4 regions namely Klein-Karoo Region (Oudtshoorn and Kannaland), George, Lakes Region (Bitou and Knysna) and Langeberg (Mossel Bay and Hessequa).

Municipal Health Services is a personnel driven function due to the fact that monitoring, according to the scope of practice of environmental health, form the basis of performing this function. Performing these functions will add value to “Healthier people in Healthier places”

Main Functions:

- Monitoring of water reticulation.
- Protection of water sources by enforcement of laws and regulations.

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- Introduction of corrective and preventative actions.
- Implementation of Health and Hygiene Awareness.
- Control of Food Premises by issuing Compliance Certificates to Food Premises.
- Ensure that food is safe and healthy for human consumption by the enforcement of Laws and Regulations.
- The monitoring of the storage, treatment, collection, handling and disposal of the various categories of waste.
- The identification, monitoring and evaluation of health risks, nuisances and hazards.
- The promotion of health and hygiene aimed at preventing the incidence of environmental conditions that will result in contagious diseases.
- Monitoring, identification, evaluation to ensure the prevention of vectors.
- The identification, evaluation, monitoring and prevention of the pollution of soil, water and air.
- Monitoring of cemeteries, crematoriums and other facilities for the disposal of corpses.
- The monitoring, identification, evaluation and prevention of risks relating to chemicals hazardous to humans.

b) Highlights: Health Inspection; Food and Abattoir Licensing and Inspections, etc.

Highlights	Description
Health Surveillance of Premises	21% more inspections were carried out at non-food premises e.g. Garages, crèches, caravan parks (i.e. Surveillance premises) in 2012/2013 than in previous financial year.
Food Premises Inspection	90% of food premises (formal and informal) comply with Regulation R962 of 2012 and 96% of restaurants and public places inspected comply with the Tobacco Products Control Act.

Table 58: Environmental Management Highlights

c) Challenges: Health Inspection; Food and Abattoir Licensing and Inspections, etc.

Description	Actions to address
<ul style="list-style-type: none"> • Health inspections • Food control • Health surveillance of premises 	Routine inspections and joint inspections with the relevant role players. Ensure that recommendations for improvements which are made to the relevant authorities are being implemented
<ul style="list-style-type: none"> • Food premises and abattoir licensing • Water quality monitoring • Waste management • Environmental pollution control • Surveillance and prevention of communicable diseases • Vector control • Disposal of Human remains 	Strengthen partnerships and liaise with: B-municipalities, Dept. of Health, Dept. of Labour, DEA&DP, DWAF, Spheres of Governance, NGO's Service providers and Private sector.

Table 59: Environmental Management Challenges

d) Service Statistics – Health Inspection; Food and Abattoir Licensing and Inspections, etc.

Type of service	2012/13	2013/14
Inspections at food production and/or handling sites formal and informal	6 668	7 297
Inspections at dairies to ensure legislative compliance	413	331
Inspection to Informal Settlements	353	292
Inspection of sewerage treatment /waste water sites	181	258
Inspection of farms	441	303
Inspection of Non-food premises eg. garages, crèches, caravan parks (i.e. Surveillance premises)	5 598	7 082
Inspection Environmental Pollution	326	3 125
Inspection conditions promoting the habits and breeding habits of vectors	4 470	5 980

Table 60: Service Statistics – Health Inspection

e) **Total employees – Health Inspection; Food and Abattoir Licensing and Inspections, etc.**

Job Level (TASK evaluation)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 – 3	0	1	1	0	0
4 - 6	8	11	9	2	18
7 - 9	4	0	0	0	0
10 - 12	26	30	28	2	7
13 - 15	12	15	15	0	0
16 - 18	0	1	1	0	0
19 - 20	0	0	0	0	0
Total	50	58	54	4	7

Table 61: Employees - Health Inspection; Food and Abattoir Licensing and Inspections, Etc.

f) **Capital Expenditure – Health Inspection; Food and Abattoir Licensing and Inspections, etc.**

No capital expenditures incurred for the 2013/14 financial year.

Component G: Fire Service And Disaster Management

3.10 FIRE SERVICE AND DISASTER MANAGEMENT

The Emergency Services section is managed by the head of the municipal disaster management centre and divided into three sections namely: regional disaster management, call centre and fire and rescue services.

3.10.1 FIRE

a) **Introduction to Fire**

Climate change modelling for the district indicates that the frequency and intensity of fires will increase with warmer days increasing the chance of ignition. In the Western Cape fires occur on the same spot roughly every 15 years (the mean or “return period”), and if the fires are evenly spread over time, it means that, on average, about 7% of the region will burn every year.

Wildland fires are a historical element of the Eden environment and over the last 10 years the frequency has increased mainly due to the ever increasing fuel load, the rapid infestation by alien invasive plant species and the reluctance of landowners to do block burns or the maintain fire breaks.

In order to address these concerns the Eden fire and rescue service has opted to be a more active partner of the South Cape Fire Protection Agency (SCFPA). Jointly Fire Management Units (FMU's) have been identified and during this year the emphasis was on the implementation of fire management within each of these FMU's. In order to beef-up response a memorandum of understanding was entered into with not only the SCFPA, but also with Working on Fire (WOF), the FFA group and well capacitated local authorities in the district. As part of this arrangements aerial response to the entire district could be guaranteed which in turn paid off as most of the fires that was reported could be extinguished within one hour.

In the whole district the Eden DM fire and rescue service deliver specialized firefighting services, bush and

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veldt fire as well as hazardous material incidents. In order to assist local municipality's structural fire services is rendered as part of service level arrangements with the George and Hessequa municipalities.

b) Highlights: Fire

Highlights	Description
Arrive alive campaign - 2014	On 5 and 6 December 2013 various arrive alive campaigns were launched. The aim of this initiative was for all mayors and political office bearers to firstly, welcome all tourists to the scenic Eden region and at the same time, make tourists and visitors attentive to the rules of the road to ensure that they arrive alive at their destinations.
WOF team for George station	On the 13 September the first WOF team to be based at the George Fire station was officially welcomed. The establishment of this team follows the partnering with the FFA group and the SCFPA to build on the regions' firefighting capacity. This group is part of more than 270 WOF staff that has been trained and placed at various fire bases throughout the district.
Winners of 2014 South African Open Toughest Fire Fighter Alive competition (TFFA competition)	Eden Fire Team, Alistar Windwaai, Edwin Lottering, Luciano James, Kervin Gericke, Branville Abrahams, Elgirvin Esterhuisen Wayne Petzer, Wayne Young, Emile Conrad, David van Niekerk, Bonita Conrad, Marinda Fourie, Janu Minnie and Chris Gerber participated at the annual TFFA event hosted by the Cape Town Metro. The Eden DM team won not only the overall TFFA Men's division, but victoriously also the Women's - and Teams Relay division.

Table 62: Fire Highlights

c) Challenges: Fire

Description	Actions to address
<p>Status of fleet: The following vehicles has exceeded their useful life as per the SANS code: MAN 6X6 (Major water tanker) Samil 50 (Medium water tanker) 2 x Ford Courier LDV's (Bravo 1 and RM2) 1 x Nissan Truck (Medium firefighting pumper) Due to operational requirements these vehicles cannot be taken out of daily service delivery as without these vehicles no effective service can be rendered.</p>	R1.3 million made available as part of 2014/2015 CAPEX budget to start with fleet replacement program.
<p>Capacity constraints- Fire Protection Association (FPA) of SA report. The FPA of South Africa was requested to do a classification exercise of Eden's current firefighting services. The outcome of these assessments can be used by the South African Insurance Association when determining their perceived risk, which in turn could reflect in policy premiums and excess payable by the insured. The Eden District Municipal Fire and Rescue Service was classified as a category D service, currently the lowest category that a service can be categorised at. The poor rating is a direct result of challenges faced due to too little capacity and the poor distribution of 24/7 manned fire stations leading to a delay in attendance times as well as the lack of equipment and the current status of the authorities emergency service fleet.</p>	Report needs to be submitted to Council in which suggestion to improve the status is proposed.
Maintenance of aging fleet	During the financial year 2013/14 a total of R 990 151 has been spend on maintenance of fleet vehicles and refurbishment of skid units. In an effort to keep the aging fleet operational the year on year repair costs has been increasing exponentially. Appropriate budgeting needs to be done.

Table 63: Fire Challenges

d) Service statistics for Fire Services

Description	Actions to address
Average turnout time - urban areas	No electronic system to capture this information
Average turnout time - rural areas	No electronic system to capture this information.
Fire fighters in post at year end	63
Total fire appliances at year end	21
Reservists and volunteers trained	247
Assistance rendered at special events during this year	15
Assistance rendered at hazmat incidents	8
Assistance rendered at motor vehicle accidents	157
Controlled burns done during this year	269
Assistance rendered at other fires	59
Assistance rendered at structural fires	54

Description	Actions to address
Assistance rendered at bush & veld fires	139
Fire Hydrant Inspections done during this year	21
Water deliveries done during this year	20
Fire inspections done during this year	71
Fire permits issued during this year	19
Other services rendered during this year	98
Awareness campaigns done during this year	61

Table 64: Fire Service Data

e) Employees: Fire Services

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	14	4	1	3	75
7 - 9	9	10	10	0	0
10 - 12	13	22	14	8	36
13 - 15	0	2	1	1	50
16 - 18	1	0	0	0	0
19 - 20	0	0	0	0	0
Total	37	38	26	12	32

Table 65: Employees: Fire services

f) Capital Expenditure: Fire Services

R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Fire fighting Vehicle	400	400	400	0	400
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Table 66: Capital Expenditure 2013/14: Fire Services

3.10.3 DISASTER MANAGEMENT

a) Introduction to Fire Services and Disaster Management

The Eden DM has a fully functional disaster management and Eden Disaster Management Centre (EDMC). The centre is equipped with a joint operational command and tactical decision areas. In order to stay abreast with regional emergency related activities a 24/7 call centre has been established adjacent to the MDMC. The 24/7 call centre is operated in conjunction with provincial Emergency and Medical Services (EMS) and renders an emergency call taking and dispatch platform servicing the district as a whole. In addition to the emergency call taking and dispatch platform the centre also deals with all the after office hour service calls for the Mossel Bay LM and the Eden DM.

During this year EMS implemented the newly acquired Care Monix system and the company Dimension Data was appointed to oversee the system implementation as well as the delivery of maintenance and support services. This software platform replaced the previously used Gem C³ software platform and incorporates the latest in call taking and dispatch technology. This platform will be rolled –out to the entire province as the emergency call centre operating system and as soon as approval has been granted this platform will also be incorporated into the Eden disaster management centre to be used as the disaster information management system.

The Eden Emergency service striving to deliver cost effective and efficient services to ensure that the Eden district remains a safe and secure destination not only to its inhabitants, but all those visiting the area, have been forced to “plan out of the box” the past year. Ever increasing fire and flooding risks combined with the ever present risk of environmental degradation and challenges in terms of funding has been the main driving forces to see the emergency services section opting to strive to secure external funding from external role players as well as not only to strengthen existing ties but

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also to build new relationships to collectively overcome the ever increasing disaster risks in the district.

In the past year the Eden Disaster Management Centre (EDMC) successfully coordinated the land based activities after the stranding of the Kiani Satu vessel at the Koukamma NPA. The centre further set the coordination platform for the coordination of the state funeral of late President Mr. Nelson Mandela and on various occasions the EDMC were pro-actively activated due to severe weather early warnings being issued by SAWS.

Flooding in August 2013 as well as January 2014 lead to the promulgation of a Provincial disaster. These flooding events affected mostly the Western parts of the district and disaster rehabilitation and reconstruction funding in excess of R250 mil has been requested from the National Disaster Management Centre (NDMC).

In order to ensure that the section focuses its energy at the most relevant risks as well as to identify those risks posing a threat in the nearby future both the regional as well as the following local authority disaster risk assessments were updated in this year nl:

- George Local Municipality
- Bitou Local Municipality

Further the section opted to maximize its current public awareness initiatives with special focus on fire risk awareness, fire safety and preparedness.

b) Highlights: Disaster

Highlights	Description
Update of corporate disaster management plan	In order to be pro-active as well as to define definite roles and responsibilities to the various departments of the Eden DM the Eden corporate disaster management plan was revised and updated during this year.
Eden macro Disaster Risk Assessment (DRA) updated	The review and update of the district level disaster risk assessment (DRA) of the Eden DM was completed in the latter part of the first quarter of this year by the company Disaster Risk Management (Pty) Ltd (DMS) on behalf of and with the support of the Provincial Disaster Management Centre (PDMC) and the EDMC.
Severe weather and flooding : 6 and 7 August 2013	In some areas of the district more than 85 mm of rain was measured between 6 and 7 August 2013. The Eden Disaster Management Centre (EDMC) was instrumental in the dissemination of early warnings, the roll-out of preparedness plans and the coordination of disaster management related activities for the district as a whole.
Estuary breaching of estuaries -protocols updated	In collaboration with San Parks, the Knysna Municipality as well as the Mossel Bay Municipality the emergency breaching of estuary protocols for the Hartenbos-, Grootbrak-, Kleinbrak-, Touw- and Swartvlei rivers was updated and contingency planning for implementation at each of these estuaries were compiled and approved in principle by all parties.
Joint emergency service exercise	In April 2014 a multi vehicle / multi scenario emergency exercise was held at the Noll Halte crossing on the N9 between George and Uniondale. The exercise was coordinated by the EDMC and the relevant role-players i.e. the South African Police Services, Forensic Pathology, Provincial Traffic, Metro Emergency Medical Services, Eden DM and George Fire and Rescue Services were invited to participate in the exercise.
Jan F Le Grange dam's storage capacity had to be reduced due to structural damages after the January 2014 floods. In collaboration with the Provincial Disaster Management Centre (PDMC) an emergency funding request to build new dam a new dam to the value of R28 Mil was forwarded to the National Disaster Management Centre (NDMC).	Due to major structural concerns the use of the Jan F Le Grange dam has been limited by the Department Water Affairs (DWA) dam safety section to 60% of its full capacity. After urgent meetings and an on-site inspection by a delegation from the EDMC, the PDMC, province as well as water affairs an urgent application to the value of R28 mil for the erection of a new storage dam was submitted to cabinet as part of the January flood rehabilitation and recovery submission.
Regional Flood hazard mapping completed	In collaboration with the Provincial Disaster Management Centre (PDMC) a consolidation of current flood and sea level rise studies were compiled into one database. This database has been provided to the disaster management staff at local municipalities to guide their local risk mitigation planning. The datasets were further provided to the Eden regional planning section to inform the regional Spatial Development Framework (SDF).
Severe weather and flooding : 6-10 January 2014	The floods as experienced from 6-10 January 2014 in the Eden District Municipal area resulted from a cut-off low weather system which severely affected the Western parts of the district. The management of this flooding event reflected a multi-sectorial and multi-disciplinary approach in the coordination of the above-mentioned incident. The Disaster Management Centre (DMC) was activated and although a formal Joint Operation Centre (JOC) was not established, the Eden Disaster Management Centre (EDMC) monitored and coordinated the event.
Early warning display (EWD) erected	In September the first Early Warning Display (EWD) was launched in Sandkraal road, George. The EWD system is designed especially for the use of displaying warnings and alerts to the public. The EWD system was designed to function in an outdoor environment such as on an open public area i.e. taxi rank, community or the beachfront area. The EWD system will primarily be used for the sake of early weather warnings or alerts where the public may be affected. The EWD system could secondarily, be used for brief notifications of community meetings or alerts where the public may be affected.

Highlights	Description
Stranding of Kiani Satu vessel: 8- 18 August 2014	On 8 August 2013 the Kiani Satu vessel got stuck on a sandbank near the Goukamma Nature Reserve at Buffalo Bay. The EDMC and its personnel dealt with the challenges set by this disaster in such a professional way that it was hauled as a best practice scenario and a guideline for others to follow.
Working on Fire (WOF) dispatch area in EDMC upgraded	In the third quarter of this year the upgraded dispatch area for the Working on Fire dispatchers were completed. The area now provides space for two dispatchers who can simultaneously do aerial as well as ground resource dispatching. Since the onset of this program about three years ago more than 10 WOF ground teams with a total manpower exceeding 270 personnel has been established throughout the Eden region. These teams have proved to be invaluable for mopping-up operations after major bush and veldt fires.
South Cape Radio Hamnet included into EDMC	In an effort to better the communication platform of the EDMC discussions with the South Cape Radio Hamnet chairperson as well as various meetings and site visits to the EDMC were conducted during September and the first part of October. In principle approval has been granted that the South Cape Radio Hamnet branch would provide the necessary platform in the EDMC to be used as radio communication platform to their affiliates. The installation of equipment was completed in the latter part of December 2013.
First Aid training (Capacity building)	244 of 250 students were found competent after presenting them with first aid level 3 training at the EDMC
Fire and flood awareness campaign	3 227 scholars were reached with this year's fire and flood awareness campaign rolled out in collaboration with the PDMC in November
Upgrade of ICT systems in EDMC	In the latter part of January 2014 the upgrade of I.T. systems currently used in the EDMC begun. This upgrade is part of the Provincial EMS tender that includes the provincial platform upgrade to the value of R246 mil. The company Dimension Data started with the hardware upgrade with software training followed in February.

Table 67: Disaster Highlights

c) Challenges: Disaster

Description	Actions to address
Awaiting approval to use Care Monix system in EDMC	Formal request done to PDMC to fast track approval process.
Local Authorities do not update their disaster management plans;	Disaster Management Officials at local municipalities trained and assisted on how to do Disaster Management plans.
Lack of suitable qualified disaster management practitioners at local authority level;	Formal training course presented at the EDMC by Disaster Management Services to train officials of local municipalities.
Reluctance of local municipalities to introduce risk reduction plans for identified risks;	Climate change adaptation forum established to collate risk reduction action plans. IDP managers urged to include disaster risk reduction as part of each local IDP.

Table 68: Disaster Challenges

d) Service Statistics for Disaster Management

Details	2012/13	2013/14
Flooding	July 2012 October 2012	August 2013 November 2013 January 2014
Structure / Hazmat calls	9	15
Fires calls	1 068	690
Motor Vehicle Accidents calls	558	504
Special services calls	255	407
Rescue calls	27	48
Medical calls	20	19
Water related calls	1 782	1 100
Sewerage related calls	1 240	1 363
Electricity related calls	1 971	2 041

Table 69: Disaster Management data

e) **Employees – Disaster Management**

Job Level (T-grade)	2012/13		2013/14		Vacancies (as a % of total posts)
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	
	Number				
0 - 3	0	0	0	0	0
4 - 6	0	6	5	1	17
7 - 9	13	1	1	0	0
10 - 12	2	4	2	2	50
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	16	12	9	3	25

Table 70: Employees – Disaster Management

f) **Capital Expenditure: Disaster Management**

No capital expenditures incurred for the 2013/14 financial year.

Component H: Corporate Policy Offices And Other Services

3.11 CORPORATE POLICY OFFICES AND OTHER SERVICES

3.11.1. EXECUTIVE AND COUNCIL

a) **Highlights: Executive and Council**

Highlights	Description
Successful implementation of the Turn Around Strategy (TAS)	TAS was introduced to put austerity measures in place.
Successful launch of the Anti-Fraud/Corruption hotline	The aim is to foster a culture of awareness to curb/report incidents of fraud/corruption
Finalisation of feasibility study for bulk water between Knysna/Bitou	Consulting Engineers Ninham Shand produced the feasibility study for augmentation water works

Table 71: Executive and Council Highlights

c) **Challenges: Executive and Council**

Description	Actions to address
Financial sustainability	Inadequate growth in the Equitable share and Levy replacement grant. Review of equitable share formula by NT.
Disposal of immovable assets	Disposal plan for investment properties was compiled

Table 72: Executive and Council Challenges

d) **Employees: Executive and Council**

Political Employees	2012/13	2013/14
Councillors	33	33
Administrative staff (contract employees) employed in the office of the Executive Mayor	8	8

Table 73: Employees: Fire services

e) Capital Expenditure – Executive and Council

R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value
Furniture and equipment	35	250	180	145	180
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

Table 74: Capital Expenditure 2013/14: Fire Services

3.11.2 FINANCIAL SERVICES

a) Introduction to Financial Services

Financial Services 2013/14 priorities:

- Cash backed credible budget presented to council for approval by end of May.
- Timeously submission of all required reports by prescribed due date.
- Timeously submission of GRAP compliant annual financial statements by 31 August.
- Submission of draft financial statements to the internal audit unit and the audit committee for review by 15 August.
- Implementation of the credit control and debt management policy to ensure debt is recovered.
- Review of all debtors to ensure correct billings are raised and receipts are correctly allocated to ensure correct balances.
- Revision of the SCM policy and implementation thereof.
- Review of all current finance policies.
- Compilation of new policies not yet in place and presented to council for approval.
- Review of electronic SCM and contract management system to eliminate irregular expenditure as identified by the Auditor General and ensure all relevant SCM procedures are followed. This is the responsibility of all personnel involved in the procurement of goods and services, starting with the user department.
- Workshops by SCM to familiarize all involved of the correct processes and procedures to follow to ensure adherence to the SCM Policy and SCM Regulations.
- 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.
- Safeguarding of assets by all personnel.
- Ensure GRAP compliant Fixed Asset Register are maintained.
- Ensure compliance to GRAP requirements/standards with regards to assets.
- Annual asset count to ensure all assets is physically verified annually.
- Ensuring the safeguarding of inventory/stock items.
- Ensure minimum stock levels are maintained for service delivery.
- Revision of cash management processes and procedures.
- Ensure cash received are correctly captured onto the system.
- Safeguarding of cash
- Timeously deposit of cash receipts.
- Reconciliations of cash received.
- Support services rendered to the other departments.
- Workshops/training provided to other departments as requests are received.

b) Highlights: Financial Services

Highlights	Description
Commenced with debt collection procedures	Letter of demand send to all outstanding debtors
Improved SCM controls	Refer to procurement section for more details
Establishment of District Municipality Task team for the Western Cape	To discuss pertinent issues pertaining to district municipalities.
Discussions with PT regarding financial funding for DM's	Collective process with MM, Mayor and other role players.
Long term financial plan compiled by INCA	Recommendations will be considered and implemented to ensure sustainability.
Additional funding received from PT for financial plan and SCM database	Long term plan compiled and establishment of regional SCM database in progress

Table 75: Financial Services Highlights

c) Challenges: Financial Services

Challenge	Actions to address
Assets	Full implementation of GRAP with high reliance on consultants for assistance in this process. Officials should obtain necessary skills.
	Missing or not yet verified movable assets in the current year. Assets are being moved without prior consent and approval. Stricter controls should be considered.
	Insufficient funds for proper asset repairs and maintenance. Provision should be made in the budget.
	Draft legal opinion from Weber Wentzel Attorneys regarding ownership of properties – referred as technical query to PT/NT/AG, could affect assets included in FAR.
Budget	Challenges with regards to the supporting documentation that needs to be submitted with the prescribed format report.
	Compilation of the cash flow projection are a challenge and needs to be revisited.
	Lack of multiyear planning per department. Possibility of developing multiyear planning should be investigated.
	Support function of budget section to other departments should be improved.
Expenditure	Interdepartmental cooperation regarding the submission of supporting documentation for payments should be improved. Stricter control measures should be implemented.
	Compilation of SOP's and policies. These process should be closely monitored.
	Guidance is required with regards to the implementation of new legislation, government gazettes.
Salary	System errors (PAYDAY/ABAKUS) These systems should be closely monitored.
	No training/updates with regards to salary development (only PAYDAY training attended). Training should be provided to personnel.
	Interdepartmental communication and cooperation should be improved.
	Stricter controls should be considered to enforce deadlines of payment of S&T's/advances.
Financial Statements	Interdepartmental communication should be improved to improve interdepartmental cooperation.
	Quality of work submitted for the audit file not up to standard. Stricter controls should be considered to improve quality of information submitted to the audit file.
	Lack of capacity in the section –Contract worker employed to assist with compilation of audit files and coordinating the external audit, etc.Vacancies should be advertised and filled.
	Stricter controls should be considered with regards to the submission of information/respond to audit findings within the required timeframe
Debtors	Lack of capacity within the debtor system – one accountant in the debtor system.The appointment of more staff should be considered.
	Interdepartmental communication should be improved to improve interdepartmental cooperation with regards to the submission of documentation to debtors section for billing run.
	Lack of capacity to perform adequate debt collection procedures.The appointment of more staff should be considered.

Challenge	Actions to address
Financial Viability/Sustainability of district municipalities. 3 % increase in equitable share allocation vs increase in expenditure which is double	District Municipality task team established for Western Cape to discuss these items.

Table 76: Financial Services Challenges

d) Employees: Financial Services

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	7	7	7	0	0
7 - 9	14	16	13	3	19
10 - 12	12	14	12	2	14
13 - 15	2	4	3	1	25
16 - 18	0	0	0	0	0
19 - 20	1	1	1	0	0
Total	36	42	36	6	14

Table 77: Employees: Financial services

e) Capital Expenditure – Financial Performance

No capital budget was allocated to Financial Services for the 2013/14 financial year.

The Finance Department is a support function and do not have any 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 resources and minimal increase in equitable share.

3.1.1.3 HUMAN RESOURCE SERVICES

a) Introduction to Human Resources

The Human Resources Section, located within the Department Corporate Services, delivers a support service to the other departments in Human Resource Management. Its primary function is to co-ordinate all Human Resource activities in order to achieve Eden District Municipality's objectives of service delivery of which enhancement of staff performance plays a fundamental role.

In line with the constitutional mandate of Local Government, the legislative requirements for Human Resources, the Human Resources Section at Eden District Municipality regards its mission to serve and support the interest of all personnel. In this regard the HR strives to:

- Empower employees towards maximizing their personal potential and deliver on and exceed organizational requirements.
- Continuously align the HR Strategy and the Organisational Strategy (IDP), legislative Requirements and best practices in the HR fields
- Promote and practice "Putting people first" Equity, fairness, objectivity and consistency.
- Committed to professional conduct, and
- Develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration.

The Human Resources Section is managed by Mr. Gerhard Le Roux and consists of the following disciplines:

- Human Resource Management
- Human Resource Receptionist / Typist

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- Employment Equity / Skills Development
- Recruitment and Selection
- Human Resources Administration & Conditions of Service
- Leave Administration
- Contract Administration
- Training and Development
- Labour Relations
- Occupational Health and Safety
- Wellness and Employee Assistance

b) Highlights: Human Resource

Highlights	Description
Submission of Workplace Skills Plan and Annual Training Report to the LGSETA 2013/14 to the LGSETA	Annual Plan entailing training to be implemented, this is submitted to the LGSETA and the report that entails training that has been conducted/offered.
Submission of the Employment Equity Report 2012/2013 to the Department of Labour	A legislative report on our Employment Equity statics, as prescribes by the Department of Labour.
Awarding of bursaries	Bursaries awarded to thirty –seven (37) internal staff and four (4) external learners/-the unemployed
Implementation of employee wellness programmes.	Events held annually, to promote the wellbeing of employees and are aimed at creating awareness, motivating and changing the attitude of employees. Wellness programmes that were implemented are HIV/AIDS day, Madiba day.
Appointment and interns and apprentices.	Appointment and training of financial interns and electrical interns to train and expose them to the working environment.
Implementation of the Municipal Finance Management Programme	This is the compliance course prescribed by the National Treasury department to ensure efficient financial management in municipalities across the country.

Table 78: Human Resource Highlights

c) Challenges: Human Resources

Description	Actions to address
Staff shortages – address via internship and learnership	Address Scare Skills Policy
Staff structure alignment	Review and approve new structure
Inadequate budget	Develop Master Plan with costing
Funding to train the unemployed	This issue was raised at the LGSETA
Moratorium placed on the filling of vacancies which has increased the vacancy rate	The Executive Mayor has resolved that Critical posts can be advertised pending the Municipal Managers approval.

Table 79: Human Resource Challenges

d) Labour relations statistics

Description	Number	
	2012/13	2013/14
Number of Cases	25	26
Terminations	5	4
Counselling sessions	3	3
Disputes	25	7
Incapacities	7	9
Grievances	7	8
Suspensions	1	5

Table 80: Labour relations statistics

e) **Employees: Human Resources**

Job Level (T-grade)	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	3	2	1	33
10 - 12	8	8	8	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	11	12	11	1	8

Table 81: Employees: Human Resource services

f) **Capital Expenditure – Human Resources**

No capital expenditures incurred for the 2013/14 financial year.

3.1.1.4 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Eden ICT function is currently serving 340 (ICT-related) users with computer and network services within the Eden District Municipality.

Our coverage area consists of Eden DM Head Office, Roads, Health Environment, Fire stations in George, Disaster Management, Remote Offices, Calitzdorp Spa, De Hoek Resort, Swartvlei, Kraaibosch, District Management Area (Uniondale, Haarlem) and we are also directly involved with the B Municipalities in our region with regards to Shared Services.

The ICT component are active members of the;

- Western Cape ICT forum
- Eden regional ICT Forum
- Eden ICT Steering Committee
- GISSA, SAGI, PLATO
- Western Cape GIS forum
- Eden regional GIS discussion groups

a) **Highlights: ICT Services**

Highlights	Description
Eden regional ICT Forum	Good intergovernmental relations with other Municipalities is maintained by means of the ICT Forum
Eden regional GIS Forum	Good intergovernmental relations with other Municipalities is maintained by means of the GIS Forum
Regional Data Integration Project (GIS)	The implementation of the Regional Data Integration Project (GIS) is another successful shared services project

Table 82: ICT Service Highlights

b) **Challenges: ICT Services**

Description	Actions to address
Broadband connectivity	This challenge is to be addressed with the Provincial Broadband project
Organisational resistance to change	Implement change control within the organisation to address the resistance to change
Capacity issues such as budgets	Creative solutions will have to be investigated to address these issues

Table 83: ICT Service Challenges

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c) Service Statistics – ICT Services

Details	2012/13	2013/14
% of Software licensed	100	100
% of Back-ups done	100	100
% of Viruses attended to	100	100
% of Network downtime	0.1	0.1
% of queries resolved with guidelines of the policy	84	91

Table 84: Service Data for ICT Services

d) Employees: ICT Services

Job Level (T-grade)	2012/13	2013/14			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	6	6	5	1	17
13 - 15	2	3	3	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	8	9	8	1	11

Table 85: Employees: ICT Services

e) Capital Expenditure – ICT Services

R'000					
Capital Projects	2013/14				
	Budget	Adjustment-Budget	Actual Expenditure	Variance from original budget	Total Project Value
Purchase of computer equipment	200	450	363	163	363
Total project value represents the estimated cost of the project on approval by Council					

Table 86: Capital Expenditure 2013/14: ICT Services

3.11.5 LEGAL SERVICES

a) Introduction to Legal Services

The Legal Services Unit currently consists of three employees; Me. I du Plessis, the Acting Legal Advisor; Koos Pretorius, the Contract Management Official and Monique Louw, the Senior Clerk Legal Services. We assist Council with legal opinions, input on policies, review new legislation and proclamations, compliance issues, as well as the vetting and drafting of contracts.

b) Highlights: Legal Services

Highlights	Description
The Anti-fraud Hotline Implementation	Legal Section assisted with the implementation of the Anti-fraud Hotline and drafted the Anti-fraud Policy, which was accepted by Council on 31st of March 2014 (DC 624/03/14)
PAIA Manual	Legal section drafted the PAIA (Access to Information Manual) which was approved by Council on 31 March 2014 (DC 637/03/14)
Contract Management	The contract management system on collaborator is fully operational and effective. Since the implementation of the contract management system a vast change positive change in the management of the council agreements were made.

Highlights	Description
Legal Opinions	Since the utilisation of the Acting Legal Advisor on a temporary basis, the completion of legal opinions has improved.

Table 87: Legal Services Highlights

c) Challenges: Legal Services

Description	Actions to address
Contract Management	The challenge is still that personnel must receive hands on training to fully understand the process in whole and their part they play in the finalisation of the SLA's to speed up the process in every section.

Table 88: Legal Services Challenges

d) Employees: Legal Services

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	1	1	1	0	0
7 - 9	0	0	0	0	0
10 - 12	1	1	1	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	3	3	3	0	0

Table 89: Employees: Legal Services

e) Capital Expenditure –Legal Services

No capital expenditures incurred for the 2013/14 financial year.

3.11.6 PROPERTY SERVICES

a) Introduction to Property Services

The council property portfolio has been brought about after the realisation that there are no structured database, implementation plans and policy to deal with the immovable assets of council. The majority of properties in the portfolio were mainly carried over from the former historical local government structures when divisional councils, regional services councils and district councils were responsible for the management of the peri-urban (non-urban) areas. The existing property database includes properties of the following nature, namely: agriculture, residential, road reserves, conservation, resorts, mountain areas, estuaries, institutions, offices, RDP houses, waste and sewage works, depots, open spaces etc.

The Constitution of the Republic of South Africa makes provision for the development and implementation of a Local Government: Municipal Finance Management Act 56 of 2003 (MFMA). The purpose of the MFMA is to provide guidelines to all spheres of government to effectively manage their financial affairs. Section 122 (1) of the MFMA refers specifically to financial statements and stipulates that every municipality must for each financial year prepare annual financial statements. These statements reflect the revenue and expenditure status of council. The principle of reporting on the financial position of a municipality should underlie the preparation and presentation of financial statements that are required to give a true and fair view of the financial position and performance of a municipality. The political change that came about with the amendment of the local government system was due to the local municipal elections of May 2011. This resulted in the loss of rates and taxes as a source of revenue towards the Eden District Municipality. The municipality is, since May 2011, fully dependent on funding from national and provincial treasury (grants and equitable share).

The implications to the Eden District Municipality as property owner of a comprehensive immovable asset

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portfolio is that certain properties can potentially be lucrative in terms of generating additional revenue. Various options are available to council in order to manage the immovable asset portfolio. The options include the following:

- To retain the present situation (maintain the status quo);
- To enter into a short term lease agreement;
- To enter long term lease agreements with private sector entities
- To disposal of certain non-strategic land;
- To enter into a private – public – partnership agreement;
- To enter into a public – public – partnership agreement;

b) Eden properties with buildings

Eden properties						
Property number	Farm Portion	Town	Farm Name	B Municipality Jurisdiction	Existing utilisation	Google earth co-ordinates
396	n/a	Hoekwil	n/a	George	Conservation, Ebb & Flow	33°59'04.60S / 22°36'32.95E
60	27 & 99	Calitsdorp Road	Warmwater	Calitsdorp	Staff housing (Calitsdorp Spa)	33°39'49.83S / 21°46'14.13E
60	118	Calitsdorp Road	Warmwater	Calitsdorp	Staff housing (Calitsdorp Spa)	33°39'49.83S / 21°46'14.13E
60	119	Calitsdorp Road	Warmwater	Calitsdorp	Main Resort (Calitsdorp) Spa	33°39'49.83S / 21°46'14.13E
2 219	n/a	George	n/a	George	Municipal Office, Eden DM 54 York Str	33°57'52.89S / 22°27'10.21E
3 332	n/a	George	n/a	George	Municipal Office, Eden DM Mission Street	33°57'51.79S / 22°28'28.29E
185	0	George Road	Farm 185	Knysna	Resort (Swartvlei caravan park)	34°01'23.16S / 22°46'27.85E
195	0	George Road	Kraai Bosch	George	Resort (Vic Bay)	34°00'18.99S / 22°32'54.21E
884	n/a	Heidelberg	n/a	Hessequa	Municipal Roads Dept Heidelberg	34°05'14.29S / 20°57'01.65E
2 790	n/a	Knysna	n/a	Knysna	Roads Dept, Golf driving range, Knysna Mun electricity Dept	34°02'58.49S / 23°04'13.59E
215	2	Knysna Road	Walkers Point	Knysna	Caravan park and backpackers	34°05'00.09S / 22°57'42.20E
215	3	Knysna Road	Walker's Point	Knysna	Caravan park Buffelskop	34°05'00.09S / 22°57'42.20E
3 803	n/a	Mossel Bay	n/a	Mossel Bay	Municipal, Firestation (Mossel Bay)	34°11'03.75S / 22°07'29.72E
1 708	n/a	Oudtshoorn	n/a	Oudtshoorn	Oudtshoorn office	33°35'26.30S / 22°12'22.12E
1 709	n/a	Oudtshoorn	n/a	Oudtshoorn	Oudtshoorn office	33°35'26.30S / 22°12'22.12E
3 216	n/a	Oudtshoorn	n/a	Oudtshoorn	Municipal Offices Eden DM Oudtshoorn lease	33°35'26.30S / 22°12'22.12E
29	9	Oudtshoorn Road	Groenefontyn	Oudtshoorn	Resort De Hoek (partially developed)	33°22'05.20S / 22°10'38.97E
29	22	Oudtshoorn Road	Groenefontyn	Oudtshoorn	Resort De Hoek (partially developed)	33°22'05.20S / 22°10'38.97E
29	13	Oudtshoorn Road	Groenefontyn	Oudtshoorn	Resort De Hoek (partially developed)	33°22'05.20S / 22°10'38.97E
29	0	Oudtshoorn Road	Groenefontyn	Oudtshoorn	Resort De Hoek (partially developed)	33°22'05.20S / 22°10'38.97E
30	37	Oudtshoorn Road	Nooitgedagt	Oudtshoorn	Resort De Hoek	33°22'05.20S / 22°10'38.97E

Eden properties						
Property number	Farm Portion	Town	Farm Name	B Municipality Jurisdiction	Existing utilisation	Google earth co-ordinates
30	21	Oudtshoorn Road	Nooitgedagt	Oudtshoorn	Resort De Hoek (historical farmhouse and entrance)	33°22'54.53S / 22°10'45.66E
2 027	n/a	Riversdale	n/a	Hessequa	Disaster management centre, Pumpcor	34°05'33.45S / 21°14'54.52E
2 507	n/a	Riversdale	n/a	Hessequa	Municipal offices Riversdale	34°05'31.24S / 21°15'29.73E
2 509	n/a	Riversdale	n/a	Hessequa	Municipal offices Riversdale	34°05'31.24S / 21°15'29.73E
2 510	n/a	Riversdale	n/a	Hessequa	Municipal offices Riversdale	34°05'31.24S / 21°15'29.73E
2 511	n/a	Riversdale	n/a	Hessequa	Municipal offices Riversdale	34°05'31.24S / 21°15'29.73E
2 512	n/a	Riversdale	n/a	Hessequa	Municipal offices Riversdale	34°05'31.24S / 21°15'29.73E
1 297	n/a	Wilderness	n/a	George	Former Kleinkrantz caravan park, chalets, ablution blocks	34°00'09.38S / 22°38'43.58E
516	n/a	Calitsdorp	n/a	Knysna	Municipal Roads Dept Oudtshoorn	33°31'51.35S / 21°41'26.67E
517	n/a	Calitsdorp	n/a	Calitsdorp	Municipal Roads Dept Oudtshoorn	33°31'51.35S / 21°41'26.67E
518	n/a	Calitsdorp	n/a	Calitsdorp	Municipal Roads Dept Oudtshoorn	33°31'51.35S / 21°41'26.67E
585	n/a	Ladismith	n/a	Kannaland	Municipal Roads Dept Ladismith	33°29'43.59S / 21°16'22.20E
1 427	n/a	Oudtshoorn	n/a	Oudtshoorn	Municipal Offices Eden DM Roads Dept	33°35'42.14S / 22°12'51.53E
1 428	n/a	Oudtshoorn	n/a	Oudtshoorn	Municipal Offices Eden DM Roads Dept	33°35'42.14S / 22°12'51.53E
3 386	n/a	Oudtshoorn	n/a	Oudtshoorn	Municipal Offices Eden DM Roads Dept	33°35'42.14S / 22°12'51.53E
3 886	n/a	Riversdale	n/a	Hessequa	Municipal PAWC roads Dept workshop complex, single residential building	34°05'50.55S / 21°14'49.96E

Table 90: Eden properties with buildings

c) Highlights: Property Services

Highlights	Description
Property and lease register	Finalisation of property and lease register
Long term agreements	Permission granted from treasury to enter into long term agreements
Generation of additional revenue	Generation of additional revenue through short term lease agreements

Table 91: Property Services Highlights

d) Challenges: Property Services

Generate revenue from properties	Enter into short term lease agreements with market related lease amounts
Dispose of certain non-strategic properties	Re - Advertise to obtain market value submissions
Finalisation of property ownership disputes	Obtain legal opinion and submit to council
Finalisation of long term lease agreement options	Implement legal opinion and obtain treasury approval

Table 92: Property Services Challenges

e) Capital Expenditure –Property Services

No capital expenditures incurred for the 2013/14 financial year.

3.11.7 PROCUREMENT SERVICES

a) Introduction to Procurement Services

All Supply Chain Management Officials have been enrolled for Minimum Competency as per MFMA requirements, this accounts for Stores officials, DATA Officials, SCM Officials and Asset Unit. Supply Chain Management Policy was approved along with other Budget Related Policies and budget by Council.

The Policy will be formally work shopped with extended management and at minimum those that have financial delegations, in addition each executive or senior manager will identify those that need this training from their departments to also attend the work shop. The workshop is scheduled for 25 August 2014.

Eden DM has seen a gradual transformation with regards to the supply chain management policy by evolving it from a plain interpretation of the regulation and circulars to aligning it to the processes of Eden and the operational context of the municipality. With stringent internal control measures put in place to eradicate elements of fraud and collusion we remain vigilant that these measure alone are not enough but constant vibrancy of the Ethos of the municipality through Management is what is needed to ensure the rest of the institution ensues the same operational attitude. An Anti-Corruption Fraud Helpline has been established. It is without saying that procurement is the heart of local economic development for communities outside the Metros and therefore it is comprehensible there has been a visible interest from Local Business fraternity on the activities of council with regards to procurement. The increase aptitude for Supply Chain Management Regulation is clearly on the rise as we see an increase in the number of objections and appeals with regards to awards of tenders. There is a lot more interest and awareness in the Supply Chain Management Policy of the Municipality from the public and that in return has meant that the municipality has had to become visibly transparent with its processes and access to information.

The fact that the Public Protector and the Auditor General have gained much public interest though the media and the General Media, it has meant that Municipalities need to sharpen their skills and ensure procedural correctness all the time. Eden District Municipality prides itself in upholding section 217 of the Constitution of the Republic by ensuring that its processes are fair, equitable, transparent and the municipality is efficient and cost effective in its management of public resources.

The increase in the number of sectors under which preferential procurement regulation stipulates for minimum threshold for local production and content will definitely ensure responsible spending by municipalities gearing government expenditure towards local economic development and resurgence of south African manufacturing industries. Business and local economies should take note of this and jump at the numerous opportunities to which government is bringing their way to ensure that local production and industry become the benefactor of government coffers. We urge business to consult with their Local Municipalities on these new developments in the regulation and ensure that their local economies are empowered.

This does however present a challenge to municipalities as the economies of scale become a factor to reconcile with. With the dwindling funding and revenue streams of municipalities, the regulation on local content can become a challenge in terms of sourcing goods and servicing from a limited local supply in the early stages possibly question whether they are able to obtain value for money in return. Local industry especially outside metros is densely controlled through monopolies and we trust that through guaranteed business that local supplies will become more efficient and competitive as their quantum in quantity sees and increase. We look forward to future engagements with Business Chambers as we partner in development of the local economy and remember that for every good or service requested it is a direct translation to a job opportunity and investment to the South African Economy.

Eden District Municipality is in a process of bringing to life one of its biggest project to date, the Regional Land Fill site for the District. The process has been unfolding over a period of time as we follow all the stringent regulations and now the project is at an advanced stage. With the Eden District Region seen as an economic hub for tourism this project is critical to ensuring that the region remains a major tourism attraction for the country.

It remains a challenge to constantly have local business to register on the Municipality's Supply Chain Management Database and provide the relevant and most up to date information regarding their business. Most entities are still oblivious to the fact that Local Government can only procure goods and service from them if they are registered on their database and the information such as Tax Clearance Certificates and their declarations are up to date. It is of critical importance that entities check in with their Local B Municipalities and the District Municipality and enquire on their current vendor status whether its active or inactive, information is up to date such as Tax Clearance Certificates and BBBEE certificates and more. It is the entity's responsibility to update their information and the municipality will do its bit in creating awareness to the public on such information. The District has over the period partnered with the Provincial Government of the Western Cape in creating platforms like Supplier Open Day to give an information dissemination platforms to Vendors and allow them to enquire on the latest developments with regards to SCM Database registration and all other relevant information from Department of Trade and Industry and many other.

We trust that the synergy between Local Government and the Business Sector will remain one of the vehicles for socio-political transformation in the country and improve social demographics of the region to inclusive participation in the formal and informal sector economy

b) Service Data

Details	2012/13	2013/14
	(R)	
Deviations for the Period	7 301 172	20 908 721
Unauthorised Expenditure	14 015 310	49 425 532
Fruitless & Wasteful Expenditure	2 299 681	2 634 507
Irregular Expenditure	8 872 421	8 872 421

Table 93: Service Data for SCM

c) Highlights: Procurement Services

Highlights	Description
Stringent SCM controls implemented	No services may be procured if the SLA has not been signed, management review of deviations, etc.
Increase in the number of training initiatives	Concerted effort has been made by National & Provincial treasury to afford training to Local Government Officials especially Municipalities that have limited resources
Receipt of funding towards cleansing of the Vendor Management Database	Funding from Provincial Treasury to ensure credible Vendor Management Database for the Municipality
Investigating district SCM database	Funding of R100 000 has been obtained from Provincial Treasury to investigate the possibility of establishing a regional database.

Table 94: Procurement Services Highlights

d) Challenges: Procurement Services

Description	Actions to address
Increase in SCM Regulation, Section 32 applications ("Piggy Bagging")	SCM Policy has been amended with regards to process concerning section 32 applications, in order to reduce their frequency and associated risk of fraud, collusion and Monopolisation
Increase in the number of appeals and objection	Business Sector is increasingly becoming interested in the Public Sector as major Local Economic Development Stimulant
Increasing awareness to Local Business to register on the Municipality's SCM Database and provide updates on out-dated information	Various activities are being undertaken to create awareness on his matter and the partnering with Provincial Treasury through platforms like Supplier Open Days to address this matter
Bypassing of the correct SCM processes by departments to procure goods and services	Investigations are being undertaken when instances become known. Various workshops by SCM unit to heighten awareness.

Table 95: Procurement Services Challenges

e) Employees Procurement Services

Job Level (T-grade)	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	5	5	0	0
7 - 9	3	5	3	2	40
10 - 12	1	2	2	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	4	12	10	2	17

Table 96: Employees: Procurement Services

f) Capital Expenditure –Procurement Services

No capital expenditures incurred for the 2013/14 financial year.

3.11.8 SHARED SERVICES

a) Introduction to Shared Services

The promotion of Shared Services falls under the Support Services Department, although initiatives may reside within other departments as well. Shared Services constitutes the provision or sharing of services to the B-municipalities. Eden District Municipality’s Shared Services Forums are working well; there are a number of services currently being shared in the district namely; GIS, Call Centre, TASK job evaluations and the Anti-Fraud Hotline.

a) Highlights: Shared Services

GIS Project	The roll out of ESRI Licence to all B Municipalities was completed and additional funding / support from Province to link GIS & Financial systems was completed.
Anti-Fraud Hotline	The roll out to all the B-municipalities was completed. George, Hessequa, Knysna and Mossel Bay Municipality indicated that they will form part of this initiative and the finalisation of the Service Level Agreements is in process.
TASK job evaluation (HR)	All 7 B-municipalities are involved as well as the Central Karoo Region.
Call centre	This entails the rendering of Call Centre Services (Disaster Management) to Mossel Bay Municipality. The Service Level Agreement was finalised.

Shared Services Highlights

b) Challenges: Shared Services

Buy-in from B Municipalities	To get cooperation from the respective Councils / Officials.
Marketing of Services	Eden District Municipality needs to market more actively on appropriate platforms

Shared Services Challenges

c) Capital Expenditure –Shared Services

No capital expenditures incurred for the 2013/14 financial year.

3.11.9 INTERNAL AUDIT

a) Introduction to 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.

b) Highlights: Internal audit

Highlights	Description
Reporting to the Audit Committee	Internal audit is functional and reported to the audit committee on the following dates: 2 September 2014; 10 April 2014; 12 May 2014 19 August 2014
Review and approval of the Internal Audit Activity’s documents	Internal audit Charter Audit Committee Charter Compilation of Internal Audit Methodology
Co-Sourcing certain Internal Audit activities	MeyerOtto consultants was temporarily appointed to assist in the execution of the approved risk based internal audit plan

Table 99: Internal Audit Highlights

c) Challenges: Internal Audit

Description	Actions to address
To ensure that the Internal Audit division is fully capacitated in terms of: • Staff • Certification of staff and professional development	Shortage of staff will need to be address by the appointment of additional staff Monetary Constraints for continuous development / capacitating of internal audit staff. Provision must be made in the budget
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.	Shortage of staff will need to be address by the appointment of additional staff Low staff morale
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.	Shortage of staff will need to be address by the appointment of additional staff
Being able to extend the Internal Audit to the district as a regional facilitator through the shared services.	Shortage of staff will need to be address by the appointment of additional staff Monetary constraints to assist other district municipalities in the region through shared services. Provision must be made in the budget

CHAPTER 3 - SERVICE DELIVERY PERFORMANCE

Description	Actions to address
Functioning and effective Internal Audit unit and reported 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	Shortage of staff will need to be address by the appointment of additional staff Follow through of implementing agreed

Table 100: Internal Audit Challenges

d) Service Statistics – Internal Audit

Extensive Internal Audit procedures were performed based on our Audit Plan for 2013/14 and the areas are indicated in the table below:

No.	Area of Review	Critical	Significant	Housekeeping	Total
1	Expenditure Management	0	3	1	4
2	Annual Leave	4	0	0	4
3	Project Management – Leases	3	0	0	3
4	Compliance Audit	Refer to quarterly reports			
5	Human Resources and Payroll	1	13	1	15
6	Audit of Performance Information	Refer to quarterly reports			
7	Follow-up on SCM	0	9	0	9
8	Follow-up on Holiday Resorts	0	8	0	8
9	Follow-up on Auxiliary Services	0	8	0	8
10	Follow-up on Petty Cash	0	8	0	8
11	Follow-up Political Administration	0	3	0	3
12	Follow-up of the Mr Zeelie's forensic audit	12	0	0	12
13	Follow-up of the AG findings	0	39	0	39
Total		20	91	2	113

Table 101: Service Data for Internal Audit

e) Employees: internal Audit

Job Level (T-grade)	2012/13	2013/14			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	2	3	2	1	33
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	3	4	3	1	25

Table 102: Employees: Internal Audit

Component I: Organisational Performance Scorecard

3.12 ORGANISATIONAL PERFORMANCE SCORECARD

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

3.12.1 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2014/15

The main development and service delivery priorities for 2014/15 forms part of the Municipality's Top Layer SDBIP for 2014/15 and are indicated in the table below:

a) Build a capacitated workforce and communities

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL10	Spent 0.5% of operational budget on training ((Actual total training expenditure divided by total operational budget)x100)	(Actual total training expenditure divided by total operational budget)x100	All	0.50%
TL11	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 (appointed during 2014/15)	Number of people employed in the three highest levels of management	All	1

Table 103: Service Delivery Priorities for 2014/15 – Build a capacitated workforce and communities

b) 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
TL2	Spent 100% of roads maintenance conditional grant [(Actual expenditure divided by approved allocation received)x100]	Actual expenditure divided by approved allocation received) x100	All	100%
TL3	Submit revised District Integrated Transport Master plan (DITP) to council by 30 June	Revised District Integrated Transport Master plan (DITP) submitted to council by 30 June	All	1
TL7	The percentage of the municipal capital budget actually spent on capital projects identified in terms of the IDP ((Actual amount spent on capital projects /Total amount budgeted for capital projects) X100)	% of the capital budget spent ((Actual amount spent on capital projects /Total amount budgeted for capital projects) X100)	All	90%

Table 104: Services Delivery Priorities for 2014/15 - Conduct regional bulk infrastructure planning & implement projects, roads maintenance and public transport; manage and develop Council fixed assets

CHAPTER 3 - SERVICE DELIVERY PERFORMANCE

c) Ensure financial viability of the Eden district municipality

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL4	Financial viability measured in terms of the municipality's ability to meet its service debt obligations (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	Service debt achieved	All	30
TL5	Achieve a current ratio of 1 (Current assets : Current liabilities)	Ratio achieved	All	1
TL6	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Cost coverage achieved	All	5.2

Table 105: Services Delivery Priorities for 2014/15 - Ensure financial viability of the Eden district municipality

d) Grow the District economy

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL9	Create FTE's (temporary work) as per yearly EPWP incentive agreement (Person days / FTE (230 days))	Number of FTE's created	All	21

Table 106: Services Delivery Priorities for 2014/15 - Grow the District economy

e) Healthy and socially stable communities

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL8	Report monthly by the 15th of every month to the National Department of Health (Sinjani)	Number of reports submitted	All	12

Table 107: Services Delivery Priorities for 2014/15 - Healthy and socially stable communities

f) Promote good governance

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Completed the Risk based audit plan and submit to the Audit Committee by 30 June	RBAP completed and submitted to the Audit Committee	All	1
TL12	Compile HR Master Plan and submit Council by end of June	HR Master Plan submitted to Council by end of June	All	1
TL13	Compile Legal Services Master Plan and submit Council by end of June	Legal Services Master Plan submitted to Council by end of June	All	1
TL14	Compile Committee Services Master Plan and submit Council by end of June	Committee Services Master Plan submitted to Council by end of June	All	1

Table 108: Service Delivery Priorities for 2014/15 - Promote good governance

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

ROADS SERVICES
total budget expenditure
R417 000 000

Build a capacitated workforce and communities

LEARNERSHIPS
100% of budget spent on training
279 LEARNERS

TASK SYSTEM
job evaluations completed
768 since 2011

EPWP
growing the economy
288 JOBS
1957 TRAINING DAYS

Grow the district economy

FIRE FIGHTERS
crowned the 2014 toughest fire fighters alive award

Healthy and socially stable communities

CHAPTER 4

ORGANISATIONAL DEVELOPMENT
PERFORMANCE
(PERFORMANCE REPORT PART 2)

4.1 NATIONAL KPI'S 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
	2012/13	2013/14
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	84	84
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	1%	1%

Table 109: National KPIs– Municipal Transformation and Organisational Development

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Eden District Municipality currently employs 521 permanent officials as at 30 June 2014, 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.

4.2.1 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"

a) 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	4	0	18	1	2	1	2	30
Senior management	3	10	0	10	1	7	0	2	33
Professionally qualified and experienced specialists and mid- management	3	27	0	8	6	20	0	7	71
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	16	85	0	22	7	28	1	8	167
Semi-skilled and discretionary decision making	0	13	0	0	0	8	0	1	22
Unskilled and defined decision making	41	82	0	8	12	55	0	0	198
Total permanent	65	221	0	66	27	120	2	19	521
Non- permanent employees	1	28	0	2	3	18	0	1	53
Grand total	66	249	0	68	30	138	2	20	574

Table 110: Occupational Levels

b) Departments - Race

The following table categories 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	2	0	0	2	2	0	1	7
Corporate Services	4	27	0	9	2	34	2	5	83
Financial Services	2	15	0	0	3	9	0	7	36
Strategic Services	0	0	0	0	0	0	0	0	0
Community Services	8	38	0	25	8	23	0	4	106
Technical Services	51	139	0	32	12	52	0	3	289
Total permanent	65	221	0	66	27	120	2	20	521
Non- permanent	1	28	0	2	3	18	0	1	53
Grand total	66	249	0	68	30	138	2	21	574

Table 111: Department - Race

c) Vacancy Rate

The approved organogram for the municipality had 574 posts for the 2013/14 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 2013/14, 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	5	0
Middle management	41	3
Professionals	118	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	152	38
Unskilled and defined decision making	4	1
General Workers	201	9
Total	521	53
Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	7	2
Support Services	83	15
Financial Services	36	6

Per Post Level		
Post level	Filled	Vacant
Management Services	106	26
Roads Services	289	4
Total	521	53

Table 112: Vacancy rate per post and functional level

d) 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 for the past two financial years.

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2012/13	643	24	32	4.97%
2013/14	521	21	22	4.22%

Table 113: Turnover Rate

4.3 MANAGING THE MUNICIPAL WORKFORCE

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

4.3.1 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 increase for the 2013/14 financial year with 58 employees injured against 55 employees in the 2012/13 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:

Directorates	2012/13	2013/14
Office of the Municipal Manager	0	1
Support Services	1	3
Financial Services	2	0
Management Services	12	4
Roads Services	40	50
Total	55	58

Table 114: Injuries

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

4.3.2 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 2013/14 financial year shows a decrease when comparing it with the 2012/13 financial year.

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

Department	2012/13	2013/14
Office of the Municipal Manager	80.70	78.26
Support Services	744.17	438.33
Financial Services	357.96	391.77
Management Services	514.20	565.14
Roads Services	3 176.22	2 955.34
Total	4 873.25	4 428.84

Table 115: Sick leave days

4.3.3 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	Council Resolution
Travel & Subsistence Policy	DC 520/03/14
Overtime Policy	DC 520/03/14
Recruitment & Selection Policy	DC 444/04/11
Smoking Policy	DC 514/08/13
Experiential Training Policy	DC 515/08/13
Private Work Policy	DC 58/08/05
Bouquets Policy	DC 517/08/13
Placement Policy	DC 520/08/13
Medical Policy	DC 520/08/13
SHE Rep Policy	DC 520/03/14
SHE Committee Policy	DC 520/03/14
Contract Appointment Policy	DC 516/08/13
Travel & Subsistence Policy	DC 520/03/14

Table 116: HR policies and plans

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

4.3.4 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 2013/14. An Item were presented at Council, but Council rejected the request.

4.4 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).

4.4.1 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	3	2
Legislators, senior officials and managers	Female	11	4
	Male	24	8
Associate professionals and Technicians	Female	5	0
	Male	15	7
Professionals	Female	20	18
	Male	30	25
Clerks	Female	30	25
	Male	18	16
Service and sales workers	Female	10	5
	Male	30	22
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	15	0
	Male	40	33
Elementary occupations	Female	60	42
	Male	120	70

CHAPTER 4 - ORGANISATIONAL PERFORMANCE

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
Sub total	Female	153	96
	Male	280	183
Total		433	279

Table I 17: 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:

Type of learning intervention	Name of training intervention	Number trained at	
		NQF 1 - 2	NQF 3 - 8
Learnership	Minimum Competency Level Training	0	23
Learnership	Local Government Accounting (LGAC)	0	10
Learnership	Local Government Advance Accounting (LGAAC)	0	4
Learnership	Fire Fighter I	0	3
Learnership	Fire Fighter II	0	10
Learnership	Diploma ODETDP	0	2
Learnership	Certificate ODETDP	0	1
Learnership	Mechanical NQF 2	2	0
Learnership	Mechanical NQF 3	0	3
Learnership	Mechanical NQF 4	0	2
Skills Program	Councilor Development	0	6
Skills Program	Basic Ambulance Assistance	0	13
Skills Program	Project Management	0	13
Skills Program	Carpentry	20	0
Skills Program	Office Administration	0	18
Skills Program	Business and Report Writing	0	20
Skills Program	Assessor	0	12
Skills Program	Moderation	0	14
Skills Program	Coaching and Mentoring	0	18
Skills Program	Training Facilitation	0	16
Skills Program	OHS Representative Training	0	15
Skills Program	First Aid Training	15	0
Workshop	Disciplinary Hearing Training	39	0

Table I 18: Training provided

4.4.2. 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	Training provided within the reporting period(2013/14)					
		Learnerships		Skills programmes & other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
MM and S57	Female	2	2	0	0	2	2
	Male	2	3	0	0	2	3
Legislators, senior officials and managers	Female	0	0	4	11	4	11
	Male	0	0	8	24	8	24
Professionals	Female	18	20	0	0	18	20
	Male	25	30	0	0	25	30
Technicians and associate professionals	Female	0	5	0	0	0	5
	Male	7	15	0	0	7	15
Clerks	Female	25	30	0	0	18	20
	Male	16	18	0	0	16	18
Service and sales workers	Female	3	10	2	5	5	15
	Male	20	20	2	10	22	30
Craft and related trade workers	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	10	0	5	0	15
	Male	23	30	10	10	33	40
Elementary occupations	Female	32	40	10	20	42	60
	Male	40	70	30	50	70	120
Sub total	Female	80	117	16	41	96	158
	Male	133	186	50	94	183	280
Total		213	303	66	135	279	438

Table 119: Skills Development

4.4.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

Total personnel budget	Total Allocated	Total Spend	% Spent
R90 395 920	R1 000 000	R1 000 000	100%

Table 120: Budget allocated and spent for skills development

4.4.4 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007,“(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice No. 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations.”

CHAPTER 4 - ORGANISATIONAL PERFORMANCE

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	1	1	1
Chief financial officer	1	1	1	1
Senior managers	3	3	3	3
Any other financial officials	41	23	0	23
Supply Chain Management Officials				
Heads of supply chain management units	1	1	0	1
Supply chain management senior managers	1	1	0	1
TOTAL	48	30	5	30

Table 121: Budget allocated and spent for skills development

4.5 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.

4.5.1 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	
2012/13	91 421	157 233	58.1
2013/14	90 352	188 834	47.9

Table 122: Personnel Expenditure

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

Table 123: Personnel Expenditure

*Note: Figures in the previous year were amended and will therefore not match the figures in the previous year annual report. Figures for 2013/14 financial year are unaudited figures as at 30 July 2014.

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

Financial year	2012/13	2013/14		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers plus Other)				
Salary	5 339	5 199	5 199	5 032
Pension Contributions	106	107	107	131
Medical Aid Contributions	74	107	107	159
Motor vehicle allowance	975	1 223	1 223	1 387
Cell phone allowance	253	267	274	318
Housing allowance	0	0	0	0
Other benefits or allowances	0	50	50	0
In-kind benefits	0	0	0	0
Sub Total	6 747	6 953	6 960	7 028
% increase/ (decrease)	-	2.96	0.10	0.97
Senior Managers of the Municipality				
Salary	2 893	3 266	3 266	3 128
Pension Contributions	148	417	417	0
Medical Aid Contributions	42	61	61	0
Motor vehicle allowance	472	369	369	471
Cell phone allowance	28	12	12	0
Housing allowance	89	84	84	84
Performance Bonus	0	325	360	420
Other benefits or allowances	274	0	0	505
In-kind benefits	0	0	0	0
Sub Total	3 946	4 534	4 569	4 608
% increase/ (decrease)	-	16.89	0.77	0.85
Other Municipal Staff				
Basic Salaries and Wages	52 307	55 285	51 359	50 730
Pension Contributions	8 174	11 424	11 554	8 517
Medical Aid Contributions	6 401	8 150	8 786	7 104
Motor vehicle allowance	7 647	5 863	6 624	6 865
Cell phone allowance	0	119	133	137
Housing allowance	515	516	411	452
Overtime	1 057	1 027	1 080	801
Other benefits or allowances	3 953	5 034	5 896	11 138
Sub Total	87 475	87 418	85 826	85 744
% increase/ (decrease)	-	(0.07)	(1.85)	(0.10)
Total Municipality	91 421	91 952	90 395	90 352
% increase/ (decrease)	-	0.58	(1.72)	(0.05)

Personnel Expenditure

*Note: Figures in the previous year were amended and will therefore not match the figures in the previous year annual report. Figures for 2013/14 financial year are unaudited figures as at 30 July 2014.

Promote
good
governance

SHARED SERVICES

GIS, call centre, TASK job evaluations, anti-fraud hotline and tourism marketing, ICT

ADMINISTRATION

advocating efficient and effective local governance through strengthened IGR structures and policy review

Promote sustainable
environmental
management
and public safety

WASTE MANAGEMENT

compiled a second generation waste management plan and securing of land for future district landfill site

Ensure financial viability
of the Eden District
Municipality

COMMUNICATION

maintain websites, corporate branding, in-house design services, content creation, marketing and photography

CHAPTER 5

HIGHLIGHTS OF THE YEAR

5.1 MANAGEMENT SERVICES

INTRODUCTION TO MUNICIPAL HEALTH

According to the Constitution of the Republic of South Africa, 1996, the Local Government: Municipal Structures Act, No.117 of 1998 and the National Health Act, No 61 of 2003, the statutory responsibility of a District Municipality is to render Municipal Health Services.

Section 24 of the Constitution of the Republic of South Africa entrenches the right of all citizens to live in an environment that is not harmful to their health or well-being. Section 1 of the National Health Act, 2003 (Act 61 of 2003), defines Municipal Health Services and Section 83 clearly stipulates the responsibilities of municipalities in the performance of such services.

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

Environmental Health Services are services that implement environmental health policies through monitoring and controlling, which improve environmental parameters and encourage the use of environmentally friendly and healthy technologies and behaviors. Controlling and monitoring also play a leading role in suggesting and developing new policy areas. (These definitions are in line with the definitions of the World Health Organization).

The role and function of the Municipal Health Services

Residential, business and public premises are regularly monitored to ensure that there are no health nuisances. This is done to ensure compliance with the applicable legislation, the principles of Agenda 21 and the “Healthy Cities” approach, as well as the minimization of any detrimental environmental health risk.

Key Performance Areas:

- Chemical Safety
- Disposal of the Dead
- Environmental Pollution Control
- Food Control
- Health Surveillance of Premises
- Surveillance and Prevention of Communicable Diseases
- Vector Control / Monitoring
- Waste Management
- Water Quality Monitoring
- Administration - general

SERVICE STATISTICS – HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTIONS

Type of Service	2012/13	2013/14
Inspections at food production and/or handling sites formal and informal	6 668	7297
Inspections to dairies to ensure legislative compliance	413	331
Inspection to Informal Settlements	353	292
Inspection of sewerage treatment /waste water sites	181	258
Inspection of Farms	441	303
Inspection of Non-food premises eg. Garages, crèches, caravan parks (ie Surveillance Premises)	5 598	7 082
Inspection Environmental Pollution	326	3125
Inspection conditions promoting the habits and breeding habits of vectors	4 470	5 980

MUNICIPAL HEALTH SERVICES KEY PROJECTS FOR 2013/14

VOËLVLEI WORKERS - ORGANISATION: VEGETABLE GARDEN PROJECT 2013: MOSSEL BAY

For the past 7 years the Voëlvlei Farm Workers in collaboration with Eden District Municipality's Environmental Health were busy with cultivation of vegetable gardens. This project is run by the farm workers themselves and the growing of vegetables take place during their spare time and over weekends. 32 Individuals took part in the project and 54 family members were directly involved. Farm owners were willing to provide pieces of land to the workers, where the gardens were cultivated. 2013 was no exception from the previous years and was again very successful.

INFORMAL FOOD TRADER HEALTH EDUCATION PROJECT: JULY 2013: OUDTSHOORN

On Tuesday, 30 July 2013, Esra Prins, Community Service Environmental Health Practitioner of Eden District Municipality provided health education to local informal food traders from Oudtshoorn, regarding proper health and hygiene practices and the 5 Keys for Safer Food Principles of the World Health Organisation. As incentives awarded by Eden District Municipality, food stall owners who participated were furnished with Eden DM aprons, 20 liter water cans, hairnets, ice bricks and a handbook with guidelines for safe handling and preparation of food. The food stall owners were assisted to apply for a valid certificate of acceptability.

RIVER HEALTH PROJECT: KNYSNA

This project is a multi-partner project that involves Oakhill Private School, Stepping Stones Pre – primary school, the Knysna Municipal Environmental Management section and Eden DM Municipal Health section. The aim of the project is to ensure that two streams, Brickelbos and Monkeyhole, health's status improves and furthermore to ensure that bacteriologically safe storm water disposes into the Knysna estuary. 34 Bacteriological and chemical water samples have been taken by the learners with the assistance of Linden Herwels, Eden Environmental Health Practitioner. Students utilize the results to compile an environmental health action plan for their adopted area and also to try and minimize further pollution of these streams that ultimately disposes into the pristine Knysna Estuary.

PIG FARMING (COMPLIANCE STANDARDS & ILLEGAL SLAUGHTER): HESSEQUA: 11 MARCH 2014

Department of Agriculture in conjunction with the Eden DM Municipal Health Section (Hessequa) and the Hessequa Municipality initiated a project with regard to Pig Farming. This project included compliance standards, as well as addressing the issues of illegal slaughtering (the danger associated with the selling of the meat was discussed).

The training session was held in the Riversdale Thusing Centre on 11 March 2014. With regard to the success of the training, the project will be extended to the different towns in the Hessequa region.

CHISKOP PROJECT: LAUNCH: PEOPLE PERISH BECAUSE OF A LACK OF KNOWLEDGE: GEORGE

It is our duty as Public servants to inform the public on issues that could be detrimental to their health. Cutting health risk of a chiskop: Hair cut associated bleeding is not a widely recognized entity.

The aim of the "Chiskop Haircut Project" is to create awareness amongst barbers, hair salons and the public at large as well as to educate them in correctly using sterilizers or antivirus spray on clippers because mentholated spirit and flame burning are not effective enough.

This project focus on how big or small the risk of HIV transmission through hair cut associated bleeding. It is reasonable to protect everyone from coming into contact with infected blood when having a hair cut that we know increases the risk of both visible and invisible injury.

WORLD ENVIRONMENT DAY, 5 JUNE 2014: GEORGE

World Environment Day is celebrated every year 5 June to raise global awareness to take positive environmental action to protect nature and the planet Earth and was named by the United Nations Environment Programme (UNEP).

In supporting this global effort and celebration of 5 June 2014, the Masimanyane Group (NGO), Thembaletu; Environmental Affairs, George Municipality; Provincial Department of Environmental Affairs and Planning; Cape Nature; Pick n Pay (Knysna Road), Provincial Department of Water Affairs and Municipal Health Services, Eden District Municipality (George Office), joined forces to help make a difference to the environment in Thembaletu. A piece of land next to the Molen River was earmarked. The

highly motivated and committed group of hundred and ten community members and officials, including Portfolio Chairperson, Rural Development and Poverty Alleviation, Councillor Sharon May and the Executive Manager of Management Services, Mr Clive Africa, acknowledged their responsibility towards the environment and future generations by starting the effort through planting indigenous trees followed by picking up of refuse and removal of alien vegetation along the embankment of the Molen River.

FOOD CONTROL

Health and Hygiene training of food handlers takes place on a monthly basis

OCEAN MONITORING

Three Blue Flag beaches were registered in Bitou area and weekly monitoring took place.

ENVIRONMENTAL POLLUTION CONTROL

Noise Control, Vector Control and Air Pollution Control, part of normal function.

Beach Clean-up Campaigns arranged by the Environmental Health Practitioner. Learners from Primary Schools took part in this educational campaign. The Blue Flag status is of high importance for Plettenberg bay.

INFORMAL FOOD TRADERS

During inspections of the above mentioned, Health and Hygiene education was undertaken. Food samples and surface swabs were taken. Information regarding food safety was distributed to each informal food trader.

FORMAL FOOD PREMISES

The project focuses on formal training on both Management and Food Handlers to always be vigilant with regards to personal hygiene. Guidance material and posters were provided to them in order to maintain and secure high environment health and hygiene standards. It is imperative that food sampling and surface swabs are taken on a regular basis.

AIR QUALITY CONTROL KEY PROJECTS FOR 2013/14

RENEWAL OF ATMOSPHERIC EMISSION LICENSES

In terms of the National Environmental: Air Quality

Act, 2004 (Act 39 of 2004), Eden District Municipality is the licensing authority for the licensing of Listed Activities within the Eden region. In terms of the said act, a registration certificate issued in terms of the Air Pollution Prevention Act (APPA), which was a valid certificate at the time, continuous to be valid for a period of four years from 1 April 2010. This meant that Eden DM had to renew all these licenses within the period of 31 March 2013 and 31 March 2014.

All the renewal applications received were processed in terms of legislator requirements. The licenses were issued for a five year period, after which it must be renewed again. The processing fees invoiced for the renewal process amounted to R323 760.00.

REVIEW OF CURRENTLY HELD ATMOSPHERIC EMISSION LICENSES (AEL'S)

In order to evaluate and enforce compliance with conditions set in Atmospheric emission licenses (AEL's), it is necessary for licensing authorities to review the AEL's on an annual basis. This implies the review of emission results, reporting, mitigation measures, etc. Eden DM started to review several AEL's during the reporting period and administrative enforcement were implemented where applicable.

MONITORING

Eden DM is conducting passive air quality monitoring for SO₂, NO₂, H₂S and BTEX in various towns within the Eden region. The towns involved are selected due the potential air quality impacts that are eminent. Albertinia, Mossel Bay, Oudtshoorn and Great Brak River are towns in Eden region where passive sampling is undertaken. The results are evaluated and published on the Eden website. It is also reported to DEADP and on annual air quality reports. Eden DM also conducted vehicle emission testing in conjunction with the B-authorities within the region. The Red Mountain Smoke Check instrument is used regularly for smoke check of vehicles. Industrial emissions are measured as spot checks for compliance and enforcement. Eden DM also requested various listed activities to conduct sampling or emission measurements. Sampling results are submitted to Eden DM for compliance and enforcement purposes.

ENVIRONMENTAL PROTECTION KEY PROJECTS FOR 2013/14

BIODIVERSITY CLIMATE CHANGE AND COASTAL MANAGEMENT

The Gouritz Cluster Biosphere Reserve (GCBR) has developed a project called, "Jobs for Carbon" which is being implemented in the Van Wyksdorp area of the Kannaland Municipality through collaboration between the Gouritz Cluster Biosphere Reserve (GCBR), the Wildlife and Environment Society of South Africa (WESSA), Eden District Municipality and the Rhodes Research Restoration Group (RRRG). The overall goal of the project is to improve the rural economy and ecosystem health and resilience of the Klein Karoo by exploring carbon farming as a sustainable use of spekboomveld. The project comprises of five activities:

- The spatial mapping of potential restoration areas.
- The Landowner Outreach and Engagement activity.
- The Carbon Baseline Assessment will accurately and scientifically determine the net gain in carbon sequestered across the landscape at various time intervals.
- The Spekboom Harvesting and Planting activity will train and employ teams, comprising 60 people from local communities to undertake spekboom harvesting and planting.
- Environmental Skills and Awareness
- In conclusion, the project aims to:
- Restore 300 hectares of degraded Subtropical Thicket in the Klein Karoo
- Create employment for more than 60 people in the local communities
- Build entrepreneurial capacity to run restoration teams
- Provide valuable scientific work needed to test and develop the business case for carbon credits to be sold on the carbon market
- Be a catalyst for the expansion of restoration work in the region

The Eden District Municipality has launched the Eden District Climate Change Plan. Eden and DEA&DP followed a collaborative approach with B municipalities in our region looking at measures underway and implementation of adaptation projects. Climate Change adaptation is incorporated into the Eden IDP. Eden, SANTAM and WWF continue to engage on projects for risk reduction. In response to the call for expression of interest to participate in the Municipal Support Programme, which was originally designed for B-municipalities, Eden District submitted a special request for provincial government

to provide support in the development of a district-level climate adaptation plan. An inception meeting was held in George on the 16th of August 2013 to discuss and plan the process for the development of the plan. This was attended by the mayor, local councillors, and officials from most of the B-Municipalities in Eden, and other key stakeholders.

ECO SCHOOLS

The following 6 schools again participated in 2013 year and Node Coordinator; Vernon Gibbs-Halls recommended they be awarded as follows:

1. De Waaville Primary School in Heidelberg (EIGHTH successful Year) Second Platinum Award
2. Vondeling Primary School in Witsand (EIGHTH successful Year) – Second Platinum Award
3. Voorwaarts Primary School in Riversdale (EIGHTH successful Year) – Second Platinum Award
4. Kruisrivier Primary School in Riversdale (SEVENTH successful Year) – First Platinum Award
5. Panorama Primary School in Riversdale (FIFTH successful Year) – International GREEN flag
6. Slangrivier Primary School in Slangrivier (SEVENTH successful Year) – First Platinum Award

2013/14 marked an active year for environmental education throughout the Eden district by both registered Eco Schools and non-registered Eco Schools. For this reason, Eden DM decided to register TWO new schools for the 2014 year, Laerskool Van Wyksdorp and Laerskool Touwsranten. Hessequa Municipality again allocated funds to ensure the sustainability of the schools whilst Eden District Municipality funded a further 13 Eco Schools in Bitou. This included registration costs, transport costs to venues, and the organization of entry fees, luncheons etc.

In a bid held at the 2013 Fynbos Forum AGM, the Eden District Municipality managed to secure the 2014 bid for Knysna. The Knysna Municipality have since allocated R50 000 towards the Forum and have embraced the idea of having experts, scientists and conservation researchers to conduct their Fynbos Forum activities in Knysna.

WILDERNESS BLUE FLAG

Despite several challenges due to the oil spill, Wilderness has managed to retain its Blue Flag status. Councillor Lionel Esau, Deputy Mayor of the Eden District Municipality, Vernon Gibbs-Halls, Biodiversity and Coastal Management Co-coordinator at Eden District Municipality and several other role players proudly hoisted the 2013/14 Blue Flag on 29

November 2013. The Blue Flag programme offers many benefits, including improved tourism facilities, enhanced management of coastal ecosystems, increased awareness of the coast and capacity building of coastal municipalities,” he said. In South Africa the programme is implemented by the Wildlife Environmental Society of South Africa (WESSA). The Eden District Municipality remains the main driving force behind the programme. Other role-players include SANParks, the Wilderness Ratepayers Association and the Working for the Coast team (EPWP).

DISTRICT WASTE MANAGEMENT KEY PROJECTS FOR 2013/14

REGIONAL DISPOSAL FACILITIES FOR DOMESTIC AND HAZARDOUS WASTE WITH LOW HAZARD RATING

This section has investigated the possibility to establish a Regional Landfill Facility to accommodate waste from Mossel Bay-, George-, Knysna and Bitou Municipalities in 2016. Eden District Municipality has received its Environmental Authorisation and Landfill Operating Waste Licence. The regional landfill facility will accommodate domestic and low rating hazardous waste. It will also include a construction waste recovery and a composting facility. The regional landfill facility will have a fifty (50) year airspace capacity. Eden District Municipality has decided to outsource the construction and management of the regional landfill facilities to a private partner on a 10 year contract agreement. The procurement process has started.

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.

Development Bank of South Africa and National Treasury has made R1.8 million available to Eden District Municipality for the implementation of alternative waste technology. Eden District Municipality will also outsource the implementation of alternative waste technology facilities to a private partner on a 10 year contract agreement. The alternative waste technology execution and the landfill facilities con-

struction and management will be implemented as one process. The procurement process has started. **IMPLEMENT PRIVATE PUBLIC PARTNERSHIP** An Article 78 Investigation, Municipal Systems Act, has also started to investigate the option to outsource the construction and management of the planned facilities and the implementation of the alternative waste technologies. Council has adopted the build, operate and transfer contract external service delivery option. A feasibility study has been compiled which was approved by council. The procurement process has started.

DEVELOP A WASTE INFORMATION SYSTEM TO ESTABLISH AND MAINTAIN PROPER CONTROL OVER THE DISPOSAL OF HEALTH CARE RISK WASTE AND INDUSTRIAL/HAZARDOUS WASTE

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 reporting will be required from local municipalities and private business. The registration and reporting phase of the system is now changed from a hard-copy system to a web-based system where facilities can register and report online. The process to align the Eden Information System with the Provincial Information System is still problematic and will be investigated in the coming reporting year. Access to the system by the Waste Management Officers of the municipalities, will also commence in the coming reporting year.

Three hundred (300) health care risk waste generators and fourteen (14) industrial waste generators are registered on the information system in the Eden District Municipal area for the reporting period. The registration of all waste generators on the system will be a continuous process.

The information received from private facilities will increase the effectiveness of the waste sections in order to accomplish proper waste management implementation planning in future and to ensure that management of waste generated in the Eden District Municipality, comply with applicable legislation.

COMPILE SECOND GENERATION INTEGRATED WASTE MANAGEMENT PLAN

Eden District Municipality has compiled a second generation Integrated Waste Management Plan for the implementation and management of waste

CHAPTER 5 - HIGHLIGHTS OF THE YEAR

related gaps and needs over the next five years. The plan must still be presented to Council for the final approval.

INFORM AND IMPROVE PUBLIC AWARENESS ABOUT PROPER WASTE MANAGEMENT AND MINIMIZATION PRACTICES.

An ongoing waste minimisation public awareness and education campaign is being implemented in the Eden district in order to save landfill airspace and transport costs associated with a regional landfill site. Fifteen (15) different public awareness and education tools will be utilized namely: media, radio, municipal websites and newsletters, notice boards, swap-shops, recycling stations / points, social media, Eden recycling mascot, annual waste minimisation Road Show, educational booklets, Wise up on Waste Schools Programme and Peer Educators. The campaign will address waste avoidance and reduction, re-use, recycling and composting, the recovery of waste and identifying waste as possible resources.

Thus far, the waste management department has designed and printed four (4) street banners, twenty (20) educational / information banners, and waste minimisation road show teardrop banners which is available for the use by the seven local municipalities. Notice boards have been designed and arrangements are being made for manufacturing and erection.

PROPERTIES & MAINTENANCE KEY PROJECTS FOR 2013/14

MAINTENANCE

The department took the initiative to appoint a service provider to prepare a first Buildings Maintenance System (BMS) for all buildings listed in the Eden District Municipality's asset register. The purpose of the plan is as follows:

- It gives a broad overview of the assessment that was carried out as well as the methodology that was used;
- It documents the overall state (location, replacement cost, condition) of the buildings under control of the Eden DM and identifies specific urgent and emergency maintenance items required;
- It identifies maintenance items and budget requirements (capital projects);
- It stipulates routine or preventative maintenance items and budget requirements (operational);
- It prioritises actions required based on criticality of above-mentioned maintenance items which can be used to inform future budgets, Integrated

- Development Plans and other master plans; and
- It provides a basic operating manual for the operation of the BMS software application.

The survey included a total of 348 buildings with an estimated value of approximately R242 000 000 which includes an estimated amount of R33 000 000 for site services. Based on the condition of the infrastructure and the non maintenance of buildings is there a maintenance backlog of approximately R14 600 000 with services adding another R3 500 000. The critical capital maintenance to be done amounts to approximately R8 700 000.

The appointment of a handyman on a contract basis has, over the last 6 months, saved council several thousands on expenditure by work that has been executed internally. These include the laying of carpets, fixing of water pipes and faulty electrical work and several carpentry jobs.

STRATEGIC PROPERTIES

The requirements of the Local Government: Municipal Finance Management Act of 2003, Act 56 of 2003 determines specific requirements to be followed when properties are either leased (short term or long term) or disposed of. The process determines a comprehensive public participation process to be followed prior to any actions that can be taken. Council has managed to obtain approval to lease several properties on a short term basis and to dispose of several non strategic properties. The latter process is nearing completion and allocations where the properties will be transferred will be finalized during the first half of the 2014 / 2015 financial year. The ownership of properties has however been contested by several local municipalities and an extensive opinion from senior council has been obtained. The matter will be submitted before council during the second half of 2014 after which appropriate measures will be taken, depending on the outcome of the final opinion.

Council used a portion of Farm Brakfontein, situated in the George district, as a pilot project where alien vegetation was harvested. The project was successful in terms of generating revenue, but did not yield the results in terms of creating jobs to small contractors. The project is presently revisited and a new approach will be followed to create maximum jobs.

REGIONAL PLANNING

The long awaited Spatial Planning and Land Use Management Act (SPLUMA) by national government and the Land Use Planning Act (LUPA) within the Western Cape has been enacted and has brought major

changes to the town planning domain on all levels of government. The Eden District Municipality's role and responsibility as a district authority has been clearly demarcated in the act. The new challenges with regards to municipal planning tribunals needs to be finalized but it is clear that the district authority will play a significant role in this regard since only registered town planners will be able to either write reports or assess town planning applications. The relevant local municipal councils will only assess future appeals, if any. National and Provincial Government have already embarked on a national role – out plan to build capacity at local municipalities.

SOCIAL DEVELOPMENT KEY PROJECTS FOR 2013/14

DISABILITY INITIATIVES

BRAILLE BIBLES FOR THE VISUALLY IMPAIRED

Seven (7) Braille Bibles were received as a donation from the Bible Society and handed over to George Association for People Living with Disabilities (APD) by Cllr McCombi, on 25 February 2014, for distribution to the visually impaired within the district. Donation from Western Cape Disaster Management A donation to the amount of R15 000,00 was received from the Western Cape Disaster Management department towards the development of information pamphlets in braille for the visually impaired, covering health issues (cancer, diabetes and HIV and AIDS), fire and personal hygiene.

HOUSEHOLD FOOD SECURITY MANAGEMENT

Since the inception of the programme in the Southern Cape, the University of South Africa (UNISA) established partnerships with Eden District Municipality and the Department of Agriculture in order to implement the program throughout the region and to established a working team who will address food insecurity at a district level.

DISTRICT FOOD SECURITY PLAN

The District Food Security Plan has been developed in consultation with the relevant stakeholders with main role-players, the Department of Agriculture, UNISA, Department Social Development and the South African Social Security Agency (SASSA). The Plan was submitted to the Social Development Portfolio Committee of 09 June 2014 for recom-

mendation to Council for adoption.

ELDERLY PROGRAMMES

Elderly awareness and educational programmes were rolled out in collaboration with Age-in-Action, Knysna Alcohol and Drug Centre (KDAC) and SANPARKS in the areas of Smutsville, Vleesbaai and Farleigh.

YOUTH DEVELOPMENT KEY PROJECTS FOR 2013/14

Learner's licence programme has been initiated in collaboration with Department Transport and Public Works. Forty learners (40) in 6 municipal areas (in phases) will be accommodated in the programme. Bitou will participate in the next phase.

FIRST AID TRAINING

A First AID Level 3 course has been rolled out on the 14 – 25 April 2014, at Pacaltsdorp Secondary School in collaboration with the Eden Disaster Management Centre. Thirty three (33) learners and one (1) teacher successfully completed the course.

ASSISTANCE TO EXECUTIVE MAYOR AND SPEAKER'S OFFICES

The Section facilitated the processes of obtaining stationery and essential parcels for the above political office bearers for official handovers to schools (Sedgefield Primary and Ruigtevlei Primary) and various other institutions.

HIV AND AIDS KEY PROJECTS FOR 2013/14

The Section has facilitated HIV and Substance Abuse Peer Educator training in Hessequa and George municipal areas.

HAST PLAN (INTERNAL AND EXTERNAL PROGRAMMES)

A HAST Plan for Eden DM has been compiled and was submitted to the Social Development Portfolio Committee on 9 June 2014 for recommendation to Council for adoption.

MEMORANDUM OF AGREEMENT WITH PROVINCIAL SOCIAL DEVELOPMENT DEPARTMENT

Eden DM signed an official agreement with the

CHAPTER 5 - HIGHLIGHTS OF THE YEAR

Department of Social Development to integrate services to the community and pool expertise and resources on 9 July 2013 in terms of the following areas of service delivery:

- Disability;
- Youth Development;
- Early Childhood Development; and
- Substance Abuse.

The official launch of collaboration by MEC Fritz took place on 17 October 2013.

Progress on service delivery areas as per implementation plans as follows:

DISABILITY

A workshop for the development of a District Disability Plan took place with all Government Departments, NGO's on 5 March 2014 and was facilitated by the Department of Local Government and Eden DM officials. The Disability Plan was completed and submitted to Social Development Portfolio Committee of 9 June 2014 for recommendation for adoption to Council.

IMPLEMENTATION PLAN

Implementation Plans have been developed for all seven B-municipalities as part of the District Disability Plan and progress has been made in George as follows:

GEORGE SUB-REGION (UNIONDALE AND HAARLEM)

A Disability Forum has been established in May 2014 and a capacity building workshop has been held with this forum on 27 June 2014 in Uniondale.

JOB CREATION

Twenty eight (28) People Living with Disabilities has been employed through the Non-State sector EPWP programme through UNIEP within the Uniondale area.

YOUTH DEVELOPMENT SESSION IN UNIONDALE.

Youth Café will be established in George as announced by MEC Fritz. Venue (Old Eden FM station) has been identified by the George Municipal Council.

YOUTH TALENT SEARCH

Youth from Kannaland area have been trained in

basic electrical skills, TV and Dish installation and entrepreneurship in collaboration with UNIEP who was appointed by the Department of Social Development to facilitate the training. Twenty eight (28) young people was successfully trained.

EARLY CHILDHOOD DEVELOPMENT (ECD)

Training of Call Centre Operators took place towards the establishment of an ECD Call Centre in the Eden region. Educational equipment has been obtained towards the establishment of toy libraries in the areas of Mosselbay, Oudtshoorn and Knysna.

SUBSTANCE ABUSE

A workshop was facilitated by the Department of Local Government to capacitate municipal officials in terms of Local Drug Action Committees on 15 April 2014.

An informative session with Hessequa stakeholders took place on the 20 March 2014.

Early Recovery Skills work session took place in collaboration with Department of Social Development, SANPARKS and KDAC in Farleigh on 23 June 2014.

WORKING FOR WATER KEY PROJECTS FOR 2013/14

ALIEN ERADICATION PROJECTS

Funded by DEA and PAWC 2013 – 2014

- Brandwag
- Great Brak River
- Moordkuyl
- Karatara
- Knysna
- Road Reserves

INTRODUCTION

The 2013/2014 financial year turned out to be the final year of Eden District Municipality acting as an implementation agent for the Department of Environmental Affairs (DEA), Working for Water Program.

DEA suspended all the existing IA contracts on 31 March 2014. DEA requested proposals for new implementation agents from 1 April 2014. Eden District Municipality declined further participation as the principles under which new IA contracts would be awarded which could not be adhered to. The resultant loss in available funding for job

creation through alien eradication necessitates the sourcing of additional funding through alternative sources.

Eden District Municipality acted as Implementing Agent for 13 years.

Operations towards closing down and handing back projects took place in five catchment areas, namely Brandwag, Great Brak River, Moordkuyl, Knysna and Karatara.

Eden District Municipality created job opportunities for 24 contractors and approximately 335 workers through eradication of invasive plant species on private and state land. A total of 17 contractors were female. Contracting teams were afforded the opportunity to tender on available contracts in all the project areas.

These contracting teams were also afforded the opportunities to do alien eradication in road reserves. Eden District Municipality will endeavor to create additional job opportunities through funding sourced from alternative sources to continue job creation through alien eradication on council properties.

PROJECT: BRANDWAG

	Planned	Actual
Operations	R 590 011	R 556 402
Training	R 68 839	R 70 537
Hectares	270	270
Person days	3 230	2 436
Training Person days	137	137
Female	55 %	57%
Disability	2 %	0%
Youth	35%	42%

The Brandwag project served private landowners in the Brandwag and Palmiet River catchments. Contracting teams throughout the Eden District Municipal area of jurisdiction were afforded opportunities to work in the area.

Teams cleared 167.92 hectares of follow-up work and 103.03 hectares of initial work. 13 Contracts were awarded through the EDEN DM supply chain process.

One chainsaw incident, resulting in an IOD, occurred. The injured contractor returned to work after being booked off for two weeks.

Operational training, focused on ensuring future participation in alien eradication projects, for the following courses was, successfully, completed:

- Plant Identification
- Herbicide Applicator
- Chainsaw Operator
- Health and Safety Level I
- First Aid Level I

PROJECT: GREAT BRAK RIVER

	Planned	Actual
Operations	R 1 154 430	R 812 792
Training	R 143 102	R 72 867
Hectares	210	210
Person days	4 400	3 658
Training Person days	548	559
Female	55 %	65 %
Disability	2%	2 %
Youth	35 %	45 %

The Great Brak Project served private landowners next to the Wolwedans dam and in the Great Brak River catchment. Contracting teams throughout the Eden District Municipal area of jurisdiction were afforded opportunities to work in the area.

Teams cleared 210.35 hectares of initial work. 18 Contracts were awarded through the EDEN DM supply chain process.

One chainsaw related incident, resulting in an IOD, occurred. The injured worker returned to work after being booked off for 5 days.

Operational training, focused on ensuring future participation in alien eradication projects, for the following courses was, successfully, completed:

- Plant Identification
- Herbicide Applicator
- Chainsaw Operator
- Health and Safety Level I
- First Aid Level I

PROJECT: KARATARA

	Planned	Actual
Operations	R 272 364	R 113 813
Training	R 106 612.00	R 175 091.78
Hectares	152	152
Person days	796	702
Training Person days	20	20
Female	55 %	58 %
Disability	2 %	0 %

CHAPTER 5 - HIGHLIGHTS OF THE YEAR

Youth	35 %	62 %
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The Karatara Project served private landowners, in the Karatara River catchment, close to Sedgfield. Contracting teams throughout the Eden District Municipal area of jurisdiction were afforded opportunities to work in the area.

Teams cleared 124.46 follow up hectares and 27.55 initial hectares. 10 Contracts were awarded through the EDEN DM supply chain process and successfully worked.

No IOD's were reported.

Operational training, focused on ensuring future participation in alien eradication projects, for the following courses was, successfully, completed:

- Plant Identification
- Herbicide Applicator
- Chainsaw Operator
- Health and Safety Level I
- First Aid Level I

PROJECT: KNYSNA

	Planned	Actual
Operations	R 222 801	R 102 036
Training	R 19 648	R 13 745
Hectares	155	155
Person days	707	597
Training Person days	60	60
Female	55 %	51 %
Disability	2 %	0 %
Youth	35 %	47 %

The Knysna Project served private landowners in the Knysna River catchment. Contracting teams throughout the Eden District Municipality area of jurisdiction were afforded opportunities to work in the area. Teams cleared 27.78 follow up hectares and 128.09 initial hectares. 6 Contracts were awarded through the EDEN DM supply chain process and completed successfully.

No IOD's were reported.

Operational training, focused on ensuring future participation in alien eradication projects, for the following courses was, successfully, completed:

- Plant Identification
- Herbicide Applicator
- Chainsaw Operator
- Health and Safety Level I
- First Aid Level I

PROJECT: MOORDKUYL

	Planned	Actual
Operations	R 577 014	R 348 951
Training	R83 562	R 65 427
Hectares	461	461
Person days	1 584	1 587
Training Person days	145	145
Female	55 %	63 %
Disability	2 %	1 %
Youth	35 %	61 %

The Moordkuyl Project served private landowners, in the Moordkuyl River catchment, between Great Brak River and Mosselbay. Contracting teams throughout the Eden District Municipal area of jurisdiction were afforded opportunities to work in the area.

Teams cleared 334.40 follow up hectares and 127.25 initial hectares. 14 Contracts were awarded through the EDEN DM supply chain process and successfully worked.

No IOD's were reported.

Operational training, focused on ensuring future participation in alien eradication projects, for the following courses was, successfully, completed:

- Plant Identification
- Herbicide Applicator
- Chainsaw Operator
- Health and Safety Level I
- First Aid Level I

ALIEN ERADICATION IN GENERAL

- The approved DEA budget amounting to R 4 310 585 was reduced by R 916 115 to R 3 394 469 being unpaid expenditure from the 2012/2013 financial year.
- Actual expenditure for the 2013/2014 financial year amounted to R 2 944 407 at 86.74 % of the available funding.
- 8 980 Person days job creation were created, 403 person days training took place and 1 250 hectares were cleared.
- All Working for Water teams were equipped with yellow t-shirts.
- The herbicide assistance program, to private landowners, was continued and approximately 25 000 hectares were followed up by the applicable private landowners.

- Personnel Training: Mrs B Prinsloo successfully completed Plant Identification, Herbicide Applicator and Health and Safety Level I courses whilst Me C Stephenson successfully completed a First Aid Level I course.
- Alien eradication in 278 kilometers road reserves at an operational cost of R 356 375 resulted in 998 person days job creation.

FEASIBILITY STUDY PHASE OF THE REGIONAL INTEGRATION OF THE BULK WATER SUPPLY SYSTEMS OF THE KNYSNA AND BITOU MUNICIPALITIES

On account of the ongoing increases in the water demands of Knysna and Plettenberg Bay in the Municipalities of Knysna and Bitou respectively, each of these municipalities independently undertook studies to assess the yields of their existing water supplies and the additional yields that could be provided by various proposed water augmentation schemes. Separate system models were prepared for these independent studies.

This investigation of the proposed regional integration of the water augmentation schemes for Knysna and Plettenberg Bay required that the system models be integrated in order to determine the yields of the various separate and combined schemes. The hydrology of the previous studies was also updated to include the floods of 2007 and the severe drought experienced in 2009/2010.

The firm yields of the existing schemes were re-assessed to determine the impact of the recent drought on the assured supply to each municipality. The yields of various augmentation options were also determined and together with cost estimates and the growths in future water demands were used to determine unit reference values (URVs) for the various augmentation options in order to indicate the cost per unit of water supplied (R/m³) for each proposed scheme. This enabled comparisons to be made of the relative costs of proposed individual municipal schemes and of combined regional augmentation schemes.

The environmental impacts of the schemes were also investigated and a multi-kriteria decision making workshop was held to determine stakeholder preferences.

The early application of Multi-Kriteria Decision Making (MCDM), as part of an alternatives assessment of an Environmental Impact Assessment (EIA) and engineering project development, provides an

effective tool for environmental planning at project alternative level. It addresses one of the key weaknesses of conventional alternatives assessment in EIA, being the structured and defensible rating or scoring of alternatives to determine a preference ranking. It provides a mathematically based, transparent and logical system in a reproducible methodology, and ensures that the project team can demonstrate the basis of their recommendation or decision. Applied in an interactive workshop environment and ensuring the appropriate participation of decision makers, engineers, environmental practitioners and stakeholders, it ensures that project outcomes are widely acceptable and supported.

The MCDM process found that the preferred standalone water supply option for the Knysna Municipality was the Akkerkloof II Dam and for the Bitou Municipality was the Wadrif Dam. The key outcome is that the regional or interconnected water supply schemes were found to be less preferred than a combination of the two preferred standalone water supply options. The project is still ongoing and will only be completed during March 2015.

EMERGENCY SERVICES KEY PROJECTS FOR 2013/14

DISASTER MANAGEMENT

Once again the Eden Disaster Management Centre, EDMC, had a very busy year. Not only did the center and its personnel manage major events like the floods in August and November 2013 as well as in January 2014, but the logistical oversight of the late President Nelson Mandela's burial and the joint incident command of the Kiani Satu vessel at the pristine Goukamma Marine Protected Area, posed renewed challenges to the section. Fortunately the Section dealt with these challenges in such a professional way that it was hailed as a best practice scenario and a guideline for others to follow.

On the pro-active side the EDMC in collaboration with the Provincial Disaster Management Centre, PDMC, managed to update the regional macro disaster risk assessment. The EDMC further assisted with the compilation and update of the Mossel Bay- and Bitou local community based disaster risk assessments. These very informative assessments will be used to guide disaster risk reduction priorities at local authority level.

EDEN CORPORATE DISASTER MANAGEMENT PLAN UPDATED

Developments in the field of democratic and co-operative governance, such as Integrated Development Planning, Land Development Objectives, Municipal

CHAPTER 5 - HIGHLIGHTS OF THE YEAR

Service Partnerships, the White Paper on Disaster Management and the Disaster Management Act 57 of 2002, contributed to the fact that the field of disaster management became a key focus area in South Africa since the 1990s. The approach to disaster management as explained in the White Paper on Disaster Management (1999) and the Disaster Management Act 57 of 2002 was in keeping with the Government's commitment to alleviate the plight of poor communities through its national efforts in poverty reduction, land reform, housing, employment creation and service expansion and delivery.

DISASTER MANAGEMENT AWARENESS / FIRST AID LEVEL 3 TRAINING

Enabler 2: Education, Training, Public Awareness and Research of the National Disaster Management Framework of 2005, Sections 15 and 20(2) of the Disaster Management Act, Act 57 of 2002, specify the promotion of education and training, the encouragement of a broad-based culture of risk avoidance, and the promotion of research into all aspects of disaster risk management.

In table 1 a summary of training presented.

Awareness Campaign - 2013 /2014						
Month	First Aid Level 3	Students Enrolled	Found Competent	Not Yet Competent	Venue	Other Awareness Campaigns
July 2013	YES	42	42	0	Eden MDMC JOC	
August 2013	YES	17	17	0	Riversdale JOC	
September 2013	YES	34	34	0	NMMU Saasveld	
October 2013	YES	14	14	0	Eden MDMC JOC	
November 2013	NO	-	-	-	-	Flood and Fire Awareness Campaign
December 2013	YES	24	24	0	Mossel Bay JOC	
January 2014	YES	17	17	0	Eden MDMC JOC	
February 2014	YES	12	12	0	Eden MDMC JOC	
March 2014	YES	22	20	2	Eden MDMC JOC	
April 2014	YES	37	34	3	Pacaltsdorp High School	
May 2014	YES	18	17	1	Eden MDMC JOC	
June 2014	YES	13	13	0	Eden MDMC JOC	
Total	-	250	244	6		

DISASTER MANAGEMENT FIRE AND FLOOD AWARENESS CAMPAIGN

Fire and Flood Awareness Campaigns was held in collaboration with the PDMC during the month of November 2013. The campaign was held at five different schools within the Eden District Municipal area.

Table 2 summarises the venues and attendance during these campaigns.

Date and time	Town	School	Contact Person	Number of scholars
Tuesday 19 November 2013 08:30	Heidelberg	SLANGRIVIER PRIMARY SCHOOL (intermediate school) Address: Hoofweg, Slangrivier, HEIDELBERG	MR PJ ADAMS Tel: 028 7222530 Fax: 028 722 2385	618
Tuesday 19 November 2013 10:00	Riversdal	VOORWAARTS PRIMARY SCHOOL Address: Olieslager Street, RIVERSDAL	ME CE BEUKES Tel: 028-7131695 Fax: 028 713 2463	445
Tuesday 19 November 2013 13:30	Riversdal	PANORAMA PRIMARY SCHOOL (RIVERSDAL) Address: Solomon Street 15, RIVERSDAL	MR J FIELIES Tel: 028-7131086 Fax: 028 713 1978	1165

Wednesday 20 November 2013 10:30	George	WABOOMSKRAAL VGK PRIMARY SCHOOL Address: Waboomskraal, George	MR IC PRETORIUS Cell: 0783272027 Tel: 044-8860052 Fax: 0866274848	89
Wednesday 20 November 2013 12:00	George, Lawaai-kamp	M M MATEZA PRIMARY SCHOOL Address: 525 Ngcakani Street, Thembaletu, GEORGE	MR JS REICHERT Tel: 044-8801248 Cell: 0824453571	900

SEVERE WEATHER

On 6 August 2013 the South African Weather Office issued weather alerts regarding heavy rainfall and snow that might occur in the Eden Municipal District. The EDMC immediately reacted and started with preparations and all contingency plans was activated.

The first drops of rain started to fall on the Western side of the district at about 16:00 on Wednesday, 7 August 2013, later that evening some areas in the district measured up to 85 mm of rain. The EDMC and Local Disaster Management Authorities were well prepared and no serious disruptions were reported as well as no evacuations needed to take place

Only the Swartberg Pass was closed due to unsafe conditions.

Below a list of recorded rainfall for the period 7 to 8 August 2013:

ARS (Automatic Rainfall Station)	At 22:00 on Wed 07/08/2013	At 05:00 on Thurs- day 08/08/2013	At 08:00 on Thurs- day 08/08/2013
Plettenberg bay Newlands	20.2mm	22.0mm	25.8mm
Knysna Diepwalle	32.2mm	34.2mm	33.6mm
Knysna Charlesford	34.0mm	33.0mm	37.8mm
Knysna Platbos	20.0mm	17.2mm	20.0mm
Wilderness Diep river	23.6mm	20.4mm	27.6mm
Wilderness Heights	20.4mm	21.4mm	26.8mm
Herold Lovaine	53.4mm	56.2mm	62.0mm
Avontuur Bellevue	13.4mm	35.2mm	33.8mm
Avontuur Boskloof	19.6mm	21.8mm	25.6mm
Kammanassie mountains and Vink river	14.6mm	16.2mm	15.0mm
George Tierkop	46.4mm	46.0mm	52.6mm
George Piek	7.8mm	43.4mm	40.8mm
George Waboomskraal	31.4mm	26.0mm	22.0mm
George Geelhoutboom	8.8mm	4.2mm	Defective
George Jonkershoek	42.2mm	63.6mm	68.4mm
Mossel Bay Robertson Pass	52.6mm	46.6mm	53.4mm
Mossel Bay Kwepertuin	36.0mm	36.4mm	43.2mm
Groot Brak Rivier	26.2mm	28.8mm	35.2mm
Mossel Bay Rooibloom	38.0mm	36.2mm	35.0mm
Riversdale Grootbos	44.0mm	34.6mm	45.2mm
Riversdale Assegaaibos	45.2mm	36.6mm	53.0mm

Heidelberg	57.4mm	68.4mm	67.6mm
Witsand	50.6mm	81.8mm	81.8mm

STRANDED CARGO VESSEL: KIANI SATU

The EDMC received a call at 03:57 on the 8 August 2013 from the Mossel Bay Harbor Master, Mr Quiton Brink, regarding the distressed vessel Kiani Satu. The message that was received stated that the vessel lost its engines and it was anchored but due to strong South-Westerly winds the vessel were dragging its anchors. The location of the vessel at the stage of the distress call was half a nautical mile South of Walker point, communication with the vessel were very poor and the only way Mossel Bay harbor could communicate with the vessel was through the tugboat called the Flairmount Blazer that was on-route to assist the vessel.

Later that day the Kiani Satu got stuck on a sandbank near the Goukamma Nature Reserve at Buffalo Bay. Another tugboat was sent from Mossel Bay to assist the Flairmount Blazer in trying to free the stranded vessel.

On Wednesday the 21st of August the Kiani Satu sank with all her cargo about 110 nautical miles south of Buffalo Bay.

FIRE THREAT AT SCHOOLS

The EDMC noted that alien vegetation on some school property in the Hessequa area posed a threat as kids light fires during break time and leave these open flames un-attended when returning to their classes.

This concern was raised and discussed at the Head of Disaster Centers meeting held in Cape Town on 28 August 2013 and discussions with the Department of Education followed. Subsequent to these discussions the PDMC requested that the Eden MDMC provide them with a list of schools where the threat of fire is imminent in order to plan mitigation actions.

EDEN MDMC WOF DISPATCH AREA

In the third quarter of this year the upgraded dispatch area for the Working on Fire dispatchers were completed. The area now provides space for two dispatchers who can simultaneously do aerial as well as ground resource dispatching. Since the onset of this

program about three years ago, more than 10 WOF ground teams with a total manpower exceeding 270 personnel has been established throughout the Eden region. These teams have proved to be invaluable for mopping-up operations after major bush and veldt fires.

RADIO HAMNET

In an effort to better the communication platform of the Eden MDMC, discussions with the South Cape Radio Hamnet chairperson as well as various meetings and site visits to the Eden MDMC were conducted during September and the first part of October.

In principle approval has been granted that the South Cape Radio Hamnet branch would provide the necessary platform in the EDMC to be used as radio communication platform to their affiliates. The installation of equipment was completed in the latter part of December 2013.

EARLY WARNING DISPLAY

In September 2013, the first Early Warning Display (EWD) was launched in Sandkraal road, George. The EWD system is designed especially for the use of displaying warnings and alerts to the public. The EWD system was designed to function in an outdoor environment such as on an open public area i.e. taxi rank, community or the beachfront area. The EWD system will primarily be used for the sake of early weather warnings or alerts where the public may be affected. The EWD system could secondarily, be used for brief notifications of community meetings or alerts.

All EWD display units are linked to a central server located in the EDMC in George. The central server allows the operator in the EDMC or the authorized local municipal official to upload and update any of the EWD display units with information specific to the unit’s location via a cell phone.

EDEN MACRO DISASTER RISK ASSESSMENT COMPLETED

The disaster risk assessment of the Eden District Municipality was in excess of 5 years old and it was crucial to have an updated, current and verified risk assessment to inform risk reduction initiatives which

should be included in the integrated development planning process of the EDM. Further during the 2011/2012 financial year the Provincial Disaster Centre (PDMC) developed a standardised disaster risk assessment methodology, in order to collate provincial information in one database. To ensure that the EDMC assessed disaster risk related information can form part of this overarching platform, the 2005 risk assessment for the Eden district had to be updated.

The review and update of the district level disaster risk assessment (DRA) of the Eden District Municipality (EDM) was completed in the latter part of the first quarter of this year by the company Disaster Risk Management (Pty) Ltd (DMS) on behalf of and with the support of the Provincial Disaster Management Centre (PDMC) and the EDMC.

The table 3 below lists the priority hazards identified during the 2005 DRA and new hazards identified during the 2013 DRA.

2013 RISK ASSESSMENT	
Priority Hazards identified 2005	Additional hazards identified 2013
Drought	Seismic hazards
HAZMAT: Road, Rail	Petro-Chemical Fire Hazards
Fire	Alien Plant Invasion
Floods	Predator Animals
Slope Failures	Structural Integrity Old Gouritz Bridge
Road Accidents	Storm Surges
Animal diseases	Coastal Erosion (Sea Level Rise)
Dam Shedding	Service Disruptions
Human diseases	Social Disruptions

FIRST WOF TEAM AT THE GEORGE FIRE STATION

On 3 September 2013 the first WOF team to be based at the George Fire station was officially welcomed. The establishment of this team follows the partnering with the FFA group and the SCFPA to build on the regions' firefighting capacity. This group is part of more than 270 WOF staff that has been trained and placed at various fire bases throughout the district.

Not only in strengthening the regions fire response capacity but also to help and reduce the fire risk by preparing fire breaks and executing controlled burns to lessen the fuel load in the district. As a bonus this project also creates job opportunities and inevitable helps to reduce poverty and put food on the tables of those in need.

ESTUARY BREACHING OF ESTUARIES - PROTOCOLS UPDATED

In collaboration with SanParks, the Knysna Municipality as well as the Mossel Bay Municipality the emergency breaching of estuary protocols for the Hartenbos-, Grootbrak-, Kleinbrak-, Touw- and Swartvlei Rivers was updated and contingency planning for implementation at each of these estuaries were compiled and approved in principle by all parties.

FLOOD HAZARD MAPPING

In collaboration with the PDMC, a consolidation of current flood and sea level rise studies were compiled into one database. This database has been provided to the disaster management staff at local municipalities to guide their local risk mitigation planning. The datasets were further provided to the Eden Regional Planning Section to inform the Regional Spatial Development Framework (SDF).

FLOODING: 06/01/2014 -10/01/2014

The floods as experienced from 06/01/2014 -10/01/2014 in the Eden District Municipal area resulted from a cut-off low weather system which severely affected the Western parts of the district. This extreme weather event mainly situated to the North West of the district caused widespread damage and losses partially due to episodes of extreme rainfall, but mainly due to the spilling of the Floriskraal dam and flooded rivers due to rain over the Central Karoo region.

Local disaster management- and SanParks officials within the coastal areas of the Eden district area were forewarned to implement the premature breaching of estuary protocols in order to mitigate the possible impact the predicted rainfall could have on low-lying coastal and estuary inhabitants. Although periods of heavy rainfall was experienced over most of the Eden district during the night as well as in the early hours of Tuesday morning, no incidents were reported to the Eden Disaster Management Centre.

Due to localised flooding several access routes had to be closed, the main routes include the following:

- Seweweekspoort Pass (Route between Ladismith and Laingsburg)
- Rooiberg Pass (Route between Calitzdorp and Van Wyksdorp)
- Meiringspoort Pass (N12 between Oudtshoorn and Beaufort West)
- API5/25 low water structure Gouritzmond +/- 10 km from mouth);
- R102 Road between Klein - and Groot Brak River

As from 6 January 2014 the Eden disaster management centre activated the Eden Early Warning System whereby disaster management practitioners and relevant role players at each local authority as well as stakeholders previously identified, were informed that heavy falls of rain could be expected. These warnings were followed up with various phone calls and e-mail messages from Eden MDMC to local municipalities advising them on the prognoses of the weather event.

The management of this flooding event reflected a multi-sectoral and multi-disciplinary approach in the coordination of the above-mentioned incident. The District Disaster Management Centre was activated at 22:00 on the 6th and although a formal Joint Operation Centre (JOC) was not established, the Eden Disaster Management Centre monitored and coordinated the event.

The emergency services rescue teams played a vital role in the rescue and evacuation operations throughout the district. The coordination, cooperation and management between the local municipalities and their respective rescue teams were excellent and very well co-ordinated.

The Provincial Disaster Management Centre, PDMC, assisted and supported the Eden District Disaster Management Centre during this extreme weather event.

KANNALAND EMERGENCY PROJECT-

REPAIR OF JAN F LE GRANGE DAM

Due to major structural concerns the use of the Jan F Le Grange Dam has been limited by the DWA dam safety section to 60% of its full capacity. After urgent meetings and an on-site inspection by a delegation from Province as well as Water Affairs in collaboration with the PDMC, an urgent application to the value of R28 million for the erection of a new storage dam was submitted to cabinet as part of the January flood rehabilitation and recovery submission.

MUNICIPAL DISASTER MANAGEMENT CALL CENTRE

EDEN CALL CENTRE I.T. SYSTEM UPDATE

In the latter part of January 2014 the upgrade of I.T. systems currently used in the Eden MDMC begun. This upgrade is part of the Provincial EMS tender that includes the provincial platform upgrade to the value of R246 million. The company Dimension Data started with the hardware upgrade with software training followed in February.

Currently the upgrades that need to be done in the Eden Call Center had to be placed on hold as approval has to be granted by SITA to allow the Eden DM to purchase hardware as well as software on the Provincial tender.

In table 4 and 5 below a summary of calls received as well as the performance of operators is depicted.

Call Answering Statistics												
	Eden DM				EMS				Mossel bay			
Month	Answering Speed	Calls	% Answered	Abandoned Calls	Answering Speed	Calls	% Answered	Abandoned Calls	Answering Speed	Calls	% Answered	Abandoned Calls
July 2013	.04	2427	91.62	97	.07	15458	77.99	1304	.07	2458	92.97	186
Aug 2013	.05	2414	90.01	123	.07	15391	79.35	1057	.06	2530	95.15	129
Sep 2013	.05	2138	89.95	111	.07	15601	78.51	1236	.05	2238	91.87	198
Oct 2013	.04	2529	90.61	110	.07	16627	80.01	1236	.05	2436	95.79	107
Nov 2013	.05	2460	90.34	105	.08	17714	78.64	1503	.09	3027	90.57	315
Dec 2013	.05	2581	91.75	83	.07	19392	78.80	1622	.06	3017	93.47	217
Jan 2014	.04	2527	92.29	59	.07	17390	80.43	1284	.05	2614	90.73	267
Feb 2014	#	#	#	#	#	#	#	#	#	#	#	#
March 2014	#	#	#	#	#	#	#	#	#	#	#	#
Apr 2014	#	#	#	#	#	#	#	#	#	#	#	#
May 2014	#	#	#	#	#	#	#	#	#	#	#	#
Jun 2014	#	#	#	#	#	#	#	#	#	#	#	#

Emergency calls received							Non-Emergency Calls			
Month	Structure / Hazmat	Fires	Motor Vehicle Accidents	Special services	Rescue	Medical	Water	Sewerage	Electricity	
July 2013	-	55	37	14	1	-	54	123	188	
Aug 2013	-	53	40	24	1	1	54	89	184	
Sep 2013	3	76	45	17	5	1	76	95	154	
Oct 2013	-	59	47	42	6	-	82	100	168	
Nov 2013	-	40	55	47	7	1	83	104	181	
Dec 2013	1	89	52	44	10	1	148	166	170	
Jan 2014	1	48	22	41	5	2	120	117	158	
Feb 2014	1	52	38	41	4	3	95	122	150	
March 2014	3	72	64	39	2	2	81	120	154	
Apr 2014	5	52	42	59	1	4	109	118	179	
May 2014	1	44	29	22	3	3	73	103	160	
Jun 2014	-	59	33	17	3	1	125	106	195	
Total	15	690	504	407	48	19	1100	1363	2041	

CHAPTER 5 - HIGHLIGHTS OF THE YEAR
FIRE AND RESCUE SERVICE

Climate change modeling for the district indicates that the frequency and intensity of fires will increase with warmer days increasing the chance of ignition. In the Western Cape fires occur on the same spot roughly every 15 years (the mean or “return period”), and if the fires are evenly spread over time, it means that, on average, about 7% of the region will burn every year.

Wildland fires are a historical element of the Eden environment, and over the last 10 years the frequency has increased mainly due to the ever increasing fuel load, the rapid infestation by alien invasive plant species and the reluctance of landowners to do block burns or the maintain fire breaks.

In order to address these concerns, the Eden Fire and Rescue Service have opted to be a more active partner of the South Cape Fire Protection Agency, SCFPA. Jointly fire management units, FMU’s, have been identified and during this year the emphasis

was on the implementation of fire management within each of these FMU’s.

In order to beef-up response a Memorandum of Understanding was entered into with not only the SCFPA, but also with Working on Fire , WOF, the FFA group and well capacitated local authorities in the district. As part of this arrangements aerial response to the entire district could be guaranteed which in turn paid off as most of the fires that was reported could be extinguished within one hour.

FESTIVE SEASON PREPAREDNESS

On Thursday, 5 December 2013 and Friday, 6 December 2013 various Arrive Alive Campaigns was launched. The aim of this initiative was that all mayors and political office-bearers firstly welcome all tourists to the scenic Eden region, but at the same time also to make tourists and visitors attentive to the rules of the road to ensure that they arrive alive at their destinations.

George													
Month	Bush & Veld Fires	Structural Fires	Other Fires	Controlled Burns	Hazmat Incidents	Motor Vehicle Accidents	Special Events	Fire Hydrant Inspections	Water Delivery	Fire Inspections	Fire Permits	Other Services	Awareness campaigns
July 2013	3	-	-	-	1	1	-	-	-	-	-	1	-
Aug 2013	3	-	-	1	-	-	-	-	-	-	-	-	1
Sep 2013	4	3	-	2	-	-	-	-	-	-	-	2	-
Oct 2013	4	1	1	1	-	-	-	-	-	-	-	3	-
Nov 2013	-	-	-	-	2	-	-	-	-	-	-	-	-
Dec 2013	6	2	-	-	-	-	2	-	-	-	-	-	2
Jan 2014	3	-	2	-	1	-	1	-	2	-	-	1	-
Feb 2014	-	1	2	-	-	1	1	-	-	-	3	4	-
March 2014	1	-	1	-	1	1	-	-	-	-	-	-	-
Apr 2014	2	-	-	1	-	2	-	-	-	-	-	-	1
May 2014	3	-	-	-	1	2	2	-	-	-	-	7	-
Jun 2014	5	1	-	1	-	-	1	-	-	-	-	2	3
Total	34	8	6	6	6	6	7	0	2	0	3	20	7

Kannaland													
Month	Bush & Veld Fires	Structural Fires	Other Fires	Controlled Burns	Hazmat Incidents	Motor Vehicle Accidents	Special Events	Fire Hydrant Inspections	Water Delivery	Fire Inspections	Fire Permits	Other Services	Awareness campaigns
July 2013	1	2	1	-	-	2	1	-	-	1	1	1	1
Aug 2013	1	-	-	-	1	3	1	1	-	1	1	1	2
Sep 2013	4	1	1	-	-	4	1	-	-	-	-	-	3
Oct 2013	4	-	-	2	-	2	-	-	-	-	-	-	1
Nov 2013	10	-	-	-	1	5	-	-	-	-	-	-	1
Dec 2013	2	1	1	-	-	3	-	-	-	-	-	1	1
Jan 2014	4	-	2	1	-	6	-	-	-	-	-	6	1
Feb 2014	6	2	-	2	-	7	-	-	-	-	-	1	1
March 2014	3	3	-	4	-	6	-	6	-	-	-	-	1
Apr 2014	-	-	-	2	-	2	-	-	-	-	-	-	-
May 2014	4	2	-	-	-	4	-	-	-	1	-	-	-
Jun 2014	4	4	2	-	-	4	-	-	-	1	-	-	1
Total	43	15	7	11	2	50	3	7	0	4	2	10	13

Uniondale													
Month	Bush & Veld Fires	Structural Fires	Other Fires	Controlled Burns	Hazmat Incidents	Motor Vehicle Accidents	Special Events	Fire Hydrant Inspections	Water Delivery	Fire Inspections	Fire Permits	Other Services	Awareness campaigns
July 2013	-	-	1	-	-	1	1	1	1	3	-	-	-
Aug 2013	2	1	-	-	-	2	-	1	1	-	-	-	6
Sep 2013	4	-	2	10	-	3	1	3	5	2	-	-	-
Oct 2013	2	1	1	-	-	4	-	1	-	1	-	2	-
Nov 2013	-	-	1	-	-	2	-	2	2	2	-	6	-
Dec 2013	3	-	3	-	-	3	1	-	1	-	-	11	4
Jan 2014	2	1	2	-	-	1	-	1	1	6	-	14	3
Feb 2014	3	-	2	-	-	-	-	1	3	5	-	13	6
March 2014	2	2	2	-	-	4	1	2	3	4	-	13	4
Apr 2014	2	-	2	-	-	2	-	2	1	-	-	6	1
May 2014	-	2	1	-	-	5	-	-	-	-	-	2	1
Jun 2014	1	-	2	-	-	6	1	-	-	5	-	1	-
Total	21	7	19	10	0	33	5	14	18	28	0	68	25

Hessequa

CHAPTER 5 - HIGHLIGHTS OF THE YEAR

Month	Bush & Veld Fires	Structural Fires	Other Fires	Controlled Burns	Hazmat Incidents	Motor Vehicle Accidents	Special Events	Fire Hydrant Inspections	Water Delivery	Fire Inspections	Fire Permits	Other Services	Awareness campaigns
July 2013	5	3	2	-	-	4	-	-	-	9	-	-	-
Aug 2013	2	1	1	49	-	8	-	-	-	-	-	-	-
Sep 2013	6	4	7	57	-	6	-	-	-	6	-	-	2
Oct 2013	7	1	5	-	-	5	-	-	-	-	-	-	-
Nov 2013	1	1	1	2	-	8	-	-	-	-	-	-	2
Dec 2013	2	1	-	-	-	2	-	-	-	-	-	-	-
Jan 2014	2	-	-	5	-	4	-	-	-	-	-	1	1
Feb 2014	5	1	3	17	-	14	-	-	-	-	-	-	6
March 2014	7	-	3	40	-	4	-	-	-	-	14	-	2
Apr 2014	1	2	3	36	-	7	-	-	-	-	-	-	1
May 2014	2	7	1	-	-	2	-	-	-	6	-	-	-
Jun 2014	1	3	1	36	-	4	-	-	-	18	-	-	2
Total	41	24	27	242	0	68	0	0	0	39	14	1	16

Summary of all stations

Month	Bush & Veld Fires	Structural Fires	Other Fires	Controlled Burns	Hazmat Incidents	Motor Vehicle Accidents	Special Events	Fire Hydrant Inspections	Water Delivery	Fire Inspections	Fire Permits	Other Services	Awareness campaigns
George	34	8	6	6	6	6	7	0	2	0	3	20	7
Kannaland	43	15	7	11	2	50	3	7	0	4	2	10	13
Uniondale	21	7	19	10	0	33	5	14	18	28	0	68	25
Hessequa	41	24	27	242	0	68	0	0	0	39	14	1	16
Total	139	54	59	269	8	157	15	21	20	71	19	98	61

It can be seen that the area dealing with the most individual incidents is the Kannaland Municipal area with the Hessequa Municipal as the area with the second most incidents. In this year renewed emphasis on Fire safety and Awareness was done in these areas. The amount of motor vehicle accidents, mostly on the N2, is a matter for concern emphasizing the importance for a 24/7 service to be rendered in this area. The location of the newly established fire station next to the N2 in Riversdale has been a step in the right direction, but future planning should include the building of local capacity to become a permanent initiative.

For the fourth consecutive year the Hessequa area has been the area where the most bush and veldt fires occurred. The current Working on Fire, WOF, as well as South Cape Fire Protection Agency, SCFPA, initiatives has to be up-scaled in the coming year and further emphasis on first hour areal response should be given due to the vast area to be covered with nearly inaccessible access routes for vehicles. In order to address the fire risk in this area the emphasis in the entire Hessequa was on fuel load reduction and the implementation of fire breaks to prevent the rapid spread of lightning fires, for this year 242 controlled burns was performed.

EPWP ANNUAL REPORT KEY PROJECTS 2013/14

INTRODUCTION

Since its launch in 2003/2004 the EPWP has come to be regarded as the flagship employment project of post-apartheid government as it sets out to provide temporary job opportunities supported by training to enable job seekers to access more permanent employment. The completion of the short term and achievement of the longer term objective would, in turn, serve to alleviate poverty. These objectives were situated in the GDS as “part of all three spheres of government’s collective efforts” to halve unemployment by 2014. It is universally agreed there is a great need to meet the crisis of structural unemployment particularly as those who suffered most intensely under apartheid are also those who have benefited least in terms of greater employment in the recent past.

Highlights	Description
Approval of EPWP Policy Document	Council Resolution: DC 451/03/13
Created 300% of FTE target in terms of jobs created	2013/14 Incentive Agreement FTE target = 19
Accredited training provided by UNISA	During the financial year 2013/14 a total of 36 project beneficiaries received accredited training via UNISA for a period of one year.
Five EPWP elementary workers received multi-skilled on-the-job accredited and non-accredited training to become Assistant-EPWP Project Linked Managers / Implementers	During the financial 2013/14 five EPWP elementary workers received 220 accredited and non-accredited training working days.
All 2013/14 project beneficiaries signed an Employment Contract with Council	In terms of Council’s EPWP Policy, each project beneficiary is entitled to sign an Employment Contract, which ensures their remuneration / stipend paid via their Banking Institution, deduction of UIF and covered by COIDA for any injury on the job.

EPWP: JOB CREATION

EDM has created 288 work opportunities and 1957 training days’ in the 2013/14 financial year via the National EPWP.

Table 3: Indicates the number of FTE’s created for the 2012/13; and 2013/14

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]
2012/13	17	313	112	25	42.41
2013/14	23	288	41	1734	71.30

5.2 ROADS SERVICES

KEY PROJECTS 2013/2014

We have continued to invest in infrastructure upgrade to enable and support our economic growth.

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

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

The Roads Services started with the construction of the Noll cellular bridge structure, the biggest construction to date, 260 in compassing a volume of approximately 260 m³.

Secondly, we started with the upgrading of 4.15 km of the divisional road 1631 (Geelhoutboom), from gravel to tar. Total cost of the project plus structures is approximately R42 million. 38 Additional EPWP labours have been employed for the Noll and Geelhoutboom project.

Total budget expenditure for the department was R117 million, which is made up as follows:

- Geelhoutboom – 18 million
- Noll – 6 million
- Re-gravel – 12 million
- Reseal – 19 million
- Normal Maintenance – 62 million

The department is funded by the Provincial Government for the execution of the functions allocated. The budget of R117 million excludes the flood damage repairs to structures and rehabilitation of roads to the value of approximately R300 million for the Eden area only.

All these achievements can be attributed to a discipline of commitment and dedication displayed by our Eden A-Team.

5.3 SUPPORT SERVICES

KEY PROJECTIONS 2013/14

HUMAN RESOURCE SECTION

EMPLOYEE ASSISTANCE PROGRAMME

One of the Employer's primary objectives with the Employee Wellness Programme is to make a significant contribution to the enhancement of Employees' physical and emotional health care. The provision of a health care service will contribute to the Employee's health and simultaneously enhance regular attendance and productivity at work.

The following programmes were highlighted in the Wellness Drive during 2013/2014.

- HIV/AIDS Awareness
- Substance Abuse Awareness
- OHS Training
- Financial Education
- Madiba Day Celebrations
- Internal Bursaries have been awarded to employees to further their studies.
- External Bursaries have been awarded to students to further their studies.

EMPLOYEE WELLNESS DAY 2014

Eden District and George Municipality invited a variety of service providers to the event to teach employees how they can prepare for a healthier and more stable financial future. About 20 different service providers participated in the day, including the different Medical Aids, Department of Health, Insurance companies and banks presenting their products at the Wellness Day. Employees were guided towards a bright financial and healthy lifestyle.

TRAINING INITIATIVES IMPLEMENTED EDEN DONATE BURSARIES TO YOUTH FROM THE EDEN REGION

Four (4) candidates residing within the Eden region received bursaries from the Eden District Municipality. The bursaries were handed over to the beneficiaries on Friday, 28 February 2014 following a Council meeting. Eden's Executive Mayor, Cllr Wessie Van der Westhuizen, Municipal Manager, Mr Godfrey Louw and Portfolio Chairperson: Corporate Services, Cllr Tertuis Simmers officially handed the bursaries to them and encouraged them to work hard in order for them to achieve their goals in life.

EDEN COMMITS TO PRACTICAL WORKPLACE EXPERIENCE FOR STUDENTS

The thirteen students who respectively reside in George, Oudtshoorn and Herbertsdale are participating in the internship programme and are placed in various Units/Sections within the Municipality.

This initiative forms part of the Workplace Integrated Learning (WIL) Program of which the aim is to give students the desired experience in the workplace and it also emanated from a range of meetings between various role-players to address the challenges students are faced with regarding workplace experience. With this, the buy-in from other roleplayers such as public sector organisations and municipalities were needed. Furthermore, the Local Government Seta committed R1 500 per learner per month to participate in this enriching programme that will last for a period of six months.

EDEN'S 2014/2015 WORKPLACE SKILLS PLAN SIGNED OFF

After many consultations sessions with various roleplayers such as internal Departments, both Unions Imatu and Samwu, Eden District Municipality finally signed off their Workplace Skills Plan for the 2014/2015 financial year.

In a very cheerful atmosphere, the Plan was finally signed off on Tuesday, 29 April 2014 at the Eden Council Chambers.

During his address, Eden's Portfolio Chairperson: Corporate Services, Cllr Tertuis Simmers, highly commended every person who participated in the process, especially the Unions, Imatu and Samwu and said: "This process is a clear indication of how the Union carries the best interest of their members in terms of skills development and training, at heart."

TASK SYSTEM JOB DESCRIPTIONS EVALUATED

768 Jobs were evaluated since 2011

REGIONAL TASK TRAINING SESSION

On 16 January 2014 representatives from various municipalities in the Eden and Central Karoo Region attended the training session that was presented by Deloitte. New Primary Job Evaluation Committee members attended the training session on how to use the current Job Evaluation System efficiently in order to ease the workload on the current committee.

TOURISM

KEY PROJECTIONS 2013/14

INDABA 2014

For the past 3 years Garden Route & Klein Karoo Tourism has attended Indaba on the Cape Town & Western Cape Stand, with WESGRO the Western Cape Tourism destination organization. This initiative is economically expedient and in line with national tourism strategy initiatives to attend marketing platforms on joint stands with the Western Cape tourism destination organization, WESGRO.

The Highlights at Indaba 2014

- Cape Town and Western Cape Winning Gold for Best Stand at Indaba 2014
- The environmentally-friendly of WESGRO has done the province proud once again, winning a gold award at this year's Tourism Indaba. It was announced on Monday, 12 May 2014 that the WESGRO stand had been awarded a gold medal for the second year, based on aesthetics, brand presence, Innovation, design, sustainability, energy and interaction.
- **Golf Workshop** - On Saturday 11 May 2014, Garden Route & Klein Karoo hosted a Golf workshop for all travel and trade. Mr. Thabiso from Brand South Africa gave a presentation about the status of golf in South Africa and particularly in the Garden Route. He further highlighted the importance of golf tourism and how regions can leverage of this sport in terms of tourism. He also indicated how unique the Garden Route & Klein Karoo is, that it is the perfect golfing destination, hence the award Best Golfing Destination in Africa and Gulf states.
- All prizes were sponsored by Oubaai Golf Resort; Pezula Golf Resort; Fancourt; Simola Golf Resort and Pinnacle Point Golf Resort.
- A taste of the Garden Route & Klein Karoo activation

On Monday, 12 May 2014 Garden Route & Klein Karoo in particular Knysna Tourism launched their new brand – as well as their very successful, world renowned tourism development Green Chef programme to trade.

GARDEN ROUTE BEST GOLF DESTINATION 2014 AWARD: AFRICA AND GULF STATES

On 15 November 2013, the Garden Route was awarded as 2014 Golf Destination of the year for Africa and the Gulf of States.

CEO of Wesgro, Mr N. Flaatten, collected the award

on behalf of the Garden Route in Spain at the International Golf Travel Market.

WEEKEND WEEKLY JOURNALISTS FROM HONG KONG VISIT GARDEN ROUTE & KLEIN KAROO

Eden District Municipality, trading as Garden Route & Klein Karoo was approached by WESGRO to host media in the region for free marketing and exposure for the area and products to the International Market.

Weekend Weekly Travel Magazine's Journalists from Hong Kong visited the Garden Route & Klein Karoo Region from the 12th – 15th of November 2013.

More highlights include:

1. Hosting of golfers/hosted buyers in collaboration with Fancourt.
2. Garden Route voted 2nd best region in South Africa
3. Garden Route voted 3rd Best attraction in South Africa
4. Garden Route voted 2nd best trip in Africa

EDEN DM REGIONAL TOURISM MARKETING AND DEVELOPMENT STRATEGY FOR GARDEN ROUTE & KLEIN KAROO 2014/2015

The Tourism unit of the Eden District Municipality in association with the Local tourism offices in the region started with the review of the Tourism Marketing and Development Strategy for the Garden Route & Klein Karoo since July 2013.

Eden DM Regional Tourism Marketing and Development Strategy for Garden Route & Klein Karoo 2014/2015 have been approved at the council meeting on 26 May 2014.

MOSEL BAY TRAVEL FESTIVAL

The Mossel Bay Travel Festival was organized to take place on 18 to 20 October 2013. The idea of the Festival was copied from the New York Travel Festival. The Mossel Bay Travel Festival is now officially affiliated with the New York Travel Festival – and Mossel Bay has been given permission to adapt the logo for Mossel Bay's own use.

Eden District Municipality trading as Garden Route & Klein Karoo Tourism attended & exhibited at the Travel festival which took place in the Bartolomeu Dias Museum Complex.

TOURISM ARTS AND ENTERTAINMENT PLENARY SESSION- MOSSEL BAY

On Friday, 18 October 2013 all tourism stakeholders gathered at the Garden Court Hotel in Mossel Bay for the Western Cape Tourism Arts and Entertainment Plenary.

The Minister for Economic Development and Finance in Western Cape, Mr Alan Winde presented the overall status update for Tourism in the province and also congratulated Tourism Practitioners on the work that had been done in the province thus far, and thanked Mossel Bay Tourism for organizing the meeting.

The Plenary session was attended by Mr. Godfrey Louw (Municipal Manager, Eden DM), Mrs Amagene Koeberg (Tourism Officer) and Ms Porche September (Tourism Intern).

CATER CARE CERTIFICATE CEREMONY – 05 DECEMBER 2013

This year Absa Bank has once again made the commitment to sponsor the Cater Care training programme. The training programme that has been running for the past 4 years is sponsored by ABSA bank. The Cater Care Training Programme is a unique collaboration between the François Ferreira Academy, who provides the training and Eden District Municipality's Tourism Department, who coordinated the identification of the beneficiaries through collaborating with B-municipalities to identify candidates. This year, 20 candidates were trained for this year in the region.

JOINT MARKETING AGREEMENTS

Garden Route & Klein Karoo Regional Tourism decided to take the route of entering into JMA's with local tourism offices in the region to ensure that we effectively and strategically market the Garden Route & Klein Karoo without spending too many resources and duplication of marketing activities. The aim is to identify the core, emerging, tactical and new markets for the region and to contribute towards entering those markets collectively to market the region as best tourist destination.

The first JMA was entered into with Mossel Bay Tourism (MBT) on the basis of the following:

NAMIBIA TOURISM EXPO

The Namibia Tourism Expo ran over a period of four

days, from 4 – 7 June 2014. Namibia Tourism Expo was a prestigious and mega event. The Expo hosted exhibits by local, regional and international establishments and also featured interactive Chef's Demonstrations, Namibian Arts & Crafts Exhibitions, food, beer & wine tasting and a host of other fun activities that attracted travel enthusiasts, foodies, friends of tourism and the general public alike.

Garden Route & Klein Karoo Regional Tourism did not attend this platform but the region was represented by Oudtshoorn Tourism, Mossel Bay Tourism, and George Tourism at the Namibia Expo. It is the district municipality's mandated responsibility to coordinate and facilitate regional tourism marketing in the most effective manner possible.

WESGRO SPONSORSHIPS

The Garden Route & Klein Karoo Tourism Office of Eden District Municipality's function is to coordinate and facilitate tourism marketing and development initiatives for the region. As per this mandate, funding for events were coordinated through the Regional Tourism Office, and sponsored by WESGRO, the destination Marketing organisation and trade promotion agency for the Western Cape. Partnerships were coordinated by Eden Tourism Unit between WESGRO and Local Tourism Offices as well as B-Municipalities.

Highlights	Description
New Personnel structure	Personnel Structure aligned with business needs.
Eden regional ICT Forum	Good intergovernmental relations with other Municipalities
Eden regional GIS Forum	Good intergovernmental relations with other Municipalities
Regional Data integration Project (GIS)	Another Successful shared services project

LOCAL ECONOMIC DEVELOPMENT

Eden Entrepreneurship Week 2013

The Eden Entrepreneurship Week 2013 took place from 9 – 13 September 2013 and was done in collaboration with the Department of Economic Development and Tourism (DEDAT), Small Enterprise Development Agency (SEDA) and the local municipalities within the Eden district. The goal of the programme is to support entrepreneurs in the areas with skills and business development training, as well as sourcing opportunities for them to trade with UK-based businesses. The entrepreneurship programmes were grassroots-focused and with specific attention to the elements of enterprise development, preferential procurement and socio-economic development

MUNICIPAL RED TAPE REDUCTION (MRTR)

The purpose of the MRTR process is to assist municipalities to assess the efficiency level of their internal processes and how it impacts on business development in their areas. The process has been promoted to municipalities in the form of a road show undertaken in July 2013 by the MRTR Unit of the Department of Economic Development and Tourism, and the LED Unit of Eden DM, and extensive buy-in has been received. The implementation phase was divided into two phases i.e. Data Collection (survey) and Business Process Transformation and Improvement. The purpose of the survey was to obtain information from businesses in the Eden district regarding red tape challenges they may experience within their local municipality.

WORK & SKILLS PROGRAMME

The LED Unit of the Eden DM has been assisting the Work & Skills unit of the Department of Economic Development and Tourism with the facilitation and coordination of the supply of potential participants and determining the work force demand from businesses in the region. This programme was fully funded by the DEDAT - Work & Skills Unit. The programme has limited space for 1000 learners who are in need of practical skills training at a work place. The target group was youth between the ages of 18-35 years.

REGIONAL FUNDING MOBILIZATION

The Resource Mobilization process has been initiated by Eden DM in order to obtain funding through private sector partnerships for various projects initiated by the District Municipality and all its B-Municipalities.

Thorough consultation and communication processes took place with B-municipalities and service providers to ensure that municipalities receive the opportunity to include their priorities and service providers were informed exactly what municipalities require.

Two service providers, CSM and Royal Haskoning DHV were informed, after bid evaluation and adjudication processes that they may proceed to source funding for projects as they have indicated in their presentations on 04 September 2013. The period for service providers to source funds for projects is two years.

SOUTH CAPE BUSINESS PARTNERSHIP

The Eden District Economic Development Unit is currently driving a process (in collaboration with and with the support from our Executive Manager and the Municipal Manager) of formalizing the existing South Cape Business Partnership, consisting of representatives from all B-municipalities, Business Chambers, Small Enterprise Development Agency (SEDA) and other business role players, as a sub-structure of the Western Cape Economic Development Partnership (WCEDP) within the province.

REVIEW OF THE DISTRICT ECONOMIC DEVELOPMENT STRATEGY

The Regional Economic Development Strategy for the Eden region was developed and adopted by council in 2012. This strategy was due to be reviewed in 2013/14 financial year to allow for adjustments in response to changing local economic conditions, and to assess the progress in terms of the adopted strategy.

A comprehensive revision process took place with a strong focus on the primary and priority sectors presenting economic opportunities for the communities of the region.



Tourism activities in the Greater Outshoorn

CHAPTER 6

FINANCIAL PERFORMANCE

6.1 FINANCIAL MATTERS

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

EDEN DISTRICT MUNICIPALITY STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

Note	2014 (Actual) R	2013 (Restated) R	Correction of error R	2013 (Previously reported) R
REVENUE	Total			Total
Revenue from Non-Exchange Transactions	145,735,859	136,391,813	(1,707,036)	138,098,849
<i>Transfer Revenue</i>	145,732,716	136,385,919	(1,707,036)	138,092,955
Regional Services Levies Equitable Share	21 129,669,000	125,699,000	-	125,699,000
Government grants and subsidies	21 16,063,716	10,686,919	(1,707,036)	12,393,955
<i>Other Revenue</i>	3,143	5,894	-	5,894
Unamortised Discount	3,143	5,894	-	5,894
Revenue from Exchange Transactions	160,827,259	143,769,644	(1,355,920)	145,125,564
Actuarial Gain from Ex-Gratia Pensions	4 373,177	159,276	-	159,276
Administration Fee: Work for Water	679,444	2,019,266	2,019,266	-
Contributed PPE	-	294,102	-	294,102
Contribution Shop Steward	1,001,046	814,874	-	814,874
Department of Transport - Roads Service Charges	22 137,712,906	121,649,330	11,507,985	110,141,345
Gains on disposal of property, plant and equipment	-	133,542	-	133,542
Income for agency services	-	-	(14,148,470)	14,148,470
Interest earned - external investments	20 4,683,695	3,432,586	-	3,432,586
Interest earned - outstanding debtors	-	-	-	-
Licenses and permits	189,121	208,295	-	208,295
Other income	23 13,031,363	14,068,365	50,053	14,018,312
Over provision - Shortfall on Cape Pension Fund	2,303,549	-	-	-
Rental of facilities and equipment	852,958	990,008	(784,754)	1,774,762
Total Revenue	306,563,118	280,161,457	(3,062,956)	283,224,413
EXPENDITURE				
Employee related costs	24 92,562,110	94,073,045	(42,067)	94,115,112
Employee related costs - Roads	25 55,224,672	51,068,849	-	51,068,849
Remuneration of Councillors	26 7,027,896	6,747,342	-	6,747,342
Impairment of Trade Receivables	2,442,803	1,734,251	(308,630)	2,042,881
Actuarial Loss	1,900,945	8,111,513	-	8,111,513
Impairment Losses	23,644	120,395	-	120,395
Increase in Provision for Alien Vegetation	274,353	236,458	-	236,458
Depreciation	27 4,101,546	4,596,556	23,953	4,572,603
Amortisation	729,080	669,965	201,734	468,231
Repairs and maintenance	28 3,578,946	2,956,793	-	2,956,793
Finance Charges	29 704,457	1,194,492	451,715	742,776
Contracted services	30 13,807,925	12,375,067	(1,399,061)	13,774,128
Roads - Operating Expenditure	31 69,853,878	59,072,495	-	59,072,495
Stock Losses	16 5,231	5,687	-	5,687
Unamortised Discount - Interest	78,066	98,040	-	98,040
Loss on disposal of property, plant and equipment	11 31,769,219	727,891	336,827	391,063
General Expenses	32 29,827,924	23,586,084	-	23,586,088
Total Expenditure	313,912,695	267,374,924	(735,529)	268,110,455
SUPRPLUS / (DEFICIT) FOR THE YEAR	(7,349,578)	12,786,532	(2,327,427)	15,113,958

CHAPTER 6 - FINANCIAL PERFORMANCE

	2014	2014	2014	Original	Adjustment
	R	R	R	%	%
	original budget	(Adj Budget)	(Actual)	(Variance)	Variance
Expenditure by Vote					
Executive and Council	44 269 818	46 311 796	81 457 104	84.0	75.9
Finance and Administration	48 288 784	46 399 074	40 944 116	-15.2	-11.8
Planning and Development	7 091 641	8 455 902	6 192 787	-12.7	-26.8
Public Safety	25 608 231	26 838 671	22 370 152	-12.6	-16.6
Health	24 413 787	23 732 464	23 409 666	-4.1	-1.4
Community and Social Services	2 939 616	2 475 462	2 271 891	-22.7	-8.2
Sport and Recreation	8 008 336	8 313 258	8 276 834	3.4	-0.4
Housing		-	-		
Waste Management	2 049 491	-	-	-100.0	
Road Transport	1 151 502	1 153 944	-	-100.0	-100.0
Waste Water Management	458 060	4 260 099	1 688 052	268.5	-60.4
Water	505 000	2 074 068	200 861	-60.2	-90.3
Electricity		-	-		
Environmental Protection	10 263 160	8 307 125	3 135 558	-69.4	-62.3
Other		-	-		
Roads		-	-		
	175 047 426	178 321 863	189 947 019	8.5	6.5

COMMENT ON FINANCIAL PERFORMANCE:

Refer to Annexure K

T5.1.3

6.2 GRANTS

	2014	2014	2014	Original	Adjustment
	R	R	R	%	%
	original budget	(Adj Budget)	(Actual)	(Variance)	Variance
Expenditure by Vote					
Executive and Council	44 269 818	46 311 796	81 457 104	84.0	75.9
Finance and Administration	48 288 784	46 399 074	40 944 116	-15.2	-11.8
Planning and Development	7 091 641	8 455 902	6 192 787	-12.7	-26.8
Public Safety	25 608 231	26 838 671	22 370 152	-12.6	-16.6
Health	24 413 787	23 732 464	23 409 666	-4.1	-1.4
Community and Social Services	2 939 616	2 475 462	2 271 891	-22.7	-8.2
Sport and Recreation	8 008 336	8 313 258	8 276 834	3.4	-0.4
Housing		-	-		
Waste Management	2 049 491	-	-	-100.0	
Road Transport	1 151 502	1 153 944	-	-100.0	-100.0
Waste Water Management	458 060	4 260 099	1 688 052	268.5	-60.4
Water	505 000	2 074 068	200 861	-60.2	-90.3
Electricity		-	-		
Environmental Protection	10 263 160	8 307 125	3 135 558	-69.4	-62.3
Other		-	-		
Roads		-	-		
	175 047 426	178 321 863	189 947 019	8.5	6.5

COMMENT ON OPERATING TRANSFERS AND GRANTS:

No MIG funding was received by Eden District Municipality for the 2013/2014 financial year.

Refer to Annexure L for the details of grants received.

T5.2.2

6.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

An asset management unit is established at Eden District Municipality consisting of the asset manager and an official. Annual asset verification is conducting to ensure all assets are accounted for. Missing assets must be explained by the responsible person the asset is allocated to on the reasons why the assets are missing. When assets are transferred, an asset transfer form must be completed and submitted to the asset section to update their records.

Every personnel member assets are allocated to, are responsible for the safeguarding of their assets.

Aurecon has been appointed during the year to compile an asset maintenance plans for the properties.

There is an approved asset management policy approved by council in 2014 in place, this policy is reviewed annually to ensure it is aligned with GRAP requirements.

CHAPTER 6 - FINANCIAL PERFORMANCE

The key objectives of the asset management policy are:

- The accurate recording of essential asset information;
- The accurate recording of asset movements;
- Exercising strict physical controls over all assets;
- Treating the assets correctly in the Municipality's Financial Statements;
- Providing accurate and meaningful management information;
- Compliance with the Council's accounting policies and GRAP;
- Adequate insuring of assets;
- Maintenance of Council's assets;
- Ensuring that managers are aware of their responsibilities with regard to the assets;
- And
- Setting out the standards of management, recording and internal controls so as to safeguard the assets against inappropriate utilization or loss.

T5.3.1

DETAILS OF CAPITAL EXPENDITURE

ASSET 1	Purchase of Fire Fighting Vehicle	Actual Value: R 400 000
ASSET 2	ICT Equipment	Actual Value R363 000

The other capital items purchased is minor assets e.g. chairs which are insignificant.

The major item on the capital budget was the purchase of the land for the regional landfill site of R5.8m, but the contracts has not been signed at yearend and this expenditure will only be incurred in the 2014/2015 financial year. Provision has been made in the budget.

COMMENT ON ASSET MANAGEMENT

Refer to previous table and comments with regards to the additions for the year.

T5.3.3

Repair and Maintenance Expenditure 2013/14 R'000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and maintenance expenditure	4 941	6 045	3 579	-40.8%

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

In 2013/2014, maintenance plans for properties and for the fleet has been compiled which will form the basis for planning and budgeting purposes.

T5.3.4.1

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.

Due to Annual Performance Report not yet available, no accurate ratios can be provided.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

6.5 CAPITAL EXPENDITURE

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGETS

CAPITAL BUDGET:

Total Capital Expenditure: 2011/12 to 2013/14			
Detail	2011/12	2012/13	2013/14
Original Budget	19 000	1 635	8 885
Adjustment Budget	13 870	935	6 900
Actual	669	730	943
			T 5.5.0

COMMENT ON CAPITAL EXPENDITURE:

The majority of the budget included the purchase of the Regional Landfill site in Mossel Bay for 2013/2014 of R5.8m in the adjustment budget. In the original budget the amount was R8m, but after negotiations, the price was reduced to R5.8m.

In 2012/2013, the capital budget only included the purchase of small items e.g. ICT equipment, furniture and fittings, minor upgrades at the resort and buildings.

In the budget for 2011/2012 grant funding was received, therefore the higher amount available for capital expenditure.

FUNDING OF CAPITAL BUDGET: 2013/2014

The purchase of the land for the Regional Landfill Site of R5.8m will be financed from the CRR.

The rest of the budget will be funded from own sources.

T5.5.0

6.6 SOURCES OF FINANCE

With the current financial constraints, limited funding is available to fund capital expenditure.

COMMENT ON SOURCES OF FUNDING:

CAPITAL BUDGET:

Total Capital Expenditure: 2011/12 to 2013/14			
Detail	2011/12	2012/13	2013/14
Original Budget	19 000	1 635	8 885
Adjustment Budget	13 870	935	6 935
Actual	669	730	1 225
			T 1.4.4

COMMENT ON CAPITAL EXPENDITURE:

The majority of the budget included the purchase of the property for the Regional Landfill site in Mossel Bay in 2013/2014 of R5.8m in the adjustment budget. In the original budget the amount was R8m, but after negotiations, the price was reduced to R5.8m.

In 2012/2013, the capital budget only included the purchase of small items e.g. ICT equipment, furniture and fittings, minor upgrades at the resort and buildings.

In the budget for 2011/2012 grant funding was received, therefore the higher amount available for capital expenditure.

FUNDING OF CAPITAL BUDGET: 2013/2014

The purchase of the land for the Regional Landfill Site of R5.8m will be financed from the CRR.

The rest of the budget will be funded from own sources.

T5.6.1.1

6.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

The capital expenditure was spend on:

- Purchase of ICT equipment
- Purchase of fire fighting vehicle
- Purchase of furniture and fittings.

The major project included in the capital budget of R5.8m was the purchase of the property for the Regional Landfill Site at Mossel Bay, but this project was not finalized, still in the contract phase and will be completed in the 2014/2015 financial year. This project was included in the budget.

After the purchase of the land, the PPP process will commence to obtain a Private Partner to fund the erection of the landfill facilities.

6.8 CASH FLOW

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Refer to cash flow statement included in this report.

After the abolishment of the RSC levies, district municipalities are cash strained as they are about 85% dependent on the Equitable Share replacement grant, which only increases 3% annually which is not aligned to the increase in expenditure.

District Municipalities do not have any own revenue sources e.g. tariffs that can be raised. Revenue from own resources are limited, the majority own income is the administration fee received for the Roads agency function performed on behalf of Department of Transport.

Each year, it is a cumbersome task to ensure the budget prepared is cash backed. Various engagements are in process with Provincial Treasury, National Treasury to address this issue. A district municipality task team for the Western Cape has been established.

T5.9.0

EDEN DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 R	2013 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Other receipts		145,087,007	149,958,567
Government - operating		145,540,602	136,375,400
Government - capital		192,114	10,518
Interest		4,683,695	3,432,586
Payments			
Suppliers and employees		(280,012,408)	(258,766,561)
Finance charges		(704,457)	(1,194,492)
Cash generated/(absorbed) by operations	34	14,786,552	29,816,016
NET CASH FROM OPERATING ACTIVITIES		14,786,552	29,816,016
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(999,412)	(581,656)
Proceeds on disposal of property, plant and equipment		(7)	162,519
Increase in intangible assets	13	(225,269)	(2,886,013)
Decrease / (Increase) in non-current receivables		(5,095,604)	2,604,222
NET CASH FROM INVESTING ACTIVITIES		(6,320,294)	(700,928)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in Long term liabilities		(1,713,558)	1,096,768
NET CASH FROM FINANCING ACTIVITIES		(1,713,558)	1,096,768
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		6,752,700	30,211,856
Cash and cash equivalents at the beginning of the year		72,984,474	42,772,618
Cash and cash equivalent at the end of the year	35	79,737,174	72,984,474

EDEN DISTRICT MUNICIPALITY				
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS				
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET				
	2014	2014	2014	
	R	R	R	
	(Actual)	(Final Budget)	(Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	148 637 122	129 870 000	18 767 122	
Government - operating	145 732 716	141 097 000	4 635 716	
Government - capital	-	-	-	
Interest	4 683 695	2 601 000	2 082 695	
Dividends	-	-	-	
Payments				
Suppliers and Employees	(283 562 530)	(248 119 000)	(35 443 530)	
Finance charges	(725 238)	(485 000)	(240 238)	
Transfers and Grants	-	(4 144 000)	4 144 000	
NET CASH FROM/(USED) OPERATING ACTIVITIES	14 765 765	20 820 000	(6 054 235)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	0	-	0	
Decrease/(increase) in non-current receivables	(5 095 609)	-	(5 095 609)	
Decrease/(increase) in non-current investments	-	2 534 000	(2 534 000)	
Payments				
Capital assets	(1 224 680)	(6 935 000)	5 710 320	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 320 288)	(4 401 000)	(1 919 288)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	-	-	-	
Payments				
Repayment of borrowing	(1 692 777)	(622 000)	(1 070 777)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 692 777)	(622 000)	(1 070 777)	
NET INCREASE/(DECREASE) IN CASH HELD	6 752 700	15 797 000	(9 044 300)	
Cash and Cash Equivalents at the beginning of the year	72 984 474	72 985 000	(526)	
Cash and Cash Equivalents at the end of the year	79 737 174	88 782 000	(9 044 826)	

EDEN DISTRICT MUNICIPALITY				
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS				
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014				
ADJUSTMENTS TO APPROVED BUDGET				
	2014	2014	2014	
	R	R	R	
	(Approved Budget)	(Adjustments)	(Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	33 249 000	96 621 000	129 870 000	
Government - operating	133 413 000	7 684 000	141 097 000	
Government - capital	-	-	-	
Interest	2 051 000	550 000	2 601 000	
Dividends	-	-	-	
Payments				
Suppliers and Employees	(146 091 000)	(102 028 000)	(248 119 000)	
Finance charges	(985 000)	500 000	(485 000)	
Transfers and Grants	(3 744 000)	(400 000)	(4 144 000)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	17 893 000	2 927 000	20 820 000	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	8 000 000	(8 000 000)	-	
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	2 534 000	2 534 000	
Payments				
Capital assets	-	(6 935 000)	(6 935 000)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	8 000 000	(12 401 000)	(4 401 000)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	-	-	-	
Payments				
Repayment of borrowing	-	(622 000)	(622 000)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(622 000)	(622 000)	
NET INCREASE/(DECREASE) IN CASH HELD	25 893 000	62 889 000	15 797 000	
Cash and Cash Equivalents at the beginning of the year	-	-	72 985 000	
Cash and Cash Equivalents at the end of the year	25 893 000	62 889 000	88 782 000	

COMMENT ON CASH FLOW OUTCOMES:

Refer to the Cash flow statement included in the annual report.

T5.9.1.1

6.9 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

INVESTMENTS:

Investments are invested in short term investments (32 day deposits). Excess cash not needed for the daily operations for the next month are invested.

Maximum of 25% may be invested with one institution as per the cash and investment policy.

BORROWINGS:

No new loans have been taken up in the 2013/2014 financial year. It is not envisioned that new loans will be taken up in 2014/2015. The repayments on the long term loans are in March and September.

T5.10.1

EXTERNAL LOANS	Loan No.	Redeem-able	Balance 30/06/2013 R	Received during the period R	Redeemed or written off R	Balance 30/06/2014 R
DBSA LOANS			2 505 080	-	862 727	1 642 353
Loan: 10130/102						
(10% interest rate, six monthly installments of R 25 669.04 with the final payment on 30/09/2015)						
Loan: 10132/102						
(10% interest rate, six monthly installments of R 184 150.24 with the final payment on 31/03/2016)						
Loan: 10129/202						
(10% interest rate, six monthly installments of R 130 001.34 with the final payment on 30/09/2015)						
Loan: 10131/102						
(10% interest rate, six monthly installments of R 193 023.80 with the final payment on 30/09/2015)						
			2 505 080	-	862 727	1 642 353
LEASE LIABILITY						
Office Equipment @ average of 12%			1 878 886		850 831	1 028 055
TOTAL EXTERNAL LOANS			4 383 966		2 624 577	2 670 408

COMMENT ON BORROWING AND INVESTMENTS:

Investments are invested in short term investments (32 day deposits). Excess cash not needed for the daily operations for the next month are invested.

T5.10.5

6.10 PUBLIC PRIVATE PARTNERSHIPS

INTRODUCTION TO BORROWING AND INVESTMENTS

There were no Public/Private Partnerships for the year.

Eden District Municipality is in the process of embarking on a PPP with regards to the establishment of the regional landfill site in Mossel Bay. This process will commence in the 2014/2015 financial year.

Service Level Agreement the municipality enter into was for three years or shorter. There were no long term contracts for the year under review.

With the contract that will be entered into with regards to the PPP for the regional landfill site will be a long term contract for 10 years, but this process will commence in 2014/2015 and the necessary procedures will be followed as prescribed by the MFMA.

T5.11.1

6.11 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Provide a brief narrative that describes the progress made by your municipality in developing and implementing policies and practices in compliance with the guidelines set down by the SCM Regulations 2005. State whether any councilors are members of any committee handling Supply Chain processes; state the number of Supply Chain officials that have reached the prescribed levels required for their positions (See MFMA Competency Regulation Guidelines) and state the number of prescribed officials that are yet to reach the necessary competency levels; and set out any remarks made in the previous Auditor-General's report or his report for year 1 concerning the quality of Supply Chain Management and detail the remedial action taken, as necessary.

T5.12.1

Eden District Municipality has seen in the last couple of years seen a total paradigm shift in transforming Supply Chain Management from just a procurement activity but as a tool with which total value for money becomes the essence of expending limited financial resources. Eden District Municipality has not seen its revenue source grow at the same rate as its expenditure has; therefore it has become crucial that Supply Chain Management becomes an effective management tool towards an efficient and effective way of managing limited resources.

The Organisational maturity level has seen a steady improvement on shared responsibility by all user department an understanding the need manage their budget responsibly. Some of this progress can be accredited to the transformation brought about by formal Higher Education learning initiative, Minimum Competency training. All the official are currently enrolled and with a significant number of SCM Officials in the completion stage of the Minimum Competency. This can bode only well for Eden as the level of professionalism is elevated by having capacitated staff. Other personal development initiatives have seen Eden Officials participate in a number of training initiatives on Supply Chain Management offered mainly by Provincial and National Treasury.

Eden continues to pride itself as a model of Good Governance in the region; clear separation of powers between Administration and Political sphere has seen Eden keep a clean sheet of having no political interference with Supply Chain Management. Training initiatives by Treasury aimed at Political Staff during the year, which Eden Councilors fully participated, has empowered Councilors to fully Supply Chain Management and this is visible when observing quality of the questions being asked during Finance Portfolio Committee meetings and during councilors. The level of interest to ensure an administration that is free from fraud and corruption has seen Supply Chain Report to council being meticulously interrogated to ensure that every cent can be accounted for.

As the Municipality prepares for Clean Audit Outcomes, Supply Chain Management has remained the epicenter of the clean audit outcome. Supply Chain Management endured grueling levels of Audit, first by our very own Internal Audit which was immediately followed by the Auditor General's Audit, subsequent to the Auditor General Provincial Treasury performed a detailed audit which was followed by external service providers that were contracted to perform detailed audit work characterized as audit readiness. Therefore 2013/14 has seen an immense concerted effort to transform Supply Chain Management and increase organizational maturity levels.

We trust that all the effort displayed during the course of the year would be captured in the Audit Report of 2013/14 financial year end, with fewer issues to raise if any regarding Supply Chain Management.

6.12 GRAP COMPLIANCE

GRAP COMPLIANCE

With the lack of capacity in the GRAP unit, consultants are assisting with the implementation of GRAP standards.

There are two GRAP steering committees:

- One committee consists of the finance personnel, chaired by the CFO. The Deputy Managers of the finance department, their first line of supervisors, the risk officer and internal audit attends these meetings. This is where the progress by the different sections are discussed, the action plans to address previous audit findings, etc.
- The second committee, consists of the same members as above, but the municipal managers, Head of Departments and other role-players attends this bigger meeting.

T5.13.1



Kannaland offers a variety of scenic attractions.

CHAPTER 7

AUDITOR GENERAL REPORTS YEAR
2012/13 (PREVIOUS YEAR)

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2011/12

“In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eden District Municipality as at 30 June 2013 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.”

7.1 AUDITOR GENERAL REPORTS YEAR 2012/13 (PREVIOUS YEAR)

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Eden District Municipality set out on pages 4 to 87, which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts 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 Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (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 2013 and its financial performance, cash flows and comparison of budget and actual amounts 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

7. With references to note 37 to the financial statements, the municipality is the defendant involving the provision of technology services. The outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.
8. With reference to note 37 to the financial statements, the municipality is in dispute with other municipalities in a property ownership lawsuit. The book value of the properties at year end disputed is amounting to R159 644 620. The outcome of the matter cannot presently be determined and no provision for any liability or asset that may result has been made in the financial statements.

Restatement of corresponding figures

8. As disclosed in note 29 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during the year ended 30 June 2013 in the financial statements of the municipality at, and for the year ended, 30 June 2012.

Additional matters

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

Material inconsistencies in other information included in the annual report

10. The draft annual report was provided for auditing. A high-level overview was performed on the draft document and no material inconsistencies were identified. The final printer's proof of the annual report will again be reviewed and any material inconsistencies then identified will be communicated to management. Should the inconsistencies not be corrected, it may result in the matter being included in the audit report.

Unaudited supplementary schedules

11. The supplementary information set out on pages 86 to 87 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

12. 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

Introduction

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 24 to 107 of the annual report.
14. The reported performance against predetermined objectives was evaluated against the

overall criteria of usefulness and reliability.

15. 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's *Framework for managing programme performance information (FMPPI)*.
16. 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).
17. The material findings are as follows:

Usefulness of information

18. Section 41(c) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) requires that the integrated development plan should form the basis for the annual report, therefore requiring the consistency of objectives, indicators and targets between planning and reporting documents.
 - A total of 28% of the reported indicators were not consistent or not complete when compared to the planned indicators in the approved integrated development plan.
 - A total of 26% of the reported targets were not consistent or not complete when compared to the planned targets in the approved integrated development plan.
19. This was due to the senior leadership not emphasising the reporting of performance against the integrated development plan, as approved key performance indicators were not reported in the annual performance report.

Reliability of information

20. The information presented with respect to Development priority 2, Development priority 3, Development priority 5, Development priority 6, Development priority 9 was not reliable when compared to the source information and/or evidence provided. This was due to the lack of monitoring of the completeness of source documentation in support of actual achievements.

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:

Asset management

22. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Expenditure management

23. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.

Revenue management

24. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

Annual financial statements

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 122 of the MFMA. Material misstatements of revenue identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

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. Management's procedures for the review of the financial statements were not adequate to ensure that the financial statements submitted for auditing were accurate and complete.
28. The accounting officer did not take adequate steps to mitigate the risk of non-compliance in the supply chain unit to prevent irregular expenditure by evaluating the supply chain practices of the municipality against the requirements of legislation.
29. The accounting officer did not perform adequate monitoring processes to ensure that the performance reported in the annual performance report could be verified or agreed to supporting documentation.

Financial and performance management

30. The municipality did not develop internal control processes to confirm that the information provided for inclusion in the financial statements and annual performance report was accurate and complete, as management did not allow sufficient time to review the financial statements in detail and to accommodate last-minute changes.
31. The asset and property register was not adequately maintained and the underlying records were not adequately reviewed to determine the validity of descriptions and the classification of properties, which led to misstatements relating to the existence and valuation of property plant and equipment.

32. Management did not adequately perform their responsibilities when reporting on performance, which resulted in the performance report being unreliable.

Auditor-general

Cape Town

29 November 2013



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

**COMPONENT B: AUDITOR-GENERAL OPINION 2013/14
(CURRENT YEAR)**

7.2 AUDITOR GENERAL REPORT YEAR 2013/14

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 2013/14

“In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eden District Municipality as at 30 June 2014 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.”

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year.

The reports are compiled by the Budget and Treasury Office (BTO) and reviewed by the Deputy Manager: BTO, CFO and submitted to the accounting officer for sign off. A quality certificate is signed by the accounting officer.

A Separate Acknowledgement of receipts is signed by the executive mayor as proof that the information was provided to the executive mayor within the prescribed timeframes.

T6.2.5



A U D I T O R - G E N E R A L
S O U T H A F R I C A

The Accounting Officer
Eden District Municipality
P.O. Box 12
George
6530

28 November 2014

Reference: 21425REG13/14

Dear Mr. G. Louw

Report of the Auditor-General on the financial statements and other legal and regulatory requirements of Eden District Municipality for the year ended 30 June 2014

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) read in conjunction with section 188 of the Constitution of the Republic of South Africa, 1996 and section 121(3) of the Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003) (MFMA).
2. In terms of section 121(3) of the MFMA you are required to include the audit report in the municipality's annual report to be tabled.
3. Until the annual report is tabled as required by section 127(2) of the MFMA the audit report is not a public document and should therefore be treated as confidential.
4. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.

6. Over and above the normal distribution of your annual report, five (5) copies must be submitted to the Auditor-General for attention of Mr. Gavin van der Hoven: Parliamentary Manager.

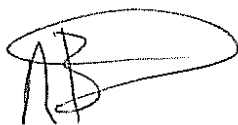
Postal address: The Auditor-General of South Africa
Private Bag X1
Chempet
7442

Delivery address: The Auditor-General of South Africa
No. 17 Park Lane Building,
Park Lane
Century City

7. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely



.....
Adiel Bloew
Senior Manager: Western Cape

Enquiries: Unathi Fusi
Telephone: (021) 528 4100
Fax: (021) 528 4200

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

REPORT ON THE FINANCIAL STATEMENT

Introduction

1. I have audited the financial statements of the Eden District Municipality set out on pages 5 to 81, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as 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 Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (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 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 2014 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 41 to the financial statements, the municipality is the defendant in a case involving the provision of technology services. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.
9. With reference to note 41 to the financial statements, the municipality is in dispute with other municipalities in a property ownership lawsuit. The book value of these properties at year-end amounted to R159 644 620.
10. With reference to note 41 to the financial statements, the municipality is involved in a dispute regarding electricity consumption. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements

Restatement of corresponding figures

11. As disclosed in note 33 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of an error discovered during 30 June 2014 in the financial statements of the Eden District Municipality at, and for the year ended, 30 June 2013.

Additional matters

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

Unaudited supplementary schedules

13. The supplementary information set out on pages 82 to 88 did 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.

Unaudited supplementary notes

14. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT

15. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected strategic objectives presented in the annual performance report, compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

16. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected strategic objectives presented in the annual performance report of the municipality for the year ended 30 June 2014:
 - Strategic objective 2: Conduct regional bulk infrastructure planning and implement projects, roads maintenance and public transport; and manage and develop council's fixed assets (on pages 21 to 22).

- Strategic objective 3: Ensure financial viability of the Eden District Municipality (on page 23)
 - Strategic objective 5: Healthy and socially stable communities (on page 25)
 - Strategic objective 7: Promote sustainable environmental management and public safety (on page 27).
17. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
 18. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned strategic objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
 19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
 20. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected strategic objectives.

Additional matter

21. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected strategic objectives, I draw attention to the following matters:

Achievement of planned targets

22. Refer to the annual performance report on pages 19 to 27 for information on the achievement of the planned targets for the year

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for strategic objectives 2: Conduct regional bulk infrastructure planning and implement projects, roads maintenance and public transport; manage and develop council fixed assets; and strategic objective 3: Ensure financial viability of the Eden District Municipality. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

24. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor - General

Cape Town

28 November 2014



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

7.3 ACTION PLANS FOR AUDIT FINDINGS

COMAF Register - 2013/14 Audit

as at:
13-01-15 12:08

COMAF nr:	COMAF name:	COMAF description:	COMAF answer:
1	Comaf 1 (EX.) Expenditure - Payments not made within 30 days of receipt of invoice	During the audit of expenditure cases were detected where invoices received were not paid within 30 days from date of receipt of invoice.	We disagree with your perceived non-compliance finding. Standard practice at the Eden District Municipality is to pay all suppliers within 30 days of STATEMENT, which is in line with the legislative timeframe. In the said example, the statement is dated 30 April 2014. The payment on 26 May 2014 is therefore within the required legislative timeframe. We will also implement a second creditor payment run on the 15th of each month.
2	Comaf 2 (EX.8) Payables - creditors not accrued at year end	During the audit of payments after year end relating to goods and services delivered on or before year end cases were detected where payments were not recorded on the accrual listing.	Management agrees with the audit finding. The Annual Financial Statements will be amended accordingly. We do however want to emphasize that management scrutinized all payment files after year-end to ensure the completeness of the accrual listing. Unfortunately, above was an isolated instance, the payment vouchers were not yet filed. We therefore are of the opinion that the actual amount of the understatement is isolated to the above instance and must not be extrapolated. We do however concur with your recommendation and will ensure that cut-off processes in future are even more rigorously performed, but as stated this was an isolated instance.
3	Comaf 3 (EX.7) Investment Property overstatement (E_5_6)	Erf 396 and Farm 195 wrongly classified as 'Investment Property' instead of PPE	Management agree with the findings. The Annual Financial Statements will be amended accordingly. A property task team has been established to assist in the classification of properties as the property manager reports to the Executive Manager: Management Services and not to the CFO. The property manager informs finance of the use of the properties and of the classification of properties. Please note that these two properties are resorts that forms part of the legal opinion which resulted in the uncertain treatment of properties. Eden District Municipality obtained a draft legal opinion from Webber Wentzel Attorneys pertaining to the ownership of eleven properties identified by the Municipality. The draft opinion stated that, if no municipal function can be allocated to the property, the ownership automatically vests in the local (B) municipality in whose area the property is situated. Eden District Municipality lodged a technical query with National Treasury, Provincial Treasury and the Office of the Auditor-General as the Municipality disagrees with the draft opinion. The Municipality is of the opinion that the properties must be allocated to the predecessor in title and not be determined by function. No feedback has been received pertaining to this legal query at reporting date.

4	Comaf 4 (EX.4) Payables - Financial statements and accrual listing disagree	R1.3Mil journal not captured by Data Section, provision for creditors are therefore overstated	<p>We agree with the finding. This was due to a journal not processed on the system. This was a human error. Subsequently the CFO instructed that before any journals are updated it must be reviewed and signed off by a senior supervisor. Management agrees with the internal control deficiency. Management agrees with the recommendation. Since the time of your audit, rigorous independent review processes were already implemented to ensure the accuracy and completeness of journals processed. The journal will be processed and the Annual Financial Statements amended accordingly.</p>
5	Comaf 5 (EX.5) PPE overstatement (E_5_3)	<p>Portion 0 of Farm 185 wrongly classified as 'Investment Property' instead of 'PPE' and Portion 1 of Farm 185 wrongly classified as 'PPE' instead of 'Investment Property'</p>	<p>Management agrees with the finding regarding Farm 185 Portion 0. The incorrect classification of this Erf as Investment Property instead of PPE was due to an error made with the initial valuation where the caravan park was incorrectly allocated to portion 0 of farm 185 and not portion 1. The Annual Financial Statements will therefore be amended accordingly. Management does not agree with the finding regarding Farm 185 Portion 1. The resorts of Eden District Municipality are all classified as Property, Plant and Equipment. As the Swartvlei caravan park is situated on portion 1 the classification is correct as Property, Plant and Equipment and does not need to be reclassified as Investment Property. The building on Portion 0 of Farm 185 to the value of R56 448.20 was also reclassified as Property, Plant and Equipment. Eden District Municipality obtained a draft legal opinion from Webber Wentzel Attorneys pertaining to the ownership of eleven properties identified by the Municipality. The draft opinion stated that, if no municipal function can be allocated to the property, the ownership automatically vests in the local (B) municipality in whose area the property is situated. Eden District Municipality lodged a technical query with National Treasury, Provincial Treasury and the Office of the Auditor-General as the Municipality disagrees with the draft opinion. The Municipality is of the opinion that the properties must be allocated to the predecessor in title and not be determined by function. No feedback has been received pertaining to this legal query at reporting date.</p>
6	Comaf 6 (EX.10) Payables - accruals over provided	During the audit of accruals a case was noted where the accrual was made on the amount of the order placed amount instead of the invoice amount	<p>Management disagrees with the finding. The amount on the creditors provision listing for the Roads Department for the Supplier mentioned in the finding is as follows: Terblanche Transport – R 21 100.00. This consists of the following: Order P1027573 R 19 870.20 & Brought Forward (Less paid) of R 1 229.55 = TOTAL: R 21 099.75. The Journal Column in the working paper was not taken into account by the Auditor-General.</p>

7	Comaf 7 (EX.14) Payables - Accrual listing no supporting documents	During the audit of accrual listing invoices relating to accruals were not submitted for audit	Management disagrees with the findings. The mentioned items were not included in the provision for creditors for the Roads Department as at 30 June 2014. Refer to attach list for the creditors provision. It would appear as if the office of the Auditor General used an incorrect provision list.
8	Comaf 8 (EX. 13) SCM_ Tenders Advertised Shorter Than 14 Days (E_5_10)	During the audit of supply chain management it was discovered that there were tenders advertised for a period shorter than 14 days and there was no justification for such short period	Response to COMAF 8 can be viewed in the COMAF file due to the size of the answer.
9	Comaf 9 (EX. 15 & 17) SCM_ Noncompliance with SCM Reg 23	Winning bids were not recorded in the register of the bids received in time. No entries were made in the bid register to show the bids received in time in relation to tender R/05/13-14 - Supply of Reinforcing Steel. An incorrect winning bid(s) was published in the website. The entries in the register and bids results for tenders were not published on the municipality's website.	Response to COMAF 9 can be viewed in the COMAF file due to the size of the answer.
10	Comaf 10(EX.9) - Assets Disposal accounted in incorrect accounting period	The contract has not been signed by the transferee, however, the transferee has started making improvements to the property and the transferor has signed the agreement, proving that the intention of both parties was to transfer the property. ERF 114, van Wyksdorp	Management agrees with the finding. The disposal was not picked up in the previous year due to oversight error. Management agrees with the recommendation and the Annual Financial Statements will be adjusted accordingly.
11	Comaf 11 (EX.16) SCM Suppliers Actual Expenditure Incurred Cannot Be Determined	During the audit of supply chain management we could not obtain from the municipality the total actual expenditure incurred in relation to each tender awarded that was selected for testing.	The user department does not give proper information and supporting documentation in order for the Creditors department to process the tender number on the system. Management take note of the internal control deficiencies. Management will implement recommendation as stipulated.
12	Comaf 12 (EX.12) - Receivables Provision for bad debts incorrectly calculated	During the audit of debtor R. Loots' provision for bad debt, the municipality provided for R182 070.60. The correct provision for R. Loots is R39 350 resulting in a difference of R142 720.05.	Management agrees with the finding regarding the incorrect provision for the debtor below. The debtor R Loots [38800002] consists of the following categories on 30 June 2014: Category 73 [Continued Members] – R 42 652.38 + Category 74 [PSG Claims] R 121 353.48 = TOTAL DEBTOR R 78 701.10. We have inspected the formula in the spreadsheet for the calculation of the impairment of debtors, and has established that there was in fact a formula error in the spreadsheet, isolated to the one instance in your example above. The formula was linked to the incorrect column. The provision will be 50% of the total debtor outstanding (R 78 701.10 x 50%) = R 39 350.55. Management agrees that the Provision for bad debts is overstated by (R 182 070 .60 – R 39 350.55) = R 142 720.05, but not that the trade payables are understated by the same amount. Management want to emphasize that this is isolated to this one instance and that it must not be extrapolated.

<p>13</p>	<p>Comaf 13 (EX.18) SCM_ The official from departments requiring the goods or services not part of bid evaluation committee</p>	<p>During the audit of supply chain management, in evaluating the awarding of tender E/12/12-13 (Facilities for environmental health practitioners at Plettenberg Bay), it was discovered per inspection of the minutes of the bid evaluation committee meeting held on 11 July 2013 that the committee was only composed of two SCM officials (the deputy manager: SCM and the senior accountant: SCM). There was no official from the department requiring the services.</p>	<p>The secretary of the meeting as well as Johan Compian forgot to sign the minutes therefor it is not recorded. Management take note of the internal control deficiencies. Management will implement recommendation as stipulated.</p>
<p>14</p>	<p>Comaf 14 (EX.19) SCM_ Tender not on the minutes of bid specification committee</p>	<p>During the audit of supply chain management it was discovered that tender R/26/13-14 (Supply of premix concrete) was not included in the bid specification committee discussions and therefore there was no evidence to prove the following: 1. the tender was discussed in the bid specification committee, 2. the specifications were approved by the accounting officer as the accounting officer signs the bid specification committee minutes for approval of specifications, 3. the composition of the bid specification committee was in compliance with the requirement of Supply Chain Management Regulation 27(3) and 27(4).</p>	<p>SCM official did neglect to include item however this is an isolated incident it only happened once in the financial period. Management take note of the internal control deficiencies. Management will implement recommendation as stipulated.</p>
<p>15</p>	<p>Comaf 15 (EX.1) AOPO - Cost coverage ratio misstated (TL1.1)</p>	<p>During the audit of the performance information we confirmed through recalculation of the Cost coverage ratio (TL1.1) using the amounts per the annual financial statements submitted for audit purposes that there is a difference of 0.43 between the amount calculated by the auditors of 3.02 and the amount calculated and reported in the Annual Performance Report of 2.59</p>	<p>Management disagree with the audit finding. The ratio contained in the annual performance report was based on draft figures as at the beginning of August 2014. It was stated in the report that the ratios are based on draft figures as the annual financial statements must be submitted by 31 August 2014. Therefore the ratio was calculated on draft annual financial statements. However we disagree with the AG's calculation of 3.02, we did a recalculation of the ratio and the answer we got is 3.03. Cost Coverage ratio re-calculation: (79 737 174 + 40 774) / 26 314 199 = 3.03. The ratio in the APR will be adjusted.</p>

<p>16</p>	<p>Comaf 16 (EX.2) AOPO - % spent of Roads allocation misstated (TL21)</p>	<p>During the audit of the performance information we confirmed through recalculation of the % spent of the Roads grant allocation for the period using the amounts per the annual financial statements submitted for audit purposes that there is a difference of 5.85% between the amount calculated by the auditors of 102.7% (Roads expenditure 126 417 166/123 115 240 Roads allocation) and the amount reported in the Annual Performance Report of 96.83%.</p>	<p>Do not agree with the finding. The SLA of Roads stretches from 1 April 2013 – 31 March 2014. According to the time period records, Roads under spent on the budget.</p> <p>The commentary/finding stretches from June 2013 – July 2014.</p> <p>The two cannot be compared as the periods differ and pro rata calculations have to be performed.</p>
<p>17</p>	<p>Comaf 17 (EX.3) AOPO - No logical link between the target and performance (TL10)</p>	<p>During the audit of the performance information we confirmed through inspection of page.21 of the Annual performance report submitted for audit, that Eden DM is stating that national reporting KPI 10(g)(ii) in terms of regulation 796 is not applicable to Eden DM. The auditors noted during the audit of the annual financial statements that Eden has service debtors relating to fire fighting services delivered during the financial period that falls under the definition of "municipal service" as defined in the MSA</p>	<p>Management agrees with audit finding. Calculation: R 5 262 545.47 / R 3 359 826.80 = 1.57. The actual performance for indicator TL10 for the fire fighting revenue will be included in the APR.</p>
<p>18</p>	<p>Comaf 18 (EX.21) AOPO - Roads indicators misstated (TL23 & TL24)</p>	<p>During the audit of the performance information we confirmed through inspection of the monthly IMMS reports that the total quantity/distance does not agree with the actual performance reported in the Annual performance report submitted for audit relating to two roads maintenance indicators</p>	<p>It is agreed that the APR be amended to reflect the IMMS as suggested by the Auditor General and as contained in COMAF 18.</p>
<p>19</p>	<p>Comaf 19 (EX.22) Longterm liabilities_ Finance lease present value incorrectly calculate</p>	<p>During the audit of finance leases it was noted that the present value calculation used to recognise the finance lease liability was incorrectly performed for the ESRI lease of the GIS system. The municipality straight-lined the deferred interest instead of recognising the interest per period based on the value of the outstanding debt at the beginning of the period.</p>	<p>Response to COMAF 19 can be viewed in the COMAF file due to the size of the answer.</p>

20	Comaf 20 (EX.23) AOPO - Non-compliance MFMA sec.53(1)(c)(ii)	Confirmed through inspection of the Top Layer SDBBIP 2013/2014 approval letter dated 28 June 2013 that is signed by the municipal manager and mayor that the approval was not made in a timely manner as the budget was approved on 27 May 2013.	Council was on recess during the approval period. It was impossible to get hold of the Executive Mayor for timorous approval. However, the performance officer drove to Oudtshoorn to meet the Mayor at a personal meeting in order to have the document approved and signed. Discussions with the Mayor indicated that he will in future ensure he's availability to adhere to this legislative requirement. Proof of communication with the Mayor will in future be noted and filed for evidence.
21	Comaf 21 (EX.24) AOPO - Non-compliance with Reg 20(2)(b)	Confirmed through inspection of the 2013/2014 SDBBIP submission to Treasury (dated 17 July 2013 9:38am) and the proof of approval dated 28/06/2013 that the submission was not done in a timely manner.	We agree with the audit finding. We did put controls in place where the SDBBIP is sent to the budget office for a combined submission. The request to do so deriving from a session held in Stellenbosch with regards to PDO's and submissions. It is not clear why the office of the Municipal Manager did not submit all the documentation that was sent for submission as the performance officer responsible for the SDBBIP reports directly to the Municipal Manager.
22	Comaf 22 (EX.25) AOPO - Non-compliance MFMA sec.54(1)(c),28(7),24(3)	Confirmed through inspection of the submission to Treasury by the budget office that the adjustment budget and quality certificate was attached to the email, but the amended SDBBIP as required by the MFMA.	We agree with the audit finding. We did put controls in place where the SDBBIP is sent to the budget office for a combined submission. The request to do so deriving from a session held in Stellenbosch with regards to PDO's and submissions. The performance officer reports to the office of the Municipal Manager and must submit the required SDBBIP. However, finance will in the future co-ordinate the process of submitting the performance official's SDBBIP documentation.
23	Comaf 23 (EX.26) AOPO - Non-compliance MFMA sec.72(1)(b)	Confirmed through inspection of the relevant submission to Treasury by the budget office (dated 27 January 2014 at 02:42pm) that the submission was not done in a timely manner.	Interpretation of statute reads: 'that when the deadline falls on a weekend or a public holiday, the next working day is deemed to be the new deadline'. The Council's meeting took place on 28 January 2014 not on 24 January 2014, hence the submission on 27 January 2014
24	Comaf 24 (EX.27) SCM_ Deviation	Confirmed by re calculation that the total amount of R 21 768 774.51 on the deviation reports submitted to council does not agree to the amount for deviations in note 40 to the annual financial statements of R19 601 685 resulting in difference of R2 167 089.	Management disagrees with the finding. Subsequent to your finding, we have revisited our calculations. The total deviations for the financial year under review is R 21,482,183.54 Adjustments made to this are the following: Requisition 56510 (R 1,707,036.00), Duplications on reports to council (R 285,478.39), Protea Toyota Bakkie purchase R 400,000.00. Reported in AFS R 19,601,685.19. Difference R 287,983.96. The difference is therefore not R 2,167,089 but only R 287,983.96. In the process of converting the information from word to excel, some minor errors were made (not all figures copied correctly). The Annual Financial Statements will be adjusted accordingly.

25	Comaf 25 (EX.28) SCM_ Three quotations were not obtained	By inspection of the quotations received attached to the tender ITE/13/13-14, confirmed that only 2 quotes was received from LVDS Security Services and Nationwide Security. We could not obtain evidence that 3 quotations were requested.	<p>The official invitation for ITE/13/13-14 was sent to the service providers via e-mail by the financial intern (Lenichea Carelse) that worked in our SCM unit during that time. Lenichea left Eden at the beginning of Jan/Feb 2014. We consulted with our IT department who could only retrieve records of her from 11 November 2013 up to the date that she left. Ms. Raubenheimer scrutinised her e-mail records but realised that this invite to service providers was sent prior to 11 November 2013, therefore she could unfortunately not trace anything. However the 2 quotations mentioned above relates to additional service providers that contacted us for documentation – these one’s she picked up on her e-mail. Secondly, for all formal and informal tenders if only one or two quotation is received and they comply with the specifications we accept them.</p>
26	Comaf 26 of 2014_SCM_Suppliers in service of the state	During the audit of supply chain management, we noted that the municipality made awards to suppliers whose shareholders is in the service of the state	<p>Noted – will remove from our supplier database. In collaboration with Provincial Treasury, we are in the process of establishing a centralized database for the region. R100 000 grant funding has been received from Provincial Treasury. With the establishment at the regional database, we envision to eliminate such occurrences as stated in the audit finding. This is work in process and it is envisioned to be completed by 2015.</p>
27	Comaf 27 (EX.30) Annual report not submitted timely to Treasury	During the audit of compliance it was noted that the annual report and oversight report for the 2012/13 financial year were only submitted to the Legislature on 22 April 2014 which was adopted by Council on 31 March 2014, thus not submitted within 7 days after adoption by council.	<p>We agree with your audit finding. We will ensure that the annual report will be submitted in a timely matter.</p>
28	Comaf 28 (EX.31) Declaration of interests councillors	During the audit of supply chain management we could not obtain the declaration of interests for 14 councillors. Therefore Eden District Municipality did not comply with paragraph 7 of the Code of Conduct for Councillors which is in Schedule 1 of the Municipal Systems Act 32 of 2000.	<p>We agree with the audit finding and a more aggressive approach will be followed to obtain the information.</p>

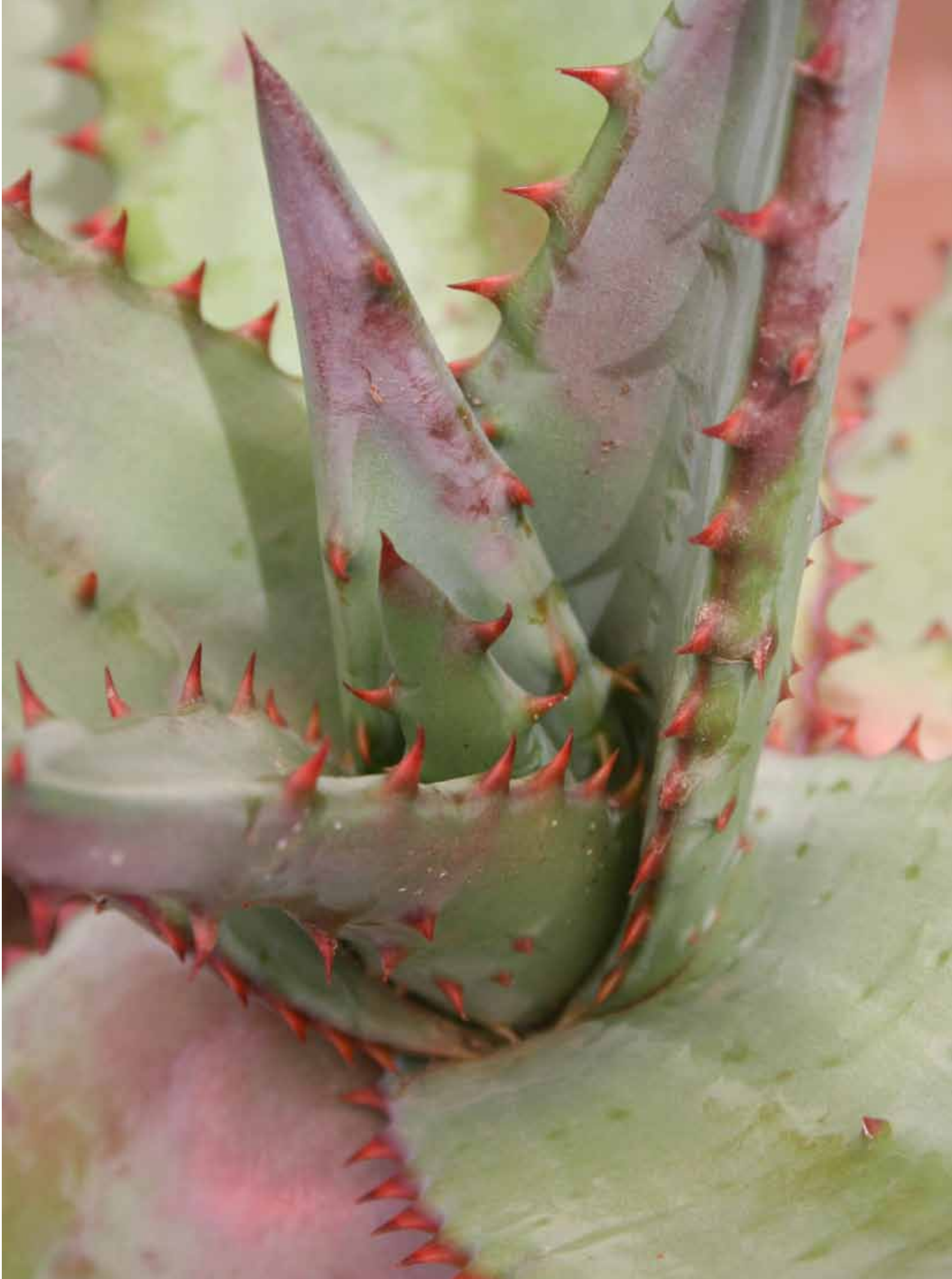
<p>29</p>	<p>Comaf 29 (EX.32) Unauthorised expenditure</p>	<p>During the audit of the budget it was noted that the municipality had over-spent on its 2013/14 operating and capital budget by R61 930 046.</p>	<p>We disagree with your audit finding. There is an underspending of R307 038 and not an overspending as per your COMAF 29. It should be further noted that the unauthorised expenditure is as a result of year end transactions e.g. actuarial loss on post retirement benefits that is processed to be GRAP compliant or additional funding received during the year by Department of Transport, which management cannot control or that council approve to be transferred to properties to B Municipalities.</p> <p>This information is not known at the time of the compilation of the budget, as the budget is approved end of May each year, and these types of transactions cannot be forecasted as this is an adhoc basis as they occur.</p>
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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	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	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. Section I of the MFMA defines a "vote" as: 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



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ABBREVIATIONS

ARMS:	Audit & Risk Management Solutions	JOC:	Joint Operational Centre
AG:	Auditor-General	KPA's	Key Performance Areas
BEE:	Black Economic Empowerment	KPI's	Key Performance Indicators
BIMP:	Bulk Infrastructure Master Plan	LED:	Local Economic Development
BSD:	Basic Service Delivery	LGSETA:	Local Government Sector Education and Training Authority
BVM:	Eden District Municipality	LTO:	Local Tourism Office
CAPEX:	Capital Expenditure	LTA:	Local Tourism Association
CBD:	Central Business District	MAYCOM:	Mayoral Committee
CBP:	Community Based Planning	MDMC:	Municipal Disaster Management Centre
CFO:	Chief Financial Officer	MFMA:	Municipal Finance Management Act
CRDP:	Comprehensive Rural Development Programme	MFVM:	Municipal Financial Viability and Management
CRR:	Cash Reserve Ratio	MIG:	Municipal Infrastructure Grant
CTRU:	Cape Town Routes Unlimited	MM:	Municipal Manager
DBSA:	Development Bank of South Africa	MMC:	Member of the Mayoral Committee
DCF:	District Coordinating Forum	MMMTTs:	Municipal Mitigation Monitoring Task Teams
DMA :	District Management Area	MSA:	Municipal Systems Act No. 32 of 2000
DWAE:	Department of Water Affairs and Environment	MTECH:	Medium Term Expenditure Committee
DWAF:	Department of Water Affairs and Forestry	MPRA:	Municipal Property Rates Act
DPLG:	Department of Local Government	NGO:	Non-governmental organisation
ECC:	Emergency Control Centre	NQF:	National Qualifications Framework
ECDC:	Early Childhood Development Centre	NSDP:	National Spatial Development Perspective
EDENDM:	Eden District Municipality	NT:	National Treasury
EDAC:	Eden District AIDS Council	NTod:	National Department of Transport
EDYC:	Eden District Youth Council	OPEX:	Operating expenditure
EDM:	Eden District Municipality	PAYE:	Pay As you Earn
EDMMF:	Eden District Municipal Managers Forum	PCF:	Premier's Coordinating Forum
EE:	Employment Equity	PDMC:	Provincial Disaster Management Centre
EIA:	Environmental Impact Assessment	PMS:	Performance Management System
EMF:	Environmental Management Framework	PP:	Public Participation
EMP:	Environmental Management Policy	PPP:	Public Private Partnership
EMS:	Emergency Medical Services	PT:	Provincial Treasury
EMSDP:	Environmental Management and Spatial Development and Planning	RSDF:	Regional Spatial Development Framework
EOC:	Emergency Operations Centre	SALGA:	South African Local Government Organisation
EPWP:	Extended Public Works Programme	SAMDI:	South African Management Development Institute
EQM:	Environmental Quality Management	SAPS:	South African Police Services
ESS:	Early Warning System	SCFPA:	Southern Cape Fire Protection Association
ETD:	Economic and Tourism Development	SCM:	Supply Chain Management
EWD:	Early Warning Display	SDBIP:	Service Delivery and Budget Implementation Plan
FRM:	Finance and Resource Mobilization	SDF:	Spatial Development Framework
FPA:	Fire Protection Associations	SITA:	State Information Technology Agency
GAMAP:	Generally Accepted Municipal Accounting Practice	TAS:	Turn Around Strategy
GDP:	Gross Domestic Product	WED:	World Environmental Day
GIS:	Geographic Information System	WESSA:	Wildlife and Environmental Society of South Africa
GIZ:	German International Corporation	WIT:	Wage Incentive Teams
GGID:	Good Governance and Institutional Development	WWF:	World Wildlife Fund
GGPP:	Good Governance and Public Participation	UIF:	Unemployment Insurance Fund
GRAP:	General Recognised Accounting Practices		
GSC:	Council for Geosciences		
HR:	Human Resources		
ICT:	Information Communication Technology		
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		
IPWT:	Infrastructure, Public Works and Transport		
ITP:	Integrated Transport Plan		

APPENDICES

ANNUAL FINANCIAL STATEMENTS

APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

2011/2016 TERM - (CLLRS ATTENDANCE OF COUNCIL MEETINGS)										
2011 - A = ABSENT AWL = ABSENT WITHOUT LEAVE										
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		5
ANC	✓		S de Vries	S de Vries (A)	S de Vries (A on 22/8 and 26/8)		S de Vries	S de Vries (A)		2
ANC	✓		M Fielies	M Fielies	M Fielies		M Fielies	M Fielies		5
ANC	✓		NA Bityi	NA Bityi	NA Bityi (A on 26/8)		NA Bityi	NA Bityi (A)		3
ANC	✓		D Xego	D Xego	D Xego		D Xego	D Xego		5
ANC	✓		P Luiters	P Luiters	P Luiters		P Luiters (A)	P Luiters (A)		3
DA	✓		HJ McCombi	HJ McCombi	HJ McCombi		HJ McCombi	HJ McCombi		5
DA	✓		H Floors	H Floors	H Floors		H Floors	H Floors		5
DA	✓		JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg (A on 26/8)		JJA Koegelenberg	JJA Koegelenberg		4
DA	✓		TA Simmers	TA Simmers	TA Simmers		TA Simmers (A)	TA Simmers		4
DA	✓		NP Ngemntu	NP Ngemntu	NP Ngemntu		NP Ngemntu	NP Ngemntu		5
DA	✓		CM Skietekat	CM Skietekat	CM Skietekat		CM Skietekat	CM Skietekat		5
DA	✓		JG Janse van Rensburg	JG Janse van Rensburg	JG Janse van Rensburg		JG Janse van Rensburg	JG Janse van Rensburg		5
DA	✓		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		donson 3 . Linden 2
George Mun.		✓	J du Toit	J du Toit	J du Toit		J du Toit	J du Toit		5
George Mun.		✓	T Teyisi	T Teyisi	T Teyisi		T Teyisi	T Teyisi		5
George Mun.		✓	HJ Jones	LBC Esau elected by IEC on 8 July 2011	LBC Esau		LBC Esau	LBC Esau		4
George Mun.		✓	GC Niehaus	GC Niehaus	GC Niehaus		GC Niehaus	GC Niehaus		5
George Mun.		✓	LN Qupe	LN Qupe	LN Qupe		LN Qupe	LN Qupe		5
George Mun.		✓	P van der Hoven	P van der Hoven	P van der Hoven		P van der Hoven	P van der Hoven		5
Hessequa		✓	R Johannes	R Johannes	R Johannes(AWL on 22/8)		R Johannes	R Johannes		4
Hessequa		✓	D Abrahams	D Abraham	D Abrahams		D Abraham	D Abraham		5
Kannaland		✓	WP Meshoa	WP Meshoa	WP Meshoa(AWL on 22/8)		WP Meshoa	WP Meshoa		4

PARTY	PR	PART	27-Jan	29-Feb	30-Mar	APR: NO MEETING	30-May	28-Jun	30-Jul	27-Aug	28-Sep	22-Oct	Nov	12 Des	TOTAL
			27-Jan	29-Feb	30-Mar	30-May	28-Jun	30-Jul	27-Aug	28-Sep	22-Oct	Nov	12 Des	TOTAL	
Knysna	✓								M Gombo	M Gombo			M Gombo	M Gombo	5
Knysna	✓								D Naylor	D Naylor			D Naylor	D Naylor	5
Mosselbay	✓								JJ Gerber (A)	JJ Gerber			JJ Gerber	JJ Gerber	4
Mosselbay	✓								NC Booisen	NC Booisen			NC Booisen	NC Booisen	5
Mosselbay	✓								D van Rensburg	D van Rensburg			D van Rensburg	D van Rensburg	5
Mosselbay	✓								SS Mbandezi	SS Mbandezi			SS Mbandezi	SS Mbandezi	5
Oudtshoorn	✓								J Harmse	J Harmse			J Harmse	J Harmse	4
Oudtshoorn	✓								J Maxim	J Maxim(A on 22/8)			J Maxim	J Maxim(A)	3
Oudtshoorn	✓								VI van der Westhuizen	VI van der Westhuizen			VI van der Westhuizen	VI van der Westhuizen	5
Bitou	✓								LL Mvimbi	LL Mvimbi			LL Mvimbi (A)	LL Mvimbi	4
Bitou	✓								AR Olivier	AR Olivier			AR Olivier	AR Olivier	5
2012 - A = ABSENT AWL = ABSENT WITHOUT LEAVE															
ANC	✓		NM Tanda	NM Tanda(A)	NM Tanda		NM Tanda	NM Tanda	NM Tanda	NM Tanda			NM Tanda	NM Tanda	9
ANC	✓		S de Vries	S de Vries(A)	S de Vries		S de Vries (A)	S de Vries	resined on 31 Jul 2012	Waxa appointed by IEC on 7 Aug 2012			V Waxa (A)	V Waxa	Waxa 2. Devries 3
ANC	✓		M Fielies	M Fielies	M Fielies		M Fielies	M Fielies	M Fielies	M Fielies			M Fielies(A)	M Fielies	8
ANC	✓		NA Bityi	NA Bityi	NA Bityi		NA Bityi	NA Bityi	NA Bityi	NA Bityi			NA Bityi(A)	NA Bityi	9
ANC	✓		D Xego(A)	D Xego	D Xego		D Xego	D Xego	D Xego	D Xego			D Xego(A)	D Xego	8
ANC	✓		P Luiters(A)	P Luiters(A)	P Luiters		P Luiters	resigned on 30 jun 2012	CN Ngalo-appointed by IEC on 13 July 2012	CN Ngalo			CN Ngalo	CN Ngalo	Luiters 2. Ngalo 4
DA	✓		HJ McCombi	HJ McCombi	HJ McCombi		HJ McCombi	HJ McCombi	HJ McCombi	HJ McCombi			HJ McCombi	HJ McCombi	10
DA	✓		H Floors	H Floors	H Floors		H Floors	H Floors	H Floors	H Floors			H Floors	H Floors	10
DA	✓		JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg		JJA Koegelenberg	JJA Koegelenberg	JJA Koegelenberg (A)	JJA Koegelenberg			JJA Koegelenberg	JJA Koegelenberg	9
DA	✓		TA Simmers	TA Simmers	TA Simmers		TA Simmers	TA Simmers	TA Simmers	TA Simmers(A)			TA Simmers	TA Simmers	9
DA	✓		NP Ngenmtu	NP Ngenmtu	NP Ngenmtu		NP Ngenmtu	NP Ngenmtu	NP Ngenmtu	NP Ngenmtu			NP Ngenmtu	NP Ngenmtu	10
DA	✓		CM Skietekat	CM Skietekat	CM Skietekat		CM Skietekat	CM Skietekat	CM Skietekat	CM Skietekat			CM Skietekat	CM Skietekat	10
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	10
DA	✓		SF May	SF May	SF May		SF May	SF May	SF May	SF May			SF May	SF May	10
ICOSA	✓		BDD Linden(AWL)	BDD Linden	BDD Linden		BDD Linden(AWL)	BDD Linden	BDD Linden	BDD Linden(A)			BDD Linden(AWL)	BDD Linden	5
George Mun.	✓		J du Toit	J du Toit(A)	J du Toit		J du Toit	J du Toit	J du Toit	J du Toit			J du Toit	J du Toit	9
George Mun.	✓		T Teyisi	T Teyisi	T Teyisi		T Teyisi	T Teyisi	T Teyisi	T Teyisi(A)			T Teyisi	T Teyisi	9
George Mun.	✓		LBC Esau	LBC Esau	LBC Esau		LBC Esau	LBC Esau	LBC Esau	LBC Esau			LBC Esau	LBC Esau	10
George Mun.	✓		GC Niehaus	GC Niehaus(AWL)	GC Niehaus		GC Niehaus	GC Niehaus	GC Niehaus	GC Niehaus			GC Niehaus	GC Niehaus	9

2011/2016 TERM - ATTENDANCE OF MAYORAL COMMITTEE MEETINGS												
P = PRESENT : A = ABSENT:AWL = ABSENT WITHOUT LEAVE												
2011	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	1 & 22 AUG	27-Sep	18 & 26 October	15-Nov	DEC
VI van der Westhuizen								P	P	P	P	
LBC Esau								P	P	P	P	
JJA Koegelenberg								P	P	P	P	
HJ McCombi								P	P	P	P	
TA Simmers								A	P	A	P	
J Maxim								A	P	A	P	
J du Toit								P	P	P	P	
AR Olivier								P	A	A	P	
SF May								P	P	P	P	
2012	24-Jan	20-Feb	22 & 28 March	23-Apr	18 & 23 May	14-Jun	30-Jul	27-Aug	13-Sep	19-Oct	15-Nov	DEC
VI van der Westhuizen	P	P	P	P	P	P	P	P	P	P	P	
LBC Esau	P	P	P	P	P	P	P	P	P	P	P	
JJA Koegelenberg	P	P	P	P	P	A	P	P	P	P	AWL	
HJ McCombi	P	P	P	P	P	P	P	P	P	P	A	
TA Simmers	P	P	P	P	P	P	P	A	P	A	P	
J Maxim	P	P	P	P	P	P	P	P	P	P	P	
J du Toit	P	P	P	A	P	P	P	P	P	P	P	
AR Olivier/JWG Brummer	P	P	A on 22/3	A	P		P(Brum)					
SF May	P	P	P	P	P	P	P	P	P	A	P	

2013	5 & 25 Feb	20-Mar	30-Apr	20 & 27 May	13 & 24 June	25-Jul	20-Aug	30-Sep	22-Oct	21-Nov
VI van der Westhuizen	P	P	P	P	P	P	A	P	P	P
LBC Esau	P	A	P	P	P	P	P	P	P	P
JJA Koegelenberg	A(5/2)	P	P	P	P	P	P	P	P	P
HJ McCombi	A(5/2)	P	P	A(27/5)	P	P	P	P	P	P
TA Simmers	P	P	P	P	P	P	P	P	P	P
J Maxim	P	P	P	A(27/5)	P	P	P	P	P	A
J du Toit	P	A	P	P	P	P	P	P	P	P
SF May	P	P	P	P	P	P	P	P	P	P
2014	23-Jan	20-Feb	25-Mar	22-May	19-Jun					
VI van der Westhuizen	P	A	P	P	P					
LBC Esau	P	P	P	P	P					
JJA Koegelenberg	P	P	P	P	AWL					
HJ McCombi	P	P	P	P	P					
TA Simmers	P	P	P	P	A					
J Maxim	P	P	P	P	P					
J du Toit	P	P	P	P	P					
SF May	P	P	P	P	P					

APPENDICES

2011/2016 TERM - ATTENDANCE OF SECTION 80 COMMITTEE MEETINGS									
P = PRESENT: A = ABESENT: AWL = ABSENT WITHOUT LEAVE									
2011									
INFRASTRUCTURE						2-Aug	19-Sep	7-Oct	1-Nov
J du Toit						P	P	P	P
JJA Koegelenberg							P	A	P
HJ Floors							P	P	P
NC Booisen						P	P	P	
JG JV Rensburg						P	P	P	P
D Abrahams						P	A	AWL	
J Harmse						AWL	AWL	AWL	
2012	MAR	APR	8-May	JUN	17-Jul	4-Sep		6-Oct	6-Nov
J du Toit			P		P	P			P
JJA Koegelenberg			P		A	P		P	P
HJ Floors			P		P	P		P	
NC Booisen			P		P	P		P	P
JG JV Rensburg			P		P			P	P
D Abrahams			A		A				
P van der Hoven			P			P		P	P
2013	4-Mar	15-Apr	6-May	3-Jun	Jul	5-Aug	2-Sep	7-Oct	4-Nov
J du Toit	P	P	P	P		P	P	P	
JJA Koegelenberg	P	P	P	P		P	P	P	P
HJ Floors	P	P	P	P		A	AWL	P	P
NC Booisen	P	A	P	P		P	A	P	P
JG JV Rensburg	P	P	P	P		P	P	P	
D Abrahams	A	P	A	AWL		AWL	AWL	P	
P van der Hoven	P	A	P	P		P	P	P	P
2014	10-Mar	April	15-May	9-Jun	9-Jun				
LBC Esau	P		P	P	P				
JJA Koegelenberg			A	P	P				
HJ Floors	P		P	P	P				
NC Booisen			P	P	P				
JG JV Rensburg	P		P	P	P				
J du Toit				P	P				
D Abrahams			P	AWL	AWL				
P van der Hoven	P		P	P	P				

APPENDIX B: COMMITTEES AND COMMITTEE PURPOSES
EDEN DISTRICT MUNICIPALITY - SECTION 80 COMMITTEES: AS AT 17 MARCH 2014

	TANDO	BONISILE	REHANA	REHANA	REHANA	TANDO	REHANA	TANDO	REHANA	BONISILE
PARTIES	COMMUNITY SERVICES	INFRASTRUCTURE SERVICES	FINANCIAL SERVICES	CORPORATE SERVICES	STRATEGIC SERVICES	ECONOMIC DEVELOPMENT & PLANNING	SOCIAL DEVELOPMENT			
CHAIR	HJ MCCOMBI	LBC ESAU (FROM 1 NOV 2013)	JJA KOEGELEBERG	TA SIMMERS	J DU TOIT	J MAXIM	SF MAY			
DEPUTY CHAIR	S May	JJA Koegelenberg	J du Toit	Vacant	J Maxim	TA Simmers	HJ McCombi			
DA	GC Niehaus T. Simmers LN Qupe	H Floors NC Booisen JG Janse van Rensburg	JG Janse van Rensburg JJ Gerber SF May	NP Ngemntu JJ Gerber GC Niehaus	LBC Esau NP Ngemntu LN Qupe	HJ McCombi NC Booisen CMA Skierekat R. Johannes	H Floors GC Niehaus LN Qupe			
ANC	NM Tanda CN Ngalo	P van der Hoven D Abrahams	D Xego P van der Hoven	T Teyisi SS Mbandezi	P van der Hoven MM Mbali	N Bityi V Waxa	M Fielies MM Mbali			
COPE	J Maxim									
ICOSA				D Kamfer			W Meshoa			
ACDP		J du Toit	D van Rensburg		D van Rensburg					
TOTAL	8	8	8	8	8	8	8	8		8

SECTION 79 COMMITTEES

	T HOLTZHAUSEN	T HOLTZHAUSEN	REHANA	TANDO	DAPHNE	DISCIPLINARY COMMITTEE

APPENDICES

Parties	BUDGET STEERING	APPEALS COM	GOVERNANCE	MPAC	TRAINING & DEVELOPMENT	HEALTH & SAFETY	LOCAL LABOUR FORUM	AS AND WHEN REQUIRED
CHAIR	JJA KOEGELENBERG	D VAN RENSBURG	D NAYLER	D XEGO	TA SIMMERS	TA SIMMERS	D BAARTMAN as at 1 FEB 2014	
DA	JJ Gerber	JJ Gerber	JJ Gerber	LN Qupe HJ Floors JG Janse van Rensburg	NP Ngenmtu	Vacant GC Niehaus	J du Toit TA Simmers HJ McCombi SF May Municipal Manager T Holtzhausen CFO	
ANC			P van der Hoven	P van der Hoven		MM Mbali	P van der Hoven T Teyisi	
COPE			J Maxim		J Maxim			
ICOSA			WP Meshoa	WP Meshoa	D Kamfer		D Kamfer	
ACDP		J du Toit	J du Toit	D van Rensburg				
UNIONS					2 Imatu Vacant(SAMWU) M April	P Koopman D Baartman M Solani	6 SAMWU 3 IMATU	

OTHER COMMITTEES IN TERMS OF LEGISLATION

	WORKPLACE & RESTRUCTURING	BASIC CONDITIONS OF SERVICES	HUMAN RESOURCE DEV COMMITTEE	AUDIT COMMITTEE
	DAPHNE	DAPHNE	DAPHNE	DAPHNE
CHAIR				J STOFFELS JRN Metelerkamp G Harris A Potgieter
DA	TA Simmers SF May	TA Simmers GC Niehaus NP Ngemntu	TA Simmers	
ANC				
COPE			J Maxim	
ICOSA				
ACDP	J du Toit		J du Toit	
SAMWU	D Baartman N Nkasoyi	Shane Qhalo NW Nkasoyi	D Baartman M April	
IMATU	P Raath P Koopman	P Raath P Koopman	P Koopman	

OTHER COMMITTEES

	Public Transport Council representatives	Road Agency	DAC
	Chairperson of Infrastructure	Chairperson of Infrastructure	Chairperson of Social Dev (SF May)
DA	NC Booisen as secundus	NC Booisen as secundus	JJA Koegelenberg JG Janse van Rensburg (secundus)
ANC			
COPE			
ICOSA			
ACDP			

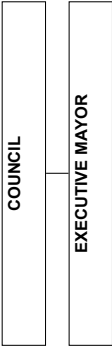
APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE

Creation Date
06/06/2012

Last Modified
02/21/2014

EDEN DISTRICT MUNICIPALITY ORGANOGRAM: OFFICE OF MUNICIPAL MANAGER (2012/2013)

COUNCIL APPROVAL: DC 365/09/12



OFFICE OF THE MUNICIPAL MANAGER
CONTRACT SECTION 54A

PURPOSE: TO ENSURE THAT MUNICIPAL SERVICES ARE ADMINISTERED IN ACCORDANCE WITH THE MUNICIPALITY'S POLICY AND TO PROVIDE SUPPORT SERVICES TO THE MUNICIPALITY IN SUPPORT OF THE EFFICIENT EXECUTION OF ITS FUNCTIONS AND OBLIGATIONS IN ACCORDANCE WITH THE DP OF THE MUNICIPALITY AND TO COORDINATE, FACILITATE AND PROVIDE CAPACITY BUILDING IN THE DISTRICT AS A WHOLE AS CONTAINED IN THE IDP

FUNCTIONS:

1. PROVIDE SUPPORT SERVICES TO THE MUNICIPALITY IN SUPPORT OF THE EFFICIENT EXECUTION OF ITS FUNCTIONS AND OBLIGATIONS IN ACCORDANCE WITH THE DP OF THE MUNICIPALITY AND TO COORDINATE, FACILITATE AND PROVIDE CAPACITY BUILDING IN THE DISTRICT AS A WHOLE AS CONTAINED IN THE IDP
2. PROVIDE MANAGEMENT SERVICES IN ACCORDANCE WITH LEGISLATION, POLICIES AND THE IDP
3. PROVIDE ROADS SERVICES AS AGENT OF PROVINCIAL GOVERNMENT IN ACCORDANCE WITH ROADS AGENCY FUNCTION AGREEMENT
4. PROVIDE INDEPENDANT APPRAISAL OF THE ADEQUACY AND EFFECTIVENESS OF MUNICIPAL SERVICES
5. MANAGE RISK IN THE MUNICIPALITY
6. MANAGE RISK IN THE MUNICIPALITY

1 X MUNICIPAL MANAGER
GW LOUW 5719

1 X PERSONAL ASSISTANT
POST LEVEL T10 (TASK WARCH 2012)
RI MEYER 1215

1 X ADMINISTRATIVE OFFICER
POST LEVEL 6PT1 (T11) (TASK FEB 2014)
E DE VILLIERS 0234

DEPARTMENT: SUPPORT SERVICES
B HOLTZHAUSEN 504 19
CONTRACT SECTION 56

DEPARTMENT: FINANCIAL SERVICES
L HOEK 0966
POST LEVEL T19

DEPARTMENT: MANAGEMENT SERVICES
C AFRICA 8660
CONTRACT SECTION 56

DEPARTMENT: ROADS SERVICES (AGENCY FUNCTION)
JC OTTERVANGER 0138
POST LEVEL T19

DIVISION: INTERNAL AUDIT
PURPOSE: TO PROVIDE INDEPENDENT SUPERVISION OF THE ADEQUACY AND EFFECTIVENESS OF THE MUNICIPALITY'S POLICY AND TO PROVIDE SUPPORT SERVICES TO THE MUNICIPALITY IN SUPPORT OF THE EFFICIENT EXECUTION OF ITS FUNCTIONS AND OBLIGATIONS IN ACCORDANCE WITH THE DP OF THE MUNICIPALITY AND TO COORDINATE, FACILITATE AND PROVIDE CAPACITY BUILDING IN THE DISTRICT AS A WHOLE AS CONTAINED IN THE IDP

FUNCTIONS:

1. ASSISTANCE WITH THE DEVELOPMENT OF & REVIEW & CONSOLIDATION OF EDEN DISTRICT OPERATIONAL STRATEGY & PLANS
2. MANAGE THE IMPLEMENTATION OF AUDIT STRATEGIES & PLANS
3. REVIEW DEVELOP & RECOMMEND SYSTEMS & PROCEDURES
4. REVIEW & RECOMMEND DIVISIONAL POLICIES & PROCEDURES
5. MANAGE & COORDINATE RISK ASSESSMENTS & CROSS AUDITING
6. MANAGE & COORDINATE RISK ASSESSMENTS & CROSS AUDITING
7. OVERSEE PROPER REPORTING PROCESSES

1 X CHIEF INTERNAL AUDITOR & REGIONAL FACILITATOR
NM DLENGEZELE 1160
POST LEVEL T15 (BENCHMARKED)

SEE PAGE 2

DIVISION: SDBP/ORGANISATIONAL PERFORMANCE MANAGEMENT
PURPOSE: TO DEVELOP, MAINTAIN AND MONITOR THE INSTITUTIONAL PERFORMANCE MANAGEMENT SYSTEMS IN THE MUNICIPALITY

FUNCTIONS:

1. DEVELOPING, COORDINATING AND IMPLEMENTING THE POLICY ON PERFORMANCE MANAGEMENT SYSTEM IN COMPLIANCE WITH LEGISLATION AND COMMUNICATION PARTICIPATION
2. DESIGNING AND IMPLEMENTING A RISK REGISTER FOR THE IMPLEMENTATION OF THE RAS FRAMEWORK
3. DESIGNING THE MUNICIPAL MANAGER'S REPORTING MATTERS ON MATTERS RELATED TO THE PMS
4. FACILITATING COORDINATING THE ANNUAL REVIEW OF THE PMS
5. FACILITATING PMS REVIEWS OF MANAGEMENT
6. ENSURING HORIZONTAL AND VERTICAL ALIGNMENT OF THE PMS WITH NATIONAL, PROVINCIAL & DISTRICT GOVERNMENT STRUCTURES
7. ENSURING AND MANAGING AN OPERATIONAL MUNICIPAL PERFORMANCE MANAGEMENT SYSTEM, FILTERING THROUGH TO THE DISTRICT.

1 X PERFORMANCE MANAGEMENT OFFICER
POST LEVEL T12 (TASK FEB 2014)
IG SAAMMAN 1038

DIVISION: RISK MANAGEMENT
PURPOSE: TO DEVELOP, MAINTAIN, MONITOR AND REPORT ON RISK MANAGEMENT IN THE MUNICIPALITY

FUNCTIONS:

1. ESTABLISH AND FACILITATE THE IMPLEMENTATION AND MONITORING OF AN INTEGRATED RISK MANAGEMENT SYSTEM
2. RISK ASSESSMENT AND UPDATE OF RISK REGISTERS AND ACTIONS
3. DEVELOP AND CONTINUOUSLY UPDATE RISK MANAGEMENT POLICY AND STRATEGIES
4. RISK MANAGEMENT TRAINING
5. ENSURE OPERATIONAL EFFICIENCY AND EFFICIENCY OF RISK MANAGEMENT SYSTEM
6. MONITOR AND REPORT ON RISK MANAGEMENT IN THE MUNICIPALITY
7. MONITOR PERFORMANCE OF RISK CHAMPIONS; PROVIDE ADVICE AND TRAINING
8. MONITOR AND REPORT ON RISK TO RISK MANAGEMENT COMMITTEE

1 X RISK OFFICER
POST LEVEL T12/13 (TASK FEB 2014)
(R) BRUNERS 1109 (ACTING) VACANT

Last Modified
02/21/2014

**EDEN DISTRICT MUNICIPALITY
ORGANOGRAM: OFFICE OF THE MUNICIPAL MANAGER - INTERNAL AUDIT**

Creation
Date
06/06/2012

<p>DIVISION: INTERNAL AUDIT</p> <p>PURPOSE: TO PROVIDE INDEPENDENT APPRAISAL OF THE ADEQUACY AND EFFECTIVENESS</p> <ol style="list-style-type: none"> 1. ASSISTANCE WITH THE DEVELOPMENT OF & REVIEW & CONSOLIDATION OF EDEN DISTRICT OPERATIONAL STRATEGY & PLANS 2. MANAGE THE IMPLEMENTATION OF AUDIT STRATEGIES & PLANS 3. REVIEW DEVELOP & RECOMMEND SYSTEMS & PROCESSES 4. REVIEW & RECOMMEND DIVISIONAL POLICIES & PROCEDURES 5. DEVELOP, MANAGE & LEAD THE AUDIT STAFF 6. MANAGE & COORDINATE RISK ASSESSMENTS & CROSS AUDITING 7. OVERSEE PROPER REPORTING PROCESSES 	<p>1 X CHIEF INTERNAL AUDITOR & REGIONAL FACILITATOR NM DLENGEZELE 1160</p> <p>POST LEVEL T15 (BENCHMARKED)</p>
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<p>SECTION: INTERNAL AUDIT</p> <p>PURPOSE: TO PROVIDE AN INDEPENDENT APPRAISAL OF THE ADEQUACY AND EFFECTIVENESS</p> <ol style="list-style-type: none"> 1. DEVELOP AND IMPLEMENT A RISK-BASED AUDIT PLAN AND INTERNAL AUDIT PROGRAM FOR EACH FINANCIAL YEAR 2. ADVISE THE ACCOUNTING OFFICER AND REPORT TO THE AUDIT COMMITTEE ON THE IMPLEMENTATION OF THE INTERNAL AUDIT PLAN AND MATTERS RELATING TO: <ol style="list-style-type: none"> 2.1 INTERNAL AUDIT: 2.2 INTERNAL CONTROLS; 2.3 ACCOUNTING PROCEDURES AND PRACTICES; 2.4 RISK AND RISK MANAGEMENT; 2.5 PERFORMANCE MANAGEMENT; 2.6 LOSS CONTROL; 2.7 EFFECTIVE GOVERNANCE; AND 2.8 COMPLIANCE WITH RELEVANT LEGISLATION AND POLICIES 3. CONDUCT INVESTIGATIONS, RISK ANALYSES AND REVIEWING OF FINANCIAL CONTROL SYSTEMS 4. LIAISE WITH THE EXTERNAL AUDITORS 5. COMPILER REGULAR AUDIT REPORTS 	<p>1 X INTERNAL AUDITOR PZ MANDINA 1111</p> <p>POST LEVEL 9PTI (T12 BENCHMARKED)</p>
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<p>SECTION: INTERNAL AUDIT</p> <p>PURPOSE: TO PROVIDE ASSISTANCE TO AN INDEPENDENT APPRAISAL OF THE ADEQUACY AND EFFECTIVENESS</p> <ol style="list-style-type: none"> 1. ASSIST WITH THE DEVELOPMENT AND IMPLEMENTATION OF A RISK-BASED AUDIT PLAN AND INTERNAL AUDIT PROGRAM FOR EACH FINANCIAL YEAR 2. PROVIDE ASSISTANCE TO THE INTERNAL AUDITOR IN ADVISING THE ACCOUNTING OFFICER AND REPORT TO THE AUDIT COMMITTEE ON THE IMPLEMENTATION OF THE INTERNAL AUDIT PLAN AND MATTERS RELATING TO: <ol style="list-style-type: none"> 2.1 INTERNAL AUDIT: 2.2 INTERNAL CONTROLS; 2.3 ACCOUNTING PROCEDURES AND PRACTICES; 2.4 RISK AND RISK MANAGEMENT; 2.5 PERFORMANCE MANAGEMENT; 2.6 LOSS CONTROL; 2.7 EFFECTIVE GOVERNANCE; AND 2.8 COMPLIANCE WITH RELEVANT LEGISLATION AND POLICIES 3. CONDUCT INVESTIGATIONS, RISK ANALYSES AND REVIEWING OF FINANCIAL CONTROL SYSTEMS 4. LIAISE WITH THE EXTERNAL AUDITORS 5. COMPILER REGULAR AUDIT REPORTS 	<p>2 X ASSISTANT INTERNAL AUDITOR RI BRUINERS 1109 (ASSISTING AS RISK OFFICER)</p> <p>POST LEVEL 7PTI (T10 BENCHMARKED)</p> <p>VACANT</p>
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APPENDIX D: FUNCTIONS OF MUNICIPALITY / ENTITY

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
TD		

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2011/12

Municipal Audit Committee recommendations		
Date of committee	Committee recommendations during year 1	Recommendations adopted (enter yes) if not adopted (provide explanation)
02 September 2013	Assessment report of the Section 57 Employees, Municipal Manager and Community Services	No, the report was submitted to the Audit Committee at the following meeting
	Municipal Manager to provide a report on the investigation of the management and operation of Victoria Bay Resort	Yes
	Request that minutes of Audit Committee meetings be included in the agendas of council meetings.	Yes
	That cases relating to loss of money be expedited and resolved as soon as possible	Still in process
	Internal audit reports be submitted on a quarterly basis for the committee's perusal	yes
10 April 2014	That follow up audit reports be submitted to the Audit Committee as per request and that management give feedback on an adhoc basis	Yes
	That the Municipality look into obtaining advise on how to implement an integrated thinking process throughout the organisation	No, information was requested from SALGA but they could not assist Eden in this Regards
	That the status of the properties and lease agreements be communicated to the committee on a continuous basis	Yes
	The top risks for Eden and Risk Committee meeting minutes must serve at every audit committee meeting held.	Yes
	That the risk based internal audit plan be submitted to the audit committee for their review and approval	yes
	That progress is provided on audit findings raised in the AG management report and the successful implementation and correction of these findings	yes
12 May 2014	Provide feedback to the audit committee on the capacity constraints of the finance department and any plans to improve on the current state	Yes
	Internal audit reports to be submitted to the committee and that cryptic feedback is provided on the status of the audit performed	Yes
	That the top risks for Eden District Municipality be submitted to council	Yes
	Eden should encourage a philosophy of continuous improvement, most prominently in the areas of employee target and goal setting, regulation and transparency to enhance performance management within Eden	Improving on a continuous basis
	Senior management should address the credibility and sustainability matters raised in the LG MTEC 3 findings report drafted by Provincial Treasury, and that management and council maintain the current measures in place to address these matters and keep them resolved	Yes
	Update on the legal position with regards to the properties / resorts that are currently in dispute with regards to ownership thereof	yes

APPENDICES

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC/PRI- VATE PARTNERSHIPS

There were no Public/Private Partnerships for the year.

Eden District Municipality is in the process of embarking on a PPP with regards to the establishment of the regional landfill site in Mossel Bay. This process will commence in the 2014/2015 financial year.

Service Level Agreement the municipality enter into is for three years or shorter. There were no long term contracts for the year under review.

With the contract that will be entered into with regards to the PPP for the regional landfill site will be a long term contract for 10 years, but this process will commence in 2014/2015 and the necessary procedures will be followed as prescribed by the MFMA.

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Not applicable, there was no disclosures made of any financial interest by employees or councilors.

Declaration of interests certificates were send to all employees and councilors of Eden District Municipality to declare any interest for the 2013/2014 (including the employees of the Roads agency function), no declarations were made.

T4.6.6

APPENDIX K(i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Source						
Description	R'000					
	2012/13	2013/14			2013/14 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Executive and council	163 213	170 528	168 384	162 336	-5.0%	-3.7%
Budget and Treasury Office	7	-	-	-	-	-
Corporate Services	902	1 112	1 112	875	-27.1%	-27.1%
Community and Social Services	-	-	-	-	-	-
Sport and Recreation	4 878	4 553	4 962	5 143	11.5%	3.5%
Public Safety	-	-	-	-	-	-
Health	131	160	160	183	12.6%	12.6%
Planning and Development	21	-	-	4	100.0%	100.0%
Road Transport	121 649	-	99 869	137 713		
Electricity	-	-	-	-	-	-
Water	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-
Waste Management	380	-	80	120	100.0%	33.3%
Environmental Protection	488	50	125	189	73.5%	33.9%
Other		-	-	-	-	-
Total Revenue by Vote (excluding revenue from Roads)	291 669	176 403	274 692	306 563	265.5%	152.5%

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R'000						
Description	2012/13	2013/14			2013/14 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Rentals of facilities and equipment	990	1 889	1 248	853	-121.5%	-46.3%
Interest earned - external investments	3 433	2 051	2 601	4 684	56.2%	44.5%
Licenses and permits	208	-	-	189	-	-
Agency services	-	13 780	11 280	-	-	-
Transfers recognised	136 386	133 413	141 097	145 733	8.5%	3.2%
Other revenue	136 992	17 270	118 466	155 104	88.9%	23.6%
Gains on disposal of PPE	134	8 000	-	-	-100.0%	0.0%
Total Revenue (excluding capital transfers and contributions and income from roads agency)	278 143	176 403	274 692	306 563	-67.9%	25.0%

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding MIG						
R'000						
Description	2012/13	2013/14			2013/14 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	136 073	139 828	149 032	146 180	9%	-229%
Municipal Systems Improvement	1 000	890	890	890	0.0%	0.0%
Department of Water Affairs	6 088	6 046	8 166	5 552	-8.9%	-47.1%
Levy Replacement	125 699	129 669	129 669	129 669	0.0%	0.0%
FMG	1 250	1 250	1 250	1 250	0.0%	0.0%
LGSETA	550	-	500	500	100.0%	0.0%
EPWP	486	369	369	131	-181.7%	-181.7%
Integrated transport	1 000	1 000	1 000	1 000	0.0%	0.0%
Municipal Disaster Recovery	-	604	604	604	0.0%	0.0%
Provincial Government:	-	-	150	165	200%	100%
Mandela Memorial Celebrations	-	-	150	150	100.0%	0.0%
Braille Project	-	-	-	15	100.0%	100.0%
District Municipality:	-	-	-	-	-	-
Other grant providers:	128	-	245	274	100%	11%
TASK	128	-	245	274	100.0%	10.6%
Total Operating Transfers and Grants	136 201	139 828	149 427	146 619	309%	-118%

COMMENT ON CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Refer to Annexure L for the details of grants received.

T5.2.4

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/ RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

The capital expenditure was spend on:

- Purchase of ICT equipment
- Purchase of fire fighting vehicles
- Purchase of furniture and fittings.

The major project included in the capital budget of R6.9m was the purchase of the Regional Landfill Site at Mossel Bay, but this project was not finalized, still in the contract phase and will be completed in the 2014/2015 financial year. This has been included in the budget.

After the purchase of the land, the PPP process will commence to obtain a Private Partner to fund the erection of the landfill facilities.

APPENDIX M (ii) CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Not applicable, no expenditure incurred for the renewal or upgrade. The capital expenditure was spend on:

- Purchase of ICT equipment
- Purchase of fire fighting vehicles
- Purchase of furniture and fittings.

APPENDIX O: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

No loans or grants have been made by District Municipality for the year under review. Due to the financial constraints, there is no available funding to make available as loans or grants to other institutions.

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	n/a to C-Municipality
	Plan and develop a regional landfill site with a hazardous cell	80%
	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)	100%
	District Non-motorised Transport Plan developed	100%
	Eden Mobility Strategy developed	100%
	Maintenance of district municipal roads	100%
	Output: Implementation of the Community Work Programme	Appointment of District EPWP Coordinator
Develop an EPWP strategy		100%
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. Eden District Municipality fulfills a supportive role towards B-municipalities in assisting, and facilitating ward committee-processes, operational and activity planning and budgeting processes, through the Eden district Public Participation and Communication Forum. The district co-ordinates and facilitates the ward delimitation process in collaboration with the municipal demarcation ward. See www.edendm.co.za indicating ward maps.	100%
Output: Administrative and financial capability	Second review of the 2014/15 IDP	100%
	Section 27 District IDP framework	100%
	Financial statements submitted by legislative deadline	100%
	Unqualified audit report for 2012/13	100%
	Implement performance management system (not organisational - IGNITE)	100%
	Implement IT system integration	100%
	Disaster Recovery Infrastructure	100%
	Develop a land asset system	80%
	Institutionalization of participation structures	100%
	Implement disability programmes	80%
	Human resource administration	100%
	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.

APPENDICES

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

No loans or grants have been made by District Municipality for the year under review. Due to the financial constraints, there are no available funding to make available as loans or grants to other institutions.

APPENDIX S - DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA SECTION 71 RETURNS NOT MADE DURING YEAR 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 N – CAPITAL PROGRAMME BY PROJECT YEAR I

CAPITAL: BULK SERVICES

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Regional Landfill Site	8 000	5 800	0	-	+ R140m
Total project value represents the estimated cost of the project on approval by Council					

Capital Expenditure 2013/14: Bulk Services

CAPITAL: WASTE DISPOSAL

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council					

Capital Expenditure 2013/14: Waste Disposal

CAPITAL EXPENDITURE: ROADS

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

Capital Expenditure 2013/14: Roads

CAPITAL EXPENDITURE: TRANSPORT

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

Table 1: Capital Expenditure 2013/14: Transport

CAPITAL: REGIONAL DEVELOPMENT AND PLANNING

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

Table 2: Capital Expenditure 2013/14: Regional Development and Planning

A) CAPITAL: LED

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Capital Expenditure 2013/14:

CAPITAL: TOURISM

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL: EPWP

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

Table 3: Capital Expenditure 2013/14: EPWP

CAPITAL: RESORTS

Capital Expenditure 2013/14: R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	250	0	0	-	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Table 4: Capital Expenditure 2013/14: Municipal Resorts

CAPITAL EXPENDITURE: SOCIAL DEVELOPMENT

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Table 5: Capital Expenditure 2013/14:

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Table 6: Capital Expenditure 2013/14:

CAPITAL EXPENDITURE – ENVIROMENTAL MANAGEMENT

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Table 7: Capital Expenditure 2013/14:

CAPITAL EXPENDITURE – NATURAL RESOURCE MANAGEMENT

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Table 8: Capital Expenditure 2013/14:

CAPITAL EXPENDITURE – HEALTH INSPECTION; FOOD AND ABATTOIR LICENSING AND INSPECTIONS, ETC.

Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)					

Table 9: Capital Expenditure 2013/14: Health Inspection; Food and Abattoir Licensing and Inspections, etc.

CAPITAL EXPENDITURE: FIRE SERVICES

R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Fire fighting Vehicle	400	400	400	-	400
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

APPENDICES

CAPITAL EXPENDITURE: DISASTER SERVICES

R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL EXPENDITURE: EXECUTIVE AND COUNCIL

R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value
Furniture and equipment	35	250	180	28%	180
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL EXPENDITURE: HUMAN RESOURCES

R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

CAPITAL EXPENDITURE – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	Total Project Value
ICT Equipment	200	450	419	6.9%	363
Total project value represents the estimated cost of the project on approval by Council					

Table 10: Capital Expenditure 2013/14: ICT Services

CAPITAL EXPENDITURE –LEGAL SERVICES

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council					

CAPITAL EXPENDITURE – PROPERTY SERVICES

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
		0	0	0	0
Total project value represents the estimated cost of the project on approval by Council					

CAPITAL EXPENDITURE – PROCUREMENT SERVICES

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council					

CAPITAL EXPENDITURE – SHARED SERVICES

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council					

Capital Expenditure 2013/14: Shared Services

CAPITAL EXPENDITURE – INTERNAL AUDIT

R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by Council					



Naturally Knysna, a diverse offering for any tourist.

VOLUME II

ANNUAL FINANCIAL STATEMENTS

EDEN DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

GENERAL INFORMATION

NATURE OF BUSINESS

Eden District Municipality is a district municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category C Municipality (District Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Eden District Municipality includes the following municipalities:

Bitou Municipality
George Municipality
Hessequa Municipality
Kannaland Municipality
Knysna Municipality
Mossel Bay Municipality
Oudtshoorn Municipality

ACCOUNTING OFFICER

Mr. G.W. Louw

CHIEF FINANCIAL OFFICER

Miss. L. Hoek

REGISTERED OFFICE

54 York Street, George, 6530

AUDITORS

Office of the Auditor General (WC)

PRINCIPAL BANKERS

Standard Bank, George

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALGBC Leave Regulations

EDEN DISTRICT MUNICIPALITY

MEMBERS OF THE EDEN DISTRICT MUNICIPALITY

COUNCILLORS

Proportional		<i>Ms. NA Bityi</i>
Proportional		<i>Mr. CN Ngalo</i>
Proportional		<i>Mr. V Waxa</i>
Proportional		<i>Ms. NM Tanda</i>
Proportional		<i>Ms. D Xego</i>
Proportional		<i>Ms. M Fielies</i>
Proportional		<i>Mr. HJ McCombi</i>
Proportional		<i>Mr. JJA Koeglenberg</i>
Proportional		<i>Mr. HJ Floors</i>
Proportional		<i>Mr. T Simmers</i>
Proportional		<i>Ms. SF May</i>
Proportional		<i>Ms. NP Mkalipi (Ngemntu)</i>
Proportional		<i>Ms. CM Skietekat</i>
Proportional		<i>Mr. JG Janse van Rensburg</i>
Proportional		<i>Mr. D Kamfer</i>
Representative:	George Municipality	<i>J du Toit</i>
Representative:	George Municipality	<i>T Teyisi</i>
Representative:	George Municipality	<i>PJ van der Hoven</i>
Representative:	George Municipality	<i>LBC Esau</i>
Representative:	George Municipality	<i>GC Niehaus</i>
Representative:	George Municipality	<i>LN Qupe</i>
Representative:	Mossel Bay Municipality	<i>JJ Gerber</i>
Representative:	Mossel Bay Municipality	<i>NC Booisen</i>
Representative:	Mossel Bay Municipality	<i>D van Rensburg</i>
Representative:	Mossel Bay Municipality	<i>SS Mbandezi</i>
Representative:	Oudtshoorn Municipality	<i>Vacant (Previously occupied by J Harmse)</i>
Representative:	Oudtshoorn Municipality	<i>J Maxim</i>
Representative:	Oudtshoorn Municipality	<i>VI van der Westhuizen</i>
Representative:	Knysna Municipality	<i>S F de Vries</i>
Representative:	Knysna Municipality	<i>D Naylor</i>
Representative:	Hessequa Municipality	<i>R Johannes</i>
Representative:	Hessequa Municipality	<i>D Abrahams</i>
Representative:	Bitou Municipality	<i>MM Mbali</i>
Representative:	Bitou Municipality	<i>N Ndayi</i>
Representative:	Kannaland Municipality	<i>WP Meshoa</i>

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2014, which are set out on pages 1 to 78 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2014 and is satisfied that the Municipality can continue in operational existence for the foreseeable future. In view of the insufficient equitable share allocation, which will not sustain the operations of the municipality in the future, a Turn Around Strategy was adopted by Council on 30 May 2013, and will be implemented during 2013/2014 financial year. A long term financial plan has been compiled by INCA and the recommendations will be implemented in 2014/2015 where applicable.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr. G.W. Louw
Accounting Officer

Date

EDEN DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

NET ASSETS AND LIABILITIES		2014	2013
		R	R
		(Actual)	(Restated)
	Note		
Net assets		453 292 836	460 642 413
Housing Development Fund	2	-	-
Capital replacement reserve		18 068 623	7 390 546
Accumulated Surplus/(Deficit)		435 224 213	453 251 867
Non-current liabilities		114 973 730	106 123 883
Long Term liabilities	3	704 932	2 569 434
Employee Benefits	4	111 132 402	100 567 435
Provisions	5	3 136 396	2 987 014
Current liabilities		52 701 097	66 688 645
Employee Benefits	6	17 876 656	17 158 630
Provisions	7	2 623 859	2 498 888
Payables - Exchange Transactions	8	21 818 059	37 763 673
Unspent conditional grants and receipts	9	8 459 929	7 592 012
Operating Lease Liability	19	18 142	-
Long Term liabilities	3	1 904 452	1 675 442
Total Net Assets and Liabilities		620 967 662	633 454 942
ASSETS		468 361 904	503 760 711
Non-current assets		515 890 136	546 060 187
Property, plant & equipment	11	294 896 003	326 978 546
Investment Property	12	170 665 034	173 356 461
Intangible Assets	13	2 800 867	3 425 705
Investments	14	40 774	40 774
Long Term receivables	15	47 487 458	42 258 702
Current assets		105 077 525	87 394 753
Inventory	16	4 645 034	3 778 281
Trade receivables - Exchange transactions	17	14 440 466	3 369 981
Other receivables - Non exchange transactions	18	2 005 720	2 924 232
Operating Lease Asset	19	29 270	-
VAT Receivable	10	1 483 452	1 453 089
Unpaid conditional grants and receipts	9	332 139	350 417
Long Term receivables	15	2 404 270	2 534 279
Cash and Cash Equivalents	20	79 737 174	72 984 474
Total Assets		620 967 662	633 454 942

EDEN DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

Note	2014 (Actual) R	2013 (Restated) R	Correction of error R	2013 (Previously reported) R
REVENUE				
	Total			Total
Revenue from Non-Exchange Transactions	145 735 859	136 391 813	(1 707 036)	138 098 849
Transfer Revenue	145 732 716	136 385 919	(1 707 036)	138 092 955
Regional Services Levies Equitable Share	21 129 669 000	125 699 000	-	125 699 000
Government grants and subsidies	21 16 063 716	10 686 919	(1 707 036)	12 393 955
Other Revenue	3 143	5 894	-	5 894
Unamortised Discount	3 143	5 894	-	5 894
Revenue from Exchange Transactions	160 827 259	143 769 644	(1 355 920)	145 125 564
Actuarial Gain from Ex-Gratia Pensions	4 373 177	159 276	-	159 276
Administration Fee: Work for Water	679 444	2 019 266	2 019 266	-
Contributed PPE	-	294 102	-	294 102
Contribution Shop Steward	1 001 046	814 874	-	814 874
Department of Transport - Roads Service Charges	22 137 712 906	121 649 330	11 507 985	110 141 345
Gains on disposal of property, plant and equipment	-	133 542	-	133 542
Income for agency services	-	-	(14 148 470)	14 148 470
Interest earned - external investments	20 4 683 695	3 432 586	-	3 432 586
Interest earned - outstanding debtors	-	-	-	-
Licenses and permits	189 121	208 295	-	208 295
Other income	23 13 031 363	14 068 365	50 053	14 018 312
Over provision - Shortfall on Cape Pension Fund	2 303 549	-	-	-
Rental of facilities and equipment	852 958	990 008	(784 754)	1 774 762
Total Revenue	306 563 118	280 161 457	(3 062 956)	283 224 413
EXPENDITURE				
Employee related costs	24 92 562 110	94 073 045	(42 067)	94 115 112
Employee related costs - Roads	25 55 224 672	51 068 849	-	51 068 849
Remuneration of Councillors	26 7 027 896	6 747 342	-	6 747 342
Impairment of Trade Receivables	2 442 803	1 734 251	(308 630)	2 042 881
Actuarial Loss	1 900 945	8 111 513	-	8 111 513
Impairment Losses	23 644	120 395	-	120 395
Increase in Provision for Alien Vegetation	274 353	236 458	-	236 458
Depreciation	27 4 101 546	4 596 556	23 953	4 572 603
Amortisation	729 080	669 965	201 734	468 231
Repairs and maintenance	28 3 578 946	2 956 793	-	2 956 793
Finance Charges	29 704 457	1 194 492	451 715	742 776
Contracted services	30 13 807 925	12 375 067	(1 399 061)	13 774 128
Roads - Operating Expenditure	31 69 853 878	59 072 495	-	59 072 495
Stock Losses	16 5 231	5 687	-	5 687
Unamortised Discount - Interest	78 066	98 040	-	98 040
Loss on disposal of property, plant and equipment	11 31 769 219	727 891	336 827	391 063
General Expenses	32 29 827 924	23 586 084	-	23 586 088
Total Expenditure	313 912 695	267 374 924	(735 529)	268 110 455
SUPPLUS / (DEFICIT) FOR THE YEAR	(7 349 578)	12 786 532	(2 327 427)	15 113 958

Refer to the Statements of Comparison of budget and actual amounts for explanation of variances

EDEN DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2014

	<u>Capital Replacement Reserve</u>	<u>Housing Development Fund</u>	<u>Accumulated Surplus/(Deficit)</u>	<u>Total</u>
	R	R	R	R
2013				
Balance at 1 July 2012	7 390 546	56 426	433 553 305	441 000 277
Correction of error (Note 34)	-	(56 426)	6 912 031	6 855 605
Changes in accounting policy	-	-	-	-
Restated Balance	7 390 546	-	440 465 336	447 855 882
Surplus/(deficit) for the year			12 786 532	12 786 532
Balance at 30 June 2013	7 390 546	-	453 251 868	460 642 414
2014				
Correction of error (Note 34)	-	-	-	-
Restated Balance	7 390 546	-	453 251 868	460 642 414
Surplus/(deficit) for the year			(7 349 578)	-7 349 578
Transfers from Accumulated Surplus	10 678 077		(10 678 077)	-
Balance at 30 June 2014	18 068 623	-	435 224 213	453 292 836

**EDEN DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 R	2013 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Other receipts		145 087 007	149 958 567
Government - operating		145 540 602	136 375 400
Government - capital		192 114	10 518
Interest		4 683 695	3 432 586
Payments			
Suppliers and employees		(280 012 408)	(258 766 561)
Finance charges		(704 457)	(1 194 492)
Cash generated/(absorbed) by operations	34	<u>14 786 552</u>	<u>29 816 016</u>
NET CASH FROM OPERATING ACTIVITIES		<u><u>14 786 552</u></u>	<u><u>29 816 016</u></u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(999 412)	(581 656)
Proceeds on disposal of property, plant and equipment		(7)	162 519
Increase in intangible assets	13	(225 269)	(2 886 013)
Decrease / (Increase) in non-current receivables		(5 095 604)	2 604 222
NET CASH FROM INVESTING ACTIVITIES		<u><u>(6 320 294)</u></u>	<u><u>(700 928)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in Long term liabilities		(1 713 558)	1 096 768
NET CASH FROM FINANCING ACTIVITIES		<u><u>(1 713 558)</u></u>	<u><u>1 096 768</u></u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u><u>6 752 700</u></u>	<u><u>30 211 856</u></u>
Cash and cash equivalents at the beginning of the year		<u>72 984 474</u>	<u>42 772 618</u>
Cash and cash equivalent at the end of the year	35	<u>79 737 174</u>	<u>72 984 474</u>

EDEN DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R	2014 R	2014 R	Explanations for material variances
	(Actual)	(Final Budget)	(Variance)	
ASSETS				
Current assets				
Cash	79 736 070	88 782 000	(9 045 930)	Due to the advances of the Roads agency function being withheld from April - June until the SLA was signed, the cash decreased.
Call investment deposits	1 104	-	1 104	
Consumer debtors	-	6 785 000	(6 785 000)	Classification error, should be included under other receivables
Other Receivables	18 291 047	4 403 000	13 888 047	Due to the money borrowed to Roads when the advance payments were withheld by Department of Public Transport. Thus a debtor of R11m was created.)
Current portion of long-term receivables	2 404 270	2 534 000	(129 730)	
Inventory	4 645 034	3 778 000	867 034	Additional inventory in store due to the additional flood projects that the roads agency section is performing in Central Karoo.
Total current assets	105 077 525	106 282 000	-1 204 475	
Non current assets				
Long-term receivables	47 487 458	39 724 000	7 763 458	Due to increase in long term debtor for the Roads agency function for the post retirement benefits.
Investments	40 774	-	40 774	
Investment property	170 665 034	347 611 000	(176 945 966)	Reclassification of land & building and Investment property as per GRAP standards
Property, plant and equipment	294 896 003	147 505 000	147 391 003	Reclassification of land & building and Investment property as per GRAP standards
Intangible Assets	2 800 867	3 541 000	(740 133)	Annual amortisation and impairments of obsolete assets e.g. Excel 2003
Heritage Assets	-	41 000	(41 000)	
Total non current assets	515 890 136	538 422 000	(22 531 864)	
TOTAL ASSETS	620 967 661	644 704 000	(23 736 339)	
LIABILITIES				
Current liabilities				
Borrowing	1 904 452	650 000	1 254 452	Lease liability of the ESRI GIS system, identified in the AFS, refer to non current liabilities, the movement when calculating the difference is minor.
Trade and other payables	30 296 130	53 249 000	(22 952 870)	Shortfall on Pension Fund has been paid in full & SARS VAT on admin fee has been paid in full during 2013/2014, thus reducing trade payables.
Provisions and Employee Benefits	20 500 515	20 837 000	(336 485)	
Total current liabilities	52 701 097	74 736 000	(22 034 903)	
Non current liabilities				
Borrowing	704 932	2 856 000	(2 151 068)	Repayment of long term loans, Lease liability of the ESRI GIS system, identified in the AFS, refer current liabilities, the movement when calculating the difference is minor.
Provisions and Employee Benefits	114 268 798	109 768 000	4 500 798	Post retirement benefits calculated by the actuary, these valuations are based on the discount rate, age, other factors
Total non current liabilities	114 973 730	112 624 000	2 349 730	
TOTAL LIABILITIES	167 674 827	187 360 000	(19 685 173)	
NET ASSETS	453 292 834	457 344 000	(4 051 166)	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	435 224 213	455 697 000	(20 472 787)	Restatements and current year surplus/deficit It was estimated that the CRR will reduce, but the CRR remained unchanged from the previous year.
Reserves	18 068 623	1 947 000	16 121 623	
TOTAL COMMUNITY WEALTH/EQUITY	453 292 836	457 644 000	(4 351 164)	

VOLUME II - ANNUAL FINANCIAL STATEMENTS

EDEN DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Explanations for material adjustments
ASSETS				
Current assets				
Cash	25 788 000	62 994 000	88 782 000	Due to the advances of the Roads agency function being withheld from April - June until the SLA was signed, the cash decreased.
Call investment deposits	30 000 000	(30 000 000)	-	
Consumer debtors	(19 190 000)	25 975 000	6 785 000	Classification error, should be included under other receivables
Other Receivables	11 734 000	(7 331 000)	4 403 000	Due to the money borrowed to Roads when the advance payments were withheld by Department of Public Transport. Thus a debtor of R11m was created.)
Current portion of long-term receivables	2 298 000	236 000	2 534 000	
Inventory	3 236 000	542 000	3 778 000	Additional inventory in store due to the additional flood projects that the roads agency section is performing in Central Karoo.
Total current assets	53 866 000	52 416 000	106 282 000	
Non current assets				
Long-term receivables	33 355 000	6 369 000	39 724 000	
Investments	-	-	-	
Investment property	336 326 000	11 285 000	347 611 000	
Property, plant and equipment	168 332 000	(20 827 000)	147 505 000	
Intangible Assets	3 190 000	351 000	3 541 000	
Other Non-Current Assets	88 080 000	(88 039 000)	41 000	
Total non current assets	629 283 000	(90 861 000)	538 422 000	
TOTAL ASSETS	683 149 000	(38 445 000)	644 704 000	
LIABILITIES				
Current liabilities				
Bank overdraft	-	-	-	
Borrowing	510 000	140 000	650 000	Lease liability of the ESRI GIS system, identified in the AFS, refer to non current liabilities, the movement when calculating the difference is minor.
Trade and other payables	28 478 000	24 771 000	53 249 000	Shortfall on Pension Fund has been paid in full & SARS VAT on admin fee has been paid in full during 2013/2014, thus reducing trade payables.
Provisions and Employee Benefits	16 255 000	4 582 000	20 837 000	
Total current liabilities	45 243 000	29 493 000	74 736 000	
Non current liabilities				
Borrowing	1 942 000	914 000	2 856 000	Repayment of long term loans, Lease liability of the ESRI GIS system, identified in the AFS, refer current liabilities, the movement when calculating the difference is minor.
Provisions and Employee Benefits	87 182 000	22 586 000	109 768 000	Post retirement benefits calculated by the actuary, these valuations are based on the discount rate, age, other factors
Total non current liabilities	89 124 000	23 500 000	112 624 000	
TOTAL LIABILITIES	134 367 000	52 993 000	187 360 000	
NET ASSETS	548 782 000	(91 438 000)	457 344 000	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	534 119 000	(78 422 000)	455 697 000	Restatements and current year surplus/deficit
Reserves	14 663 000	(12 716 000)	1 947 000	It was estimated that the CRR will reduce, but the CRR remained unchanged from the previous year.
TOTAL COMMUNITY WEALTH/EQUITY	548 782 000	(91 138 000)	457 644 000	

EDEN DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual Amounts)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
REVENUE BY SOURCE				
Rental of facilities and equipment	852 958	1 248 000	(395 042)	
Interest earned - external investments	4 683 695	2 601 000	2 082 695	Council had surplus funds during the year to invest as the majority of the spending was incurred during the last quarter of the financial year.
Interest earned - outstanding debtors	-	-	-	
Licences and permits	189 121	-	189 121	
Agency services	-	11 280 000	(11 280 000)	Income from agency services are included under other income with the compilation of the AFS
Government Grants and Subsidies - Equitable Share	129 669 000	129 669 000	-	
Government Grants and Subsidies - Operating	16 063 716	11 428 000	4 635 716	
Other revenue	155 104 628	118 468 000	36 636 628	Income from agency services are included under other income with the compilation of the AFS
Total Operating Revenue	306 563 118	274 694 000	31 869 118	
EXPENDITURE BY TYPE				
Employee related costs	92 562 110	92 827 490	(265 380)	
Employee related costs - Department of Transport	55 224 672	53 228 510	1 996 163	Inclusion of GRAP related items with consolidation
Remuneration of councillors	7 027 896	6 969 000	58 896	
Debt impairment	2 442 803	650 000	1 792 803	In process with debt collection, this was taken into account with the calculation of the provision
Depreciation & asset impairment	4 854 270	8 135 000	(3 280 730)	Due to review of useful lives and the changes thereof, depreciation was lower than expected
Finance charges	704 457	485 000	219 457	
Other materials	3 578 946	-	3 578 946	
Contracted services	13 807 925	10 930 000	2 877 925	General savings on contracted services and contract workers
Grants and subsidies paid	#REF!	4 144 000	#REF!	
Other expenditure	101 940 397	96 092 000	5 848 397	At the time of the compilation of the budget, the information was not available to budget for Loss, various properties were transferred to B-municipalities as per council resolutions.
Loss on disposal of PPE	31 769 219	-	31 769 219	
Total Operating Expenditure	#REF!	273 461 000	#REF!	
Operating Surplus/(Deficit) for the year	#REF!	1 233 000	#REF!	
Government Grants and Subsidies - Capital	-	-	-	
Net Surplus/(Deficit) for the year	#REF!	1 233 000	#REF!	

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**EDEN DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014**

ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Reasons for material adjustments
REVENUE BY SOURCE				
Rental of facilities and equipment	1 889 000	(641 000)	1 248 000	Revenue decreased, as the clinics were identified that was incorrectly raised. This charges have been reversed, thus decreasing rental income.
Interest earned - external investments	2 051 000	550 000	2 601 000	Surplus funds available to invest as the majority of the spending on expenditure was incurred during the last quarter of the financial year.
Interest earned - outstanding debtors	-	-	-	
Agency services	13 780 000	(2 500 000)	11 280 000	The allocation by Department of Transport was less than anticipated. This is the administration fee to perform the roads agency function on behalf of Department of Transport.
Government Grants and Subsidies - Equitable Share	129 669 000	-	129 669 000	
Government Grants and Subsidies - Operating	3 744 000	7 684 000	11 428 000	Additional grant funding allocated to Eden DM (disaster flood relief grant)
Other revenue	17 270 000	101 198 000	118 468 000	Included in other revenue is the income from the roads agency function. This was an audit finding last year and was rectified with the adjustment budget.
Gains on disposal of PPE	8 000 000	(8 000 000)	-	This was adjusted as no PPE was sold for the year.
Total Operating Revenue	176 403 000	98 291 000	274 694 000	
EXPENDITURE BY TYPE				
Employee related costs	91 952 000	875 490	92 827 490	Included in this amount is the employee related cost of the Roads agency function, refer to above regarding accounting treatment of roads.
Employee related costs - Department of Transport	-	53 228 510	53 228 510	
Remuneration of councillors	6 954 000	15 000	6 969 000	Immaterial
Debt impairment	650 000	-	650 000	No movement
Depreciation & asset impairment	8 135 000	-	8 135 000	No movement
Finance charges	585 000	(100 000)	485 000	Finance charges were recalculated and adjustment budget adjusted as per new calculations
Contracted services	11 330 000	(400 000)	10 930 000	Immaterial
Grants and subsidies paid	3 744 000	400 000	4 144 000	Additional grant funding received
Other expenditure	51 697 000	44 395 000	96 092 000	Expenditure of Roads included under other expenditure which was excluded from the original budget
Loss on disposal of PPE	-	-	-	
Total Operating Expenditure	175 047 000	98 414 000	273 461 000	
Operating Deficit for the year	1 356 000	(123 000)	1 233 000	
Government Grants and Subsidies - Capital	-	-	-	
Net Surplus for the year	1 356 000	(123 000)	1 233 000	

EDEN DISTRICT MUNICIPALITY
 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Other receipts	145 087 007	129 870 000	15 217 007	Increase in allocations from Department of transport included in the consolidation
Government - operating	145 540 602	141 097 000	4 443 602	
Government - capital	192 114	-	192 114	
Interest	4 683 695	2 601 000	2 082 695	Surplus funds available for investing, majority of expenditure incurred in last quarter
Payments				
Suppliers and Employees	(280 012 408)	(248 119 000)	(31 893 408)	General increases in expenditure e.g. CPIX, Additional funding received from Department of Transport for projects
Finance charges	(704 457)	(485 000)	(219 457)	
Transfers and Grants	-	(4 144 000)	4 144 000	
NET CASH FROM/(USED) OPERATING ACTIVITIES	14 786 553	20 820 000	(6 033 447)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Decrease/(increase) in non-current receivables	(5 095 604)	-	(5 095 604)	Increase in debtor for Department of Transport for the post retirement benefits
Decrease/(increase) in non-current investments	-	2 534 000	(2 534 000)	
Payments				
Capital assets	(1 224 682)	(6 935 000)	5 710 318	The R5.8m for the purchase of the land for the Regional Landfill Site will only be incurred in 2014/2015, in contract phase
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6 320 293)	(4 401 000)	(1 919 293)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	ESRI recognized as finance lease at yearend, not included in budget
Payments				
Repayment of borrowing	(1 713 558)	(622 000)	(1 091 558)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 713 558)	(622 000)	(1 091 558)	
NET INCREASE/(DECREASE) IN CASH HELD	6 752 700	15 797 000	(9 044 300)	
Cash and Cash Equivalents at the beginning of the year	72 984 474	72 985 000	(526)	
Cash and Cash Equivalents at the end of the year	79 737 174	88 782 000	(9 044 826)	

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**EDEN DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

	ADJUSTMENTS TO APPROVED BUDGET			Reasons for material adjustments
	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	33 249 000	96 621 000	129 870 000	Department of Transport transaction included in adjustment budget to be aligned with the consolidated AFS.
Government - operating	133 413 000	7 684 000	141 097 000	R6,584 Disaster Management Grant received additionally
Government - capital	-	-	-	
Interest	2 051 000	550 000	2 601 000	Surplus funds was available for investing, thus the increase in interest
Dividends	-	-	-	
Payments				
Suppliers and Employees	(146 091 000)	(102 028 000)	(248 119 000)	Department of Transport transaction included in adjustment budget to be aligned with the consolidated AFS.
Finance charges	(985 000)	500 000	(485 000)	
Transfers and Grants	(3 744 000)	(400 000)	(4 144 000)	Additional grant funding from Provincial Treasury for internal audit and SCM
NET CASH FROM/(USED) OPERATING ACTIVITIES	17 893 000	2 927 000	20 820 000	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	8 000 000	(8 000 000)	-	No assets were disposed
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	2 534 000	2 534 000	
Payments				
Capital assets	-	(6 935 000)	(6 935 000)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	8 000 000	(12 401 000)	(4 401 000)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Payments				
Repayment of borrowing	-	(622 000)	(622 000)	Adjustment for leases
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(622 000)	(622 000)	
NET INCREASE/(DECREASE) IN CASH HELD	25 893 000	62 889 000	15 797 000	
Cash and Cash Equivalents at the beginning of the year	-	-	72 985 000	
Cash and Cash Equivalents at the end of the year	25 893 000	62 889 000	88 782 000	Cash increased, the R5.8m was not paid for the purchase of the regional landfill site, etc.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
2 HOUSING DEVELOPMENT FUND		
Housing Development Fund	-	-
Balance previously reported	-	56 426
Correction of error - Note 33.7	-	(56 426)
Total Housing Development Fund Assets and Liabilities	-	-

3 LONG TERM LIABILITIES		
Capitalised Lease Liability - At amortised cost	1 028 055	1 878 886
Balance previously reported	-	1 761 850
Correction of error - Note 33.7	-	117 036
DBSA Loans - At amortised cost	1 642 353	2 505 080
Sub-total	2 670 408	4 383 966
Less: Unamortised Charges to Loans	61 024	139 090
Balance 1 July	139 090	237 130
Adjustment for the Year	(78 066)	(98 040)
Sub-total	2 609 384	4 244 876
Less: Current portion transferred to current liabilities	1 904 452	1 675 442
Current Portion of long term liabilities - At amortised cost	1 956 067	1 753 508
Current Portion of Unamortised Charges to Loans	(51 615)	(78 066)
Total Long-term Liabilities - At amortised cost using the effective interest rate method	704 932	2 569 434

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 2016. 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 Annexure A for more detail on long-term liabilities.

The obligations under long term loans are scheduled below:

	Minimum Loan Payments	
	2014	2013
Amounts payable under long-term loans		
Payable within one year	2 184 939	2 083 189
Payable within two to five years	716 995	2 901 934
Payable after five years	-	-
	2 901 934	4 985 122
Less: Future finance obligations	(231 526)	(601 154)
Present value of loan obligations	2 670 408	4 383 968
Less: Amounts due for settlement within 12 months	(1 996 017)	(1 753 508)
Amount due for settlement after 12 months	674 391	2 630 460

4 EMPLOYEE BENEFITS	2014 R	2013 R
Provision for Post Employment Health Care Benefits	61 374 030	55 798 855
Roads - Provision for Post Employment Health Care Benefits	46 000 742	40 801 527
Provision for Ex-Gratia Pension Benefits	646 802	1 007 190
Roads - Provision for Ex-Gratia Pension Benefits	713 322	855 875
Provision for Long Service Leave Awards	4 779 267	4 362 238
Roads - Provision for Long Service Leave Awards	3 177 664	3 113 523
	116 691 827	105 939 208
Less Short Term Portion Transferred to Current Provisions	(5 559 425)	(5 371 773)
Total Non-current Employee Benefit Liabilities	111 132 402	100 567 435

Included in the above provision for Employee Benefits are the following amounts in respect of benefits payable to the Roads Division:

Roads - Provision for Post Employment Health Care Benefits	46 000 742	40 801 527
Roads - Provision for Ex-Gratia Pension Benefits	713 322	855 875
Roads - Provision for Long Service Leave Awards	3 177 664	3 113 523
	49 891 728	44 770 925

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 15.

Post Employment Health Care Benefits

Balance 1 July	96 600 380	88 281 230
Contribution for the year	3 266 868	3 208 495
Interest Cost	8 063 028	6 591 292
Expenditure for the year	(4 449 069)	(3 873 060)
Actuarial Loss/(Gain)	3 893 563	2 392 423
Total post retirement benefits 30 June	107 374 770	96 600 380
Less: Transfer of Current Portion - Note 6	(4 503 528)	(4 245 684)
Balance 30 June	102 871 242	92 354 696

Long Service Leave Benefits

Balance 1 July	7 475 761	6 672 821
Contribution for the year	915 457	735 605
Interest Cost	515 028	413 095
Expenditure for the year	(708 212)	(676 588)
Actuarial Loss/(Gain)	(243 103)	330 828
Total post retirement benefits 30 June	7 956 931	7 475 761
Less: Transfer of Current Portion - Note 6	(825 436)	(826 134)
Balance 30 June	7 131 495	6 649 627

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EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4 EMPLOYEE BENEFITS (CONTINUED)

Ex-Gratia Pension Awards

	2014 R	2013 R
Balance 1 July	1 863 066	2 011 492
Contribution for the year	-	-
Interest Cost	115 595	108 116
Expenditure for the year	(299 955)	(314 277)
Actuarial Loss/(Gain)	(318 581)	57 735
Total post retirement benefits 30 June	1 360 125	1 863 066
Less: Transfer of Current Portion - Note 6	(230 461)	(299 955)
Balance 30 June	1 129 664	1 563 111

TOTAL NON-CURRENT EMPLOYEE BENEFITS

Balance 1 July	105 939 207	96 965 543
Contribution for the year	4 182 325	3 944 100
Interest Cost	8 693 651	7 112 503
Expenditure for the year	(5 455 236)	(4 863 925)
Actuarial Loss/(Gain)	3 331 879	2 780 986
Total post retirement benefits 30 June	116 691 826	105 939 207
Less: Transfer of Current Portion - Note 6	(5 559 425)	(5 371 773)
Balance 30 June	111 132 401	100 567 434

4.1 Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2014 Members	2013 Members
In-service (employee) members	193	193
Roads - In-service (employee) members	187	187
Continuation members (e.g. retirees, widows, orphans)	82	82
Roads - Continuation members (e.g. retirees, widows, orphans)	67	67
Total Members	529	529

The liability in respect of past service has been estimated to be as follows:

	2014 R	2013 R
In-service members	24 979 068	20 979 543
Roads - In-service members	22 843 458	19 704 991
Continuation members	36 394 962	34 819 312
Roads - Continuation members	23 157 283	21 096 535
Total Liability	107 374 771	96 600 381

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2010 R	2011 R	2012 R
In-service members	14 544 044	18 270 798	20 197 695
Roads - In-service members	12 297 165	14 159 873	18 080 395
Continuation members	23 789 933	28 124 019	24 236 421
Roads - Continuation members	18 180 649	19 604 223	25 766 720
	68 811 791	80 158 913	88 281 231

Experience adjustments were calculated as follows:

	2014 R	2013 R
Liabilities: (Gain) / loss	3 893 563	6 190 000

	2010 R	2011 R	2012 R
Liabilities: (Gain) / loss	3 740 000	(780 000)	(3 898 000)

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bontas;
Keyhealth
LA Health
ProSano
Hosmed
SAMWU Medical Aid

The Future-service Cost for the ensuing year is estimated to be R 3 640 316, whereas the Interest- Cost for the next year is estimated to be R 9 353 001.

Key actuarial assumptions used:

	%	%
i) Rate of interest		
Discount rate	8.89%	8.53%
Health Care Cost Inflation Rate	8.11%	7.55%
Net Effective Discount Rate	0.72%	0.91%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

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:

	2014 R	2013 R
Present value of fund obligations	61 374 030	55 798 855
Roads - Present value of fund obligations	46 000 741	40 801 526
Net liability/(asset)	107 374 771	96 600 381

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4 EMPLOYEE BENEFITS (CONTINUED)

	2014 R	2013 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	96 600 380	88 281 230
Current service cost	3 266 868	3 208 495
Interest Cost	8 063 028	6 591 292
Benefits Paid	(4 449 069)	(3 873 060)
Total expenses	103 481 207	94 207 957
Actuarial (gains) / losses	3 893 563	2 392 423
Present value of fund obligation at the end of the year	107 374 770	96 600 380

Sensitivity Analysis on the Accrued Liability

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions		47.823	59.552	107.375	
Health care inflation	1%	58.304	66.217	124.520	16.00%
Health care inflation	-1%	39.592	53.904	93.495	-13.00%
Discount Rate	1%	39.708	53.985	93.693	-13.00%
Discount Rate	-1%	58.331	66.235	124.566	16.00%
Post retirement mortality	+ 1 yr	49.443	61.999	111.442	4.00%
Average retirement age	+ 1 yr	51.283	59.552	110.835	3.00%
Continuation of membership at retirement	-10%	42.847	59.552	102.399	-5.00%

Assumption	Change	Current-service Cost R	Interest Cost R	Total R	% change
Central Assumption		3 266 900	8 063 000	11 329 900	
Health care inflation	1%	4 062 400	9 363 300	13 425 700	18.00%
Health care inflation	-1%	2 655 200	7 009 400	9 664 600	-15.00%
Post-retirement mortality	-1 year	3 370 600	8 367 900	11 738 500	4.00%
Average retirement age	-1 year	3 342 100	8 321 300	11 663 400	3.00%
Withdrawal Rate	-50%	3 859 700	8 461 000	12 320 700	9.00%

4.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 208 Eden employees and 299 Roads employees were eligible for Long Service

The Future-service Cost for the ensuing year is estimated to be R 5 970 565, whereas the Interest- Cost for the next year is estimated to be R 602 059.

Key actuarial assumptions used:

	2014 %	2013 %
i) Rate of interest		
Discount rate	7.97%	7.28%
General Salary Inflation (long-term)	7.14%	6.79%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.78%	0.46%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

Analysis of accrued liability

	2014 R	2013 R
Fair value of plan assets -		
Accrued Liability	4 779 267	4 362 238
Roads - Accrued Liability	3 177 664	3 113 523
Net liability / (asset)	7 956 931	7 475 761

Reconciliation of accrued liability values:

	2014 R	2013 R
Present value of fund obligation at the beginning of the year	7 475 761	6 672 821
Current service cost	915 457	735 605
Interest Cost	515 028	413 095
Benefits Paid	(706 212)	(676 588)
Total expenses	8 200 034	7 144 933
Actuarial (gains) / losses	(243 103)	330 828
Present value of fund obligation at the end of the year	7 956 931	7 475 761

The amounts recognised in the Statement of Financial Position are as follows:

	2014 R	2013 R
Accrued Liability	4 779 267	4 362 238
Roads - Accrued Liability	3 177 664	3 113 523
Net liability	7 956 931	7 475 761

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2010 R	2011 R	2012 R
Accrued Liability	4 752 074	3 744 356	4 173 517
Roads - Accrued Liability	2 677 312	2 401 975	2 499 304
Total Liability	7 429 386	6 146 331	6 672 821

Experience adjustments were calculated as follows:

	2014 R	2013 R
Liabilities: (Gain) / loss	(243 103)	356 598
	2 070 144	(304 411)
Liabilities: (Gain) / loss		57 687

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EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		7.957	
General salary inflation	+ 1%	8.478	7%
General salary inflation	- 1%	7.484	-6%
Discount Rate	+ 1%	7.456	-6%
Discount Rate	- 1%	8.520	7%
Average retirement age	-2 yrs	6.189	-22%
Average retirement age	+2 yrs	9.131	15%
Withdrawal rates	-50%	9.485	19%

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 15 former Roads employees were eligible for Ex-Gratia Benefits.

There 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 92 399.

Key actuarial assumptions used:

	2014 %	2013 %
I) Rate of interest		
Discount rate	7.41%	6.74%
Pension Increase Rate	3.05%	3.12%
Net Effective Discount Rate: pensioners with pension increases of 50% of DPI	4.23%	3.51%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

The amounts recognised in the Statement of Financial Position are as follows:

	2014 R	2013 R
Accrued Liability	646 802	1 007 190
Roads - Accrued Liability	713 322	855 875
Net liability	1 360 124	1 863 065

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2010 R	2011 R	2012 R
Accrued Liability	1 103 251	1 129 529	1 009 245
Roads - Accrued Liability	1 193 785	1 107 225	1 002 246
Total Liability	2 297 036	2 236 754	2 011 491

Experience adjustments were calculated as follows:

	2014 R	2013 R
Liabilities: (Gain) / loss	(318 581)	84 892
Assets: Gain / (loss)	-	-

	2010 R	2011 R	2012 R
Liabilities: (Gain) / loss	(228 298)	30 642	(225 549)
Assets: Gain / (loss)	-	-	-

Analysis of accrued liability

	2014 R	2013 R
Fair value of plan assets -		
Accrued Liability	646 802	1 007 190
Roads - Accrued Liability	713 322	855 875
Net liability / (asset)	1 360 125	1 863 065

Reconciliation of accrued liability values:

	2014 R	2013 R
Present value of fund obligation at the beginning of the year	1 863 066	2 011 492
Interest Cost	115 595	108 116
Benefits Paid	(299 955)	(314 277)
Total expenses	1 678 706	1 805 331
Actuarial (gains) / losses	(318 581)	57 735
Present value of fund obligation at the end of the year	1 360 125	1 863 066

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (R)	% change
Central assumptions		1 360 124	
Pension Increase rate	+1%	1 428 637	5%
Pension Increase rate	-1%	1 296 723	-5%
Discount Rate	+1%	1 299 744	-4%
Discount Rate	-1%	1 426 391	5%
Post-retirement mortality	- 1 yr	1 427 677	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.

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 2014

4 EMPLOYEE BENEFITS (CONTINUED)

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 2013 revealed that the fund is in an sound financial position with a funding level of 99.70% (30 June 2012 - 99.90%).

Contributions paid recognised in the Statement of Financial Performance

2014	2013
R	R
748 757	404 944

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 2013 revealed that the fund is in a sound financial position with a funding level of 105.10% (30 June 2012 - 108.00%).

Contributions paid recognised in the Statement of Financial Performance

20 948 633	13 351 106
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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

80 641	98 470
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5 NON-CURRENT PROVISIONS

Provision for Alleviation of Alien Vegetation on Council Properties
Less current portion transferred to Current Provisions - Note 7

2014	2013
R	R
5 760 255	5 485 902
(2 623 859)	(2 498 888)
3 136 396	2 987 014

Total Non-Current Provisions

Clearing of Alien Vegetation

Balance 1 July
Contribution for the year

5 485 902	5 249 444
274 353	236 458

Total provision 30 June

5 760 255	5 485 902
-----------	-----------

Less: Transfer of Current Portion to Current Provisions - Note 7

(2 623 859)	(2 498 888)
-------------	-------------

Balance 30 June

3 136 396	2 987 014
------------------	------------------

According to the Alien Vegetation Eradication plan developed for the district municipality, it is estimated that an amount of R5,760,255 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 R2,623,859 in the second year, R952,168 in the third year and R654,5050 in the fourth year and will continued for 10 years.

The discount rate used to calculate the present value of the rehabilitation costs at each reporting period is based on a calculated risk free rate as determined by the municipality. This rate is in line with a competitive investment rate the municipality can obtain from an A grade financial institution. The following rate was used - 5% (2013 - 5%)

There was no expenditure incurred for the current or prior financial years.

6 CURRENT EMPLOYEE BENEFITS

Performance Bonuses
Provision for Staff Leave
Provision for Staff Bonus
Roads - Provision for Staff Leave
Roads - Provision for Staff Bonus

2014	2013
R	R
509 294	779 438
4 756 311	4 651 107
2 300 159	2 039 417
3 026 335	2 787 026
1 725 132	1 529 869
5 559 425	5 371 773

Current Portion of Employee Benefit Provisions
Current Portion of Employee Benefit Provisions - Roads

3 155 155	2 862 693
2 404 270	2 509 080

Total Provisions

17 876 656	17 158 630
-------------------	-------------------

Roads -
Performance
Bonus

Performance
Bonus

30-Jun-14
Balance at beginning of year
Overprovision previous year
Expenditure incurred
Contributions/ (Reversal) to/of provision - current year provision

-	779 438
-	(328 812)
-	(392 051)
-	450 719
-	509 294

Balance at end of year

30-Jun-13

Balance at beginning of year
Contributions to provision - current year provision

84 598	1 106 005
(84 598)	(326 567)

Balance at end of year

-	779 438
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Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement

Roads - Staff
Leave

Staff Leave

30-Jun-14
Balance at beginning of year
Contributions to provision - current year provision
Expenditure incurred

2 787 026	4 651 107
915 205	524 391
(675 896)	(419 187)
3 026 335	4 756 311

Balance at end of year

30-Jun-13

Balance at beginning of year
Contributions to provision - current year provision
Expenditure incurred

2 249 965	4 244 637
860 501	939 669
(323 439)	(533 199)

Balance at end of year

2 787 026	4 651 107
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

6 CURRENT EMPLOYEE BENEFITS (CONTINUED)

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.

	2014 R	2013 R
	Roads - Staff Bonus	Staff Bonus
30-Jun-14		
Balance at beginning of year	1 529 868	2 039 418
Contributions to provision - current year provision	3 073 585	4 068 069
Expenditure incurred	(2 878 321)	(3 807 328)
Balance at end of year	1 725 132	2 300 159
30-Jun-13		
Balance at beginning of year	1 435 646	2 033 116
Contributions to provision - current year provision	2 732 175	3 794 391
Expenditure incurred	(2 637 953)	(3 788 089)
Balance at end of year	1 529 868	2 039 418

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

7 PROVISIONS

Current Portion of Alleviation of Alien Vegetation	2 623 859	2 498 888
Total Provisions	2 623 859	2 498 888

8 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	3 046 581	3 686 282
Balance previously reported	-	5 324 328
Correction of error - incorrect provision for grant expenditure - Note 33.3	-	(1 707 036)
Correction of error - 2012/2013 expenses paid in current financial year not included in provision - Note 33.3	-	68 990
Payments received in advance	-	1 011 511
Balance previously reported	-	3 199 279
Correction of error - Admin Fee: WFW - Note 33.3	-	(2 187 768)
Shortfall on Pension fund	-	2 401 642
Roads - Shortfall on Pension fund	-	772 877
Other creditors	5 919 255	7 856 332
Balance previously reported	-	7 694 408
Correction of error - incorrect journal processed in the 2011/2012 financial year - Note 33.3	-	8 727
Correction of double provision - Note 33.3	-	(196 070)
Correction of error incorrect rental billings - Note 33.3	-	319 266
Correction of error regarding allocations of sport club fee income and expenditures - Note 33.3	-	30 000
SARS - Roads	-	5 450 943
Roads - Payment Received in Advance	1 000 000	9 474 284
Roads - Other creditors	1 166 675	2 680 084
Government subsidies: Department of Transport - Roads	10 569 228	4 326 047
Balance previously reported	10 569 228	2 893 270
Correction of error - Admin Fee Roads - Note 33.3	-	1 432 777
Debtors with credit balances	116 320	103 671
Allocations to municipalities	-	-
Balance previously reported	-	670 242
Correction of unspent priority funds - Note 33.3	-	(670 242)
Total Trade Payables	21 818 059	37 763 673

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.

9 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent Grants

	8 459 929	7 592 012
National Government Grants	6 044 828	5 962 258
Provincial Government Grants	774 343	949 015
Other Grant Providers	1 640 758	680 739
Balance previously reported	-	1 137 265
Correction of emergency housing Zoar & DMA - Note 33.8	-	(456 527)
Less: Unpaid Conditional Grants	332 139	350 417
National Government Grants	83 579	190 321
Provincial Government Grants	248 560	7 249
Other Grant Providers	-	152 847
Balance previously reported	-	1 859 883
Correction of incorrect provision for grant expenditure - Note 33.8	-	(1 707 036)
Total Conditional Grants and Receipts	8 127 790	7 241 595

See Annexure "B" 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.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

10 TAXES

VAT Receivable

Balance previously reported
Correction of error - Admin Fee Roads - Note 33.6
Correction of error - SARS penalties and interests - Note 33.6
Correction of error - incorrect billings on rental properties - Note 33.6
Correction of error - incorrect provision for grant expenditure - Note 33.6

2014 R	2013 R
1 483 452	1 453 089
-	2 095 405
-	175 955
-	(699 190)
-	119 904
-	(238 985)
1 483 452	1 453 089

VAT is payable on the payment basis. Only once payment is received from debtors VAT is paid over to SARS.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2014 R	2013 R
Third party payments received for losses incurred:		
Payments received (Excluding VAT)	-	-
Carrying value of assets written off/lost	29 182 812	753 172
Surplus/Deficit	<u>29 182 812</u>	<u>753 172</u>
Impairment of property plant and equipment		
Impairment charges on Property, plant and equipment recognised in statement of financial performance		
Other	23 644	-
	<u>23 644</u>	<u>-</u>

Effect of changes in accounting estimates

During the current year useful lives of assets were re-assessed to ensure that assets' useful lives accurately reflect the remaining useful lives that each asset will be utilised by Eden District Municipality. The effect on the current as well as future periods are as follow:

	2014 R	2015 R	2016 R
Increase in Accumulated Depreciation: Property, plant and equipment	147 598	15 244	(293 780)

12 INVESTMENT PROPERTY	2014 R	2013 R
Net Carrying amount at 1 July	173 356 461	170 305 030
Cost - Buildings	7 790 500	19 381 437
Correction of Error - incorrect classification	-	(98 000)
Correction of Error - prior period opening balance classification	-	(2 862 149)
Cost - Land	167 359 500	328 558 463
Correction of Error - incorrect classification	-	98 000
Correction of Error - prior period opening balance classification	-	(12 452 852)
Class Transfers - Buildings	-	(9 201 789)
Class Transfers - Land	-	(152 244 112)
Accumulated Depreciation - Buildings	(1 793 539)	(3 017 462)
Class Transfers - Buildings	-	1 670 597
Correction of Error - prior period opening balance classification	-	472 895
Acquisitions - Buildings	-	-
Cost of Land Transferred from Property, Plant and Equipment	-	571 000
Cost of Buildings Transferred from Property, Plant and Equipment	-	3 400 000
Transfer of Accumulated Depreciation from Property, Plant and Equipment	-	(679 889)
Restated depreciation for the year	(226 052)	(239 681)
Depreciation for the year - previously reported	-	(602 331)
Correction of error on reclassifications - Note 33.2	-	362 651
Disposals: Accumulated depreciation - Buildings	117 125	-
Disposals: Cost - Buildings	(480 000)	-
Disposals: Cost - Land	(2 102 500)	-
Net Carrying amount at 30 June	170 665 034	173 356 461
Cost - Buildings	7 310 500	7 790 500
Cost - Land	165 257 000	167 359 500
Accumulated Depreciation - Buildings	(1 902 466)	(1 793 539)
Revenue derived from the rental of investment property	852 958	990 008

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.

Additional disclosure matter

Eden District Municipality obtained a draft legal opinion from Webber Wentzel Attorneys pertaining to the ownership of eleven properties identified by the Municipality. The draft opinion stated that, if no municipal function can be allocated to the property, the ownership automatically vests in the local (B) municipalities in whose area the property is situated. Eden District Municipality lodged a technical query with National Treasury, Provincial Treasury and the Office of the Auditor-General as the Municipality disagrees with the draft opinion. The Municipality is of the opinion that the properties must be allocated to the predecessors in title and not be determined by function. No feedback has been received pertaining to this legal query at reporting date.

The carrying value of possible affected properties as at the reporting date is estimated at:
 - Resorts: R122million
 - Other Land and Buildings: R52million

13 INTANGIBLE ASSETS	2014 R	2013 R
Cost	4 885 486	6 320 533
Opening Balance on 1 July	6 320 533	3 444 659
Balance Previously reported	6 320 533	3 556 535
Class Transfers	-	(111 876)
Acquisitions for the year - At cost	225 268	2 886 008
Balance Previously reported	-	2 799 712
Correction of Error - Correction of Cost Price - Note 33.3	-	86 296
Disposals	(1 660 315)	(10 134)
Less: Accumulated Amortisation	(2 084 619)	(2 894 828)
Opening Balance on 1 July	(2 894 828)	(2 110 906)
Balance Previously reported	(2 894 828)	(2 177 759)
Class Transfers	-	66 853
Restated Amortisation for the year	(729 080)	(669 965)
Balance Previously reported	(729 080)	(468 231)
Correction of error - prior year amortisation - Note 33.9	-	(201 734)
Disposals	1 539 289	6 438
Impairment of Intangible Assets	-	(120 395)
Total Intangible Assets	2 800 867	3 425 705

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

13 INTANGIBLE ASSETS (CONTINUED)

No intangible asset were asessed 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.

14 NON-CURRENT INVESTMENTS

Unlisted

KKLK shares and Loan Account - Held at Fair Value through Profit and Loss

Total Unlisted

Total Investments

Council's valuation of unlisted investments

KKLK shares

2014 R	2013 R
40 774	40 774
40 774	40 774
40 774	40 774
40 774	40 774

15 LONG-TERM RECEIVABLES

Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1) - At amortised cost
Department of Transport: Roads - Long Service Awards (Note 4.2) - At amortised cost
Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.3) - At amortised cost
Long term debtors: Local Authorities - At amortised cost

Less: Current portion transferred to current receivables

Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1) - At amortised cost
Department of Transport: Roads - Long Service Awards (Note 4.2) - At amortised cost
Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.3) - At amortised cost
Local Authorities - At amortised cost

Less: Unamortised Charges to Long Term Receivables

Balance 1 July
Adjustment for the Year

Total

46 000 742	40 801 527
3 177 664	3 113 523
713 322	855 875
-	25 199
49 891 728	44 796 124
2 404 270	2 534 279
1 973 160	1 865 178
303 117	500 218
127 993	143 684
-	25 199
-	3 143
3 143	9 037
(3 143)	(5 894)
47 487 458	42 258 702

LOANS TO OTHER LOCAL AUTHORITIES

The loans to other local authorities are interest free, except for the following loan:

Knysna Municipality:

Hornlee - Water and sewerage loan is payable over 20 years and bears interest at 10%, instalment is R 25 200 per year (October 1993)

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.

16 INVENTORY

Consumable Stores - at cost

Total Inventory

Consumable stores materials written down due to losses as identified during the annual stores counts.

Consumable stores materials surpluses identified during the annual stores counts.

Inventory recognised as an expense during the year

2014 R	2013 R
4 645 034	3 778 281
4 645 034	3 778 281
5 231	5 687
-	-
5 231	5 687

17 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

As at 30 June 2014

Service debtors

Ambulance and Fire Fighting Fees
Councillors' Arrears
Rental Agreements

Roads - Sundry debtors

Total

Gross Balances	Allowance for Bad Debts	Net Balances
5 262 546	(2 533 985)	2 728 561
2 498 736	(2 498 736)	-
3 332 399	(1 901 109)	1 431 290
10 280 615	-	10 280 615
21 374 296	(6 933 829)	14 440 466

As at 30 June 2013

Service debtors

Ambulance and Fire Fighting Fees
Councillors' Arrears
Rental Agreements

Balance previously reported

Correction of error - incorrect billings & provision for bad debts - Note 33.5

Roads - Sundry debtors

Balance previously reported

Correction of error - incorrect billings & provision for bad debts - Note 33.5

Total

Gross Balances	Allowance for Bad Debts	Net Balances
3 089 483	(2 071 495)	1 017 988
2 583 395	(1 455 506)	1 127 889
2 501 021	(1 633 931)	867 090
3 698 950	(2 458 335)	1 242 615
(1 197 929)	822 404	(375 525)
357 014	-	357 014
-	-	-
357 014	-	357 014
8 530 913	(5 160 932)	3 369 981

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

17 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

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

Housing Rentals & Rental Agreements: Ageing

	2014 R	2013 R
Current (0-30 days)	899 540	1 812
31 - 60 Days	71 421	314 485
61 - 90 Days	31 133	32 094
91 - 120 Days	22 247	32 079
121-365 Days	2 285 704	2 699 224
+ 365 Days	22 353	(578 673)
Total	3 332 399	2 501 021

Councillors' Arrears: Ageing

	2014 R	2013 R
Current (0-30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	760 992
121-365 Days	2 498 736	1 822 403
+ 365 Days	-	-
Total	2 498 736	2 583 395

Ambulance and Fire Fighting Fees-Ageing

	2014 R	2013 R
Current (0-30 days)	(650)	(650)
31 - 60 Days	396 394	363 672
61 - 90 Days	352 027	170 409
91 - 120 Days	256 500	-
121-365 Days	4 017 792	2 315 571
+ 365 Days	240 481	240 481
Total	5 262 546	3 089 483

Roads - Sundry debtors

	2014 R	2013 R
Current (0-30 days)	10 051 803	72 452
31 - 60 Days	8 176	74 451
61 - 90 Days	5 054	2 287
91 - 120 Days	2 515	-
121-365 Days	885	-
+ 365 Days	212 183	207 824
Total	10 280 615	357 014

Reconciliation of the allowance for bad debt provision (Trade Receivables from exchange and Other Receivables from non-exchange)

	2014 R	2013 R
Balance at the beginning of the year	7 199 069	20 314 566
Correction of error - incorrect billings and provision for bad debts - Note 33.5	-	(822 404)
Contributions to allowance: Exchange Receivables - Note 17	1 975 940	1 523 816
Contributions to allowance: Non-exchange Receivables - Note 18	466 863	519 066
Bad debts written off against the allowance	(711 655)	(14 335 975)
Balance at end of year	8 930 216	7 199 069

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.

18 OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

As at 30 June 2014

	Gross Balances	Allowance for Bad Debts	Net Balances
Recoverable Debtor: JP Zeelie	463 059	(463 059)	-
Government subsidies: Department of Transport - Roads	-	-	-
Recoverable Debtor: C Africa	6 804	-	6 804
Recoverable Debtor: DMA	557 132	-	557 132
Sundry debtors	2 662 229	(1 249 827)	1 412 402
Continued Members	307 649	(278 266)	29 383
Councillors Transport Allowance	5 233	(5 233)	-
Advances to Agencies	-	-	-
Total Other Debtors	4 002 106	(1 996 386)	2 005 720

As at 30 June 2013

	Gross Balances	Allowance for Bad Debts	Net Balances
Recoverable Debtor: JP Zeelie	463 059	(463 059)	-
Recoverable Debtor: DMA	449 116	-	449 116
Sundry debtors	3 670 983	(1 349 038)	2 321 945
Balance previously reported	3 560 794	(1 349 038)	2 211 756
Correction of error - Other Income allocated to incorrect debtor - Note 33.4	68 122	-	68 122
Correction of error - PAYE allocations for 2012/13 financial year - Note 33.4	42 067	-	42 067
Continued Members	373 977	(226 039)	147 938
Roads - Sundry debtors	-	-	-
Balance previously reported	357 014	-	357 014
Correction of classification of Department of Transport debtors - Note 33.4	(357 014)	-	(357 014)
Councillors Transport Allowance	5 233	-	5 233
Advances to Agencies	-	-	-
Total Other Debtors	4 962 368	(2 038 136)	2 924 232

The provision for doubtful debts on other debtors exists due to the possibility that not all debts will be recovered.

Recoverable Debtor: JP Zeelie

	2014 R	2013 R
Current (0-30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121-365 Days	-	-
+ 365 Days	463 059	463 059
Total	463 059	463 059

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

18 OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS (CONTINUED)

	2014 R	2013 R
Recoverable Debtor: DMA		
Current (0-30 days)	-	8 132
31 - 60 Days	-	8 877
61 - 90 Days	4 905	6 069
91 - 120 Days	15 164	2 828
121-365 Days	113 852	119 573
+ 365 Days	423 211	303 638
Total	557 132	449 116
Sundry debtors		
Current (0-30 days)	-	457 005
31 - 60 Days	38 550	116 709
61 - 90 Days	38 550	104 874
91 - 120 Days	42 472	113 236
121-365 Days	235 515	944 016
+ 365 Days	2 302 776	1 824 954
Total	2 657 864	3 560 794
Continued Members		
Current (0-30 days)	(59 394)	-
31 - 60 Days	55 167	92 602
61 - 90 Days	14 750	18 278
91 - 120 Days	7 402	11 183
121-365 Days	289 725	251 914
+ 365 Days	-	-
Total	307 650	373 977
Councillors Transport Allowance		
Current (0-30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121-365 Days	-	-
+ 365 Days	5 233	5 233
Total	5 233	5 233

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.

19 OPERATING LEASE ARRANGEMENTS

19.1 The Municipality as Lessee

	2014 R	2013 R
Balance on 1 July	-	-
Movement during the year	18 142	-
Balance on 30 June	18 142	-
At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:		
Up to 1 Year	229 656	-
1 to 5 Years	243 394	-
More than 5 Years	-	-
	473 051	-

19.2 The Municipality as Lessor

Balance on 1 July	-	-
Movement during the year	29 270	-
Balance on 30 June	29 270	-
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	414 626	-
1 to 5 Years	1 195 626	-
More than 5 Years	344 248	-
	1 954 500	-

20 CASH AND CASH EQUIVALENTS

	2014 R	2013 R
Liabilities		
Roads - Bank Account	-	-
Assets		
Call Investment Deposits	1 104	1 104
Roads - Bank Account	5 923 716	20 226 282
Short term deposits	60 122 973	-
Cash	21 365	21 365
Primary Bank Account	-	35 254
Standard Bank Account	13 668 016	52 700 469
Total Cash and Cash Equivalents - Assets	79 737 174	72 984 474

The effective interest rate was 5.03% (2013: 5.03%).
The Municipality has the following bank accounts:-

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20	CASH AND CASH EQUIVALENTS (CONTINUED)	2014 R	2013 R
	Call Investment Deposits		
	Included in other deposits and bank balances are an amount of R 8 459 929 (2013: R 7 592 012) which is attributable to unspent grants and subsidies; and R 18 068 623 (2013: R 7 390 546) which is attributable to the Capital Replacement Reserve and R 2 574 153 (2013: R 4 266 930) which is to repay long-term liabilities as set out in note 3.		
	Current Account (Primary Bank Account) ABSA George Branch Account Number 4050434930		
	Cash book balance at beginning of year	35 254	28 250 113
	Cash book balance at end of year	-	35 254
	Bank statement balance at beginning of year	35 254	28 524 846
	Bank statement balance at end of year	-	35 254
	Current Account (Standard Bank Account) Standard Bank George Branch Account Number 06 083 263 0		
	Cash book balance at beginning of year	52 700 469	5 210
	Cash book balance at end of year	13 668 016	52 700 469
	Bank statement balance at beginning of year	52 883 296	5 210
	Bank statement balance at end of year	14 487 347	52 883 296
	Cash	21 365	21 365
	Current Account (Standard Bank Account) - Roads Standard Bank George Branch Account Number 06 083 283 500 0		
	Cash book balance at beginning of year	20 226 282	14 494 484
	Cash book balance at end of year	5 923 716	20 226 282
	Bank statement balance at beginning of year	20 108 472	955
	Bank statement balance at end of year	5 238 308	20 108 472
	Call Investment Deposits ABSA George Branch Account Number 91 8226 3416		
	Cash book balance at beginning of year	1 104	1 121
	Cash book balance at end of year	1 104	1 104
	Bank statement balance at beginning of year	-	-
	Bank statement balance at end of year	-	-
	Short term deposits Standard Bank George Branch Account Number 48872744842		
	Cash book balance at beginning of year	-	-
	Cash book balance at end of year	15 030 922	-
	Bank statement balance at beginning of year	-	-
	Bank statement balance at end of year	15 000 000	-
	First National Bank George Branch Account Number 74350891493		
	Cash book balance at beginning of year	-	-
	Cash book balance at end of year	15 029 918	-
	Bank statement balance at beginning of year	-	-
	Bank statement balance at end of year	15 000 000	-
	Absa Bank George Branch Account Number 2072055978		
	Cash book balance at beginning of year	-	-
	Cash book balance at end of year	15 030 559	-
	Bank statement balance at beginning of year	-	-
	Bank statement balance at end of year	15 000 000	-
	Nedbank George Branch Account Number 7881073772		
	Cash book balance at beginning of year	-	-
	Cash book balance at end of year	15 031 574	-
	Bank statement balance at beginning of year	-	-
	Bank statement balance at end of year	15 000 000	-
	Interest earned for the year on the short term investments	4 683 695	3 432 586

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21 GOVERNMENT GRANTS AND SUBSIDIES

	2014 R	2013 R
Unconditional		
Equitable Share	129 669 000	125 699 000
Conditional	16 063 716	10 686 918
Grants and Donations	16 063 716	10 686 918
Balance previously reported	-	12 393 954
Correction of error - incorrect provision for grant expenditure - Note 33.8	-	(1 707 036)
Total Government Grants and Subsidies	145 732 716	136 385 918
Government Grants and Subsidies - Operating	145 540 602	136 375 400
Government Grants and Subsidies - Capital	192 114	10 518
Total Government Grants and Subsidies	145 732 716	136 385 918
21.1 Equitable Share		
Opening balance	-	-
Grants received	129 669 000	125 699 000
VAT on Grants	-	-
Conditions met - Operating	(129 669 000)	(125 699 000)
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.		
21.2 Municipal Systems Improvement Grant (MSIG)		
Opening balance	(106 743)	328 747
Grants received	890 000	1 000 000
VAT on Grants	(93 420)	(76 124)
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(438 670)	(1 348 849)
Conditions met - Capital	(192 114)	(10 518)
Conditions still to be met	59 053	(106 744)
The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
21.3 Local Government Financial Management Grant (FMG)		
Opening balance	12 274	330 174
Grants received	1 250 000	1 250 000
VAT on Grants	(64 993)	(138 455)
Conditions met - Operating	(1 185 007)	(1 429 446)
Conditions met - Capital	-	-
Conditions still to be met	12 274	12 274
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).		
21.4 Electricity Demand Side Management		
Opening balance	5 399 985	5 399 984
VAT on Grants	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	5 399 985	5 399 984
Grant utilised for energy efficiency investigation within the region.		
21.5 Dpt Land Affairs: District Assessment Committee		
Opening balance	49 343	49 343
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	49 343	49 343
Grant utilised to assess the land affairs within the region.		
21.6 Donation Funds National Water		
Opening balance	41 700	41 700
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	41 700	41 700
Grant utilised to investigate the district's water plans.		
21.7 Housing Consumer Education Fund		
Opening balance	32 167	32 167
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	32 167	32 167
The Housing Consuming Education Grant was used for public awareness programs.		

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21	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2014 R	2013 R
21.8	<u>LGESTA:Re-imbursments</u>		
	Opening balance	1 128 101	688 150
	Grants received	131 015	485 654
	VAT on Grants	-	(5 392)
	Conditions met - Operating	(347 892)	(40 311)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
		911 224	1 128 101
	Grant is utilised for training purposes of municipal staff.		
21.9	<u>LGSETA: LED Learnership</u>		
	Opening balance	9 164	9 164
	Grants received	-	-
	VAT on Grants	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
		9 164	9 164
	Grant is utilised for training purposes of municipal staff.		
21.10	<u>Human Rights Programme</u>		
	Opening balance	53 797	53 797
	Grants received	-	-
	VAT on Grants	(565)	-
	Conditions met - Operating	(4 035)	-
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
		49 197	53 797
	Grant utilised for the promotion of human rights within the region.		
21.11	<u>Sports Grounds: Haarlem</u>		
	Opening balance	8 678	18 178
	Grants received	-	-
	VAT on Grants	-	-
	Conditions met - Operating	-	(9 500)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
		8 678	8 678
	Grant utilised for purchase of sports grounds in Haarlem.		
21.12	<u>Libraries Grant - Facilities</u>		
	Opening balance	77 506	77 506
	Grants received	-	-
	VAT on Grants	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
		77 506	77 506
	The grant was used for appointment of library staff.		
21.13	<u>Non-Motorised Transport</u>		
	Opening balance	2 442	18 107
	Grants received	-	-
	VAT on Grants	-	-
	Conditions met - Operating	-	(15 666)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
		2 442	2 442
	Grant utilised of building sub-roads for bicycles and pedestrians.		
21.14	<u>Bucket system Elimination Schools/Clinic</u>		
	Opening balance	128 417	132 794
	Grants received	-	-
	VAT on Grants	-	(584)
	Conditions met - Operating	-	(3 793)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
		128 417	128 417
	Grant utilised for replacing bucket system with VIP toilets.		
21.15	<u>WC079: Regional Landfill Site</u>		
	Opening balance	-	17 865
	Grants received	-	-
	VAT on Grants	-	(2 194)
	Conditions met - Operating	-	(15 671)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
		-	-
	Grant utilised for the investigations into the possibility of a regional landfill site.		
21.16	<u>LG: Bulk Water and Waste Water infrastructure.</u>		
	Opening balance	62 850	62 850
	Grants received	-	-
	VAT on Grants	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
		62 850	62 850
	Grant utilised for bulk infrastructure investigations.		

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21	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2014 R	2013 R
21.17	Expanded Public Works Incentives		
	Opening balance	(83 579)	65 294
	Grants received	1 000 000	1 000 000
	VAT on Grants	-	(11 908)
	Conditions met - Operating	(1 000 000)	(1 136 965)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>(83 579)</u>	<u>(83 579)</u>
	The grant is utilised for job creation.		
21.18	Task Contributions - Municipalities		
	Opening balance	(50 247)	100 830
	Grants received	274 000	127 678
	VAT on Grants	(3 594)	(6 188)
	Conditions met - Operating	(133 699)	(272 568)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>86 460</u>	<u>(50 247)</u>
	Grant utilised for the funding of the TASK unit.		
21.19	WFW: Brandwacht 2010/11		
	Opening balance	-	-
	Grants received	643 067	1 488 160
	VAT on Grants	(19 724)	(83 534)
	Conditions met - Operating	(623 344)	(1 404 627)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>-</u>	<u>-</u>
	Grant utilised for the eradication of alien vegetation.		
21.20	WFW: Great - Brak 2010/11		
	Opening balance	-	-
	Grants received	942 108	1 352 485
	VAT on Grants	(31 811)	(114 098)
	Conditions met - Operating	(910 297)	(1 238 387)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>-</u>	<u>-</u>
	Grant utilised for the eradication of alien vegetation.		
21.21	WFW: Karatara 2010/11		
	Opening balance	-	-
	Grants received	475 542	765 217
	VAT on Grants	(5 837)	(31)
	Conditions met - Operating	(469 706)	(765 186)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>-</u>	<u>-</u>
	Grant utilised for the eradication of alien vegetation.		
21.22	WFW: Knysna 2010/11		
	Opening balance	-	-
	Grants received	44 718	376 669
	VAT on Grants	(729)	(8 408)
	Conditions met - Operating	(43 989)	(368 261)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>-</u>	<u>-</u>
	Grant utilised for the eradication of alien vegetation.		
21.23	WFW: Moordkuyf 2010/11		
	Opening balance	-	-
	Grants received	414 726	1 219 057
	VAT on Grants	(21 768)	(51 837)
	Conditions met - Operating	(392 958)	(1 167 219)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>-</u>	<u>-</u>
	Grant utilised for the eradication of alien vegetation.		
21.24	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	<u>-</u>	<u>-</u>
	Grant was utilised to repair flood damage.		
21.25	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	<u>-</u>	<u>-</u>
	Grant was utilised to repair flood damage.		

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21	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2014 R	2013 R
21.26	<u>WC FMG Assistance</u>		
	Opening balance	550 000	-
	Grants received	-	550 000
	VAT on Grants	(21 673)	-
	Conditions met - Operating	(454 811)	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>73 516</u>	<u>550 000</u>
21.27	<u>DWA: Abstraction Validation on Bitou</u>		
	Opening balance	35 589	-
	Grants received	-	35 589
	VAT on Grants	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>35 589</u>	<u>35 589</u>
21.28	<u>DWAF: Chemical Water Sampling</u>		
	Opening balance	(7 248)	-
	Grants received	126 801	306 286
	VAT on Grants	(45 178)	(40 684)
	Conditions met - Operating	(322 934)	(272 850)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>(248 559)</u>	<u>(7 248)</u>
21.29	<u>RBIG & DBSA: Bulk Water Studies</u>		
	Opening balance	(102 600)	-
	Correction of error	-	1 707 036
	Grants received	2 904 935	545 065
	VAT on Grants	(192 693)	(305 923)
	Conditions met - Operating	(1 975 732)	(2 048 778)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>633 910</u>	<u>(102 600)</u>
21.30	<u>Integrated Transport</u>		
	Opening balance	-	-
	Grants received	604 000	-
	VAT on Grants	(100 346)	-
	Conditions met - Operating	(365 095)	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>138 560</u>	<u>-</u>
21.31	<u>Municipal Disaster Recovery</u>		
	Opening balance	-	-
	Grants received	6 584 000	-
	VAT on Grants	-	-
	Conditions met - Operating	(6 584 000)	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>-</u>	<u>-</u>
21.32	<u>Mandela Memorial Celebrations</u>		
	Opening balance	-	-
	Grants received	150 000	-
	VAT on Grants	-	-
	Conditions met - Operating	(13 750)	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>136 250</u>	<u>-</u>
21.33	<u>Braille Project</u>		
	Opening balance	-	-
	Grants received	15 000	-
	VAT on Grants	(412)	-
	Conditions met - Operating	(2 943)	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>11 645</u>	<u>-</u>
21.34	<u>WC FMG Internal Audit Project</u>		
	Opening balance	-	-
	Grants received	400 000	-
	VAT on Grants	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>400 000</u>	<u>-</u>
21.35	<u>WC FMG SCM Project-Database</u>		
	Opening balance	-	-
	Grants received	100 000	-
	VAT on Grants	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>100 000</u>	<u>-</u>
21.36	<u>TOTAL GRANTS</u>		
	Opening balance	7 241 594	7 883 177
	Correction of Error	-	1 250 509
	Grants received	146 618 912	136 200 860
	VAT on Grants	(602 740)	(845 360)
	Conditions met - Operating	(144 937 862)	(137 237 077)
	Conditions met - Capital	(192 114)	(10 518)
	Conditions still to be met	<u>8 127 790</u>	<u>7 241 594</u>

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.

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22 DEPARTMENT OF TRANSPORT - ROADS SERVICES CHARGES	2014 R	2013 R
Department of Transport - Roads Service Charges	125 078 551	110 141 345
Income for agency services	12 634 356	11 507 985
Previously reported	12 634 356	12 989 552
Correction of error - Admin Fee WFW incorrectly included in Agency Fee income	-	(224 745)
Correction of error - agency fee still outstanding at 30 June 2013 - Note 33.3	-	(1 256 822)
	137 712 906	121 649 330
Income for agency services is determined at a rate of 12% on the original subsidy allocated and 3% on all additional allocations.		
23 OTHER INCOME	2014 R	2013 R
Air quality plan	-	280 000
Call Centre Mosselbay	468 903	506 682
Fire Fighting fees	4 749 187	4 579 145
Fire Fighting/ Health Levy	-	22 590
George Municipality - Support fire fighting services	281 798	-
Greenest Municipality Award	120 000	-
Harvesting Plantation	174 526	55 575
Health Claims	491 116	145 518
Integrated waste management plan	-	379 864
Previously reported	-	311 742
Correction of error - allocations for sport club fees - Note 33.3	-	68 122
IT Shared Services District	875 200	900 453
Plans Copies	-	1 327
Photostats and Faxes	-	54
Refund Deposits	-	7 120
Resorts	5 119 771	4 861 360
Sport Club Fees	-	5 791
Previously reported	-	23 860
Correction of error - allocations for sport club fees - Note 33.10	-	(18 069)
Sundry Income	567 616	2 192 251
Tariffs And Penalties: Health	183 246	130 635
Total Other Income	13 031 363	14 068 365
24 EMPLOYEE RELATED COSTS	2014 R	2013 R
Employee related costs- Salaries and Wages	53 857 700	55 225 451
Employee related costs - Contribution for UIF, pensions and medical aids	18 050 489	17 324 659
Previously reported	-	17 366 726
Correction of error - PAYE allocations - Note 33.4	-	(42 067)
Grant funded employee related costs	2 209 981	2 651 854
Travel, motor car, accommodation, subsistence and other allowances	8 077 721	8 869 150
Housing benefits and allowances	535 558	604 247
Overtime payments	800 819	1 056 761
Performance bonus	121 907	(326 567)
Leave Payment	509 017	922 152
Leave Bonus	4 034 415	3 794 391
Increase in Provision for Health Care Benefits	3 674 230	3 352 372
Increase in Provision for Long Service Awards	783 857	699 777
Decrease in Provision for Ex-Gratia Pensions	(93 584)	(101 202)
Long-service awards	-	-
Total Employee Related Costs	92 562 110	94 073 045
REMUNERATION OF KEY MANAGEMENT PERSONNEL	2014 R	2013 R
Remuneration of the Municipal Manager (G Louw)	12 Months	12 Months
Annual Remuneration	1 057 852	956 755
Performance Bonuses	292 874	-
Car Allowance	167 220	167 220
Contributions to UIF, Medical and Pension Funds	109 810	103 918
Total	1 627 756	1 227 893
Remuneration of the Acting Chief Finance Officer: L Hoek	12 Months	6 Months
Annual Remuneration	-	327 636
Car Allowance	-	57 204
Contributions to UIF, Medical and Pension Funds	-	57 522
Total	-	442 361
Remuneration of the Chief Finance Officer: L Hoek	12 Months	6 Months
Annual Remuneration	593 851	271 917
Annual Bonus	48 419	-
Car Allowance	129 662	64 831
Contributions to UIF, Medical and Pension Funds	148 218	76 958
Total	920 151	413 706
Remuneration of Individual Executive Directors (Support & Management Services) 30 June 2014	12 Months Support Services (B Holtshauzen)	12 Months Management Services (C Africa)
Annual Remuneration	713 477	693 958
Performance Bonuses	21 000	106 241
Housing Allowance	-	84 000
Car Allowance	101 493	72 600
Contributions to UIF, Medical and Pension Funds	129 763	138 490
Total	965 734	1 095 289

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24 EMPLOYEE RELATED COSTS (CONTINUED)

	2014 R	2013 R
Remuneration of Individual Executive Directors (Support & Management Services) 30 June 2013	6 Months Support Services (B Holtshausen)	12 Months Management Services (C Africa)
Annual Remuneration	303 512	696 742
Housing Allowance	1 434	84 000
Car Allowance	53 069	72 600
Contributions to UIF, Medical and Pension Funds	54 352	147 725
Total	412 367	1 001 068
Remuneration of Individual Acting Executive Directors (Support & Management Services) 30 June 2013		6 Months Support Services (B Holtshausen)
Annual Remuneration		336 110
Leave Paid		-
Performance Bonuses		-
Housing Allowance		3 132
Car Allowance		57 204
Contributions to UIF, Medical and Pension Funds		52 047
Total		448 493
25 EMPLOYEE RELATED COST - ROADS	2014 R	2013 R
Employee related costs- Salaries and Wages	35 631 260	33 041 692
Employee related costs - Contribution for UIF, pensions and medical aids	12 857 500	12 138 817
Travel, motor car, accommodation, subsistence and other allowances	1 619 965	1 649 993
Housing benefits and allowances	417 105	394 951
Overtime payments	710 053	335 319
Performance bonus	-	(84 598)
Leave Payment	915 205	965 906
Leave Bonus	3 073 584	2 626 770
Total Employee Related Costs	55 224 672	51 068 849
26 REMUNERATION OF COUNCILLORS		
Remuneration	5 032 028	5 339 950
Travel Allowances	1 386 789	975 058
Telephone Allowances	318 409	252 693
Pension Contributions	131 393	105 764
Medical Contributions	159 277	73 877
Total Councillor's Remuneration	7 027 896	6 747 341
Van der Westhuizen VI - Executive Mayor		
Remuneration	381 706	358 128
Travel Allowances	141 885	177 764
Telephone Allowances	-	7 476
Pension Contributions	-	-
Medical Contributions	-	-
	523 591	543 368.00
Esau LBC - Deputy Executive Mayor		
Remuneration	264 840	244 533
Travel Allowances	94 115	92 952
Telephone Allowances	-	7 476
Pension Contributions	-	-
Medical Contributions	-	-
	358 955	344 961.00
Nayler T - Speaker		
Remuneration	280 424	302 818
Travel Allowances	92 844	47 280
Telephone Allowances	-	7 476
Pension Contributions	-	-
Medical Contributions	-	-
	373 268	357 574.00
Du Toit J - Mayoral Committee Member		
Remuneration	212 007	261 707
Travel Allowances	71 169	39 420
Telephone Allowances	6 230	7 476
Pension Contributions	-	-
Medical Contributions	-	-
	289 406	308 603.00
Koegelenberg JJA - Mayoral Committee Member		
Remuneration	396 305	377 134
Travel Allowances	131 963	128 322
Telephone Allowances	20 868	19 872
Pension Contributions	-	-
Medical Contributions	-	-
	549 136	525 328.00
Maxim J - Mayoral Committee Member		
Remuneration	222 004	262 543
Travel Allowances	86 173	39 755
Telephone Allowances	-	7 476
Pension Contributions	-	-
Medical Contributions	22 526	6 808
	330 703	316 582.00

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26 REMUNERATION OF COUNCILLORS (CONTINUED)

	2014 R	2013 R
May SF - Mayoral Committee Member		
Remuneration	397 777	452 653
Travel Allowances	131 963	52 366
Telephone Allowances	20 868	19 872
Pension Contributions	-	-
Medical Contributions	-	-
	<u>550 608</u>	<u>524 891.00</u>
McCombi HJ - Mayoral Committee Member		
Remuneration	366 763	437 924
Travel Allowances	159 240	94 913
Telephone Allowances	20 868	19 872
Pension Contributions	-	-
Medical Contributions	33 516	17 280
	<u>580 387</u>	<u>569 989.00</u>
Simmers T - Mayoral Committee Member		
Remuneration	396 794	450 721
Travel Allowances	144 732	66 912
Telephone Allowances	20 868	19 872
Pension Contributions	-	-
Medical Contributions	-	-
	<u>562 394</u>	<u>537 505.00</u>
Brummer JWG - Mayoral Committee Member		
Remuneration	-	13 857
Travel Allowances	-	3 632
Telephone Allowances	-	402
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>17 891.00</u>
Ngalo CN - Councillor		
Remuneration	194 697	181 957
Travel Allowances	-	-
Telephone Allowances	20 868	11 996
Pension Contributions	-	-
Medical Contributions	18 238	12 642
	<u>233 803</u>	<u>206 595.00</u>
Waxa V - Councillor		
Remuneration	98 955	100 886
Travel Allowances	52 785	45 271
Telephone Allowances	20 868	11 163
Pension Contributions	17 812	6 110
Medical Contributions	40 629	26 944
	<u>231 049</u>	<u>190 374.00</u>
Mbali MM - Councillor		
Remuneration	7 792	6 483
Travel Allowances	6 666	4 229
Telephone Allowances	-	-
Pension Contributions	7 792	-
Medical Contributions	1 180	-
	<u>23 430</u>	<u>10 712.00</u>
Ndayi N - Councillor		
Remuneration	7 792	3 102
Travel Allowances	8 068	2 426
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>15 860</u>	<u>5 528.00</u>
Bityi NA - Councillor		
Remuneration	182 650	174 857
Travel Allowances	-	525
Telephone Allowances	20 868	12 396
Pension Contributions	27 397	26 229
Medical Contributions	-	-
	<u>230 915</u>	<u>214 007.00</u>
Booisen NC- Councillor		
Remuneration	7 792	14 725
Travel Allowances	7 125	7 012
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>14 917</u>	<u>21 737.00</u>
Fielies M- Councillor		
Remuneration	182 650	174 857
Travel Allowances	-	-
Telephone Allowances	20 868	12 396
Pension Contributions	27 397	26 229
Medical Contributions	-	-
	<u>230 915</u>	<u>213 482.00</u>
Floors HJ- Councillor		
Remuneration	158 355	150 815
Travel Allowances	52 786	51 393
Telephone Allowances	20 868	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>232 009</u>	<u>214 604.00</u>
Gerber JJ- Councillor		
Remuneration	7 792	20 621
Travel Allowances	9 722	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>17 514</u>	<u>20 621.00</u>

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26 REMUNERATION OF COUNCILLORS (CONTINUED)

	2014 R	2013 R
Janse van Rensburg JG - Councillor		
Remuneration	158 355	180 140
Travel Allowances	52 785	20 946
Telephone Allowances	20 868	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>232 008</u>	<u>213 482.00</u>
Mbandedi SS - Councillor		
Remuneration	7 792	12 514
Travel Allowances	1 187	5 455
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>8 979</u>	<u>17 969.00</u>
Meshoa WP - Councillor		
Remuneration	34 613	37 388
Travel Allowances	12 651	7 844
Telephone Allowances	-	700
Pension Contributions	-	-
Medical Contributions	-	-
	<u>47 264</u>	<u>45 932.00</u>
Mkalipi NP - Councillor		
Remuneration	189 203	-
Travel Allowances	-	-
Telephone Allowances	20 868	-
Pension Contributions	-	-
Medical Contributions	21 937	-
	<u>232 008</u>	<u>-</u>
Niehaus GC - Councillor		
Remuneration	22 282	30 929
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>22 282</u>	<u>30 929.00</u>
Qupe LN - Councillor		
Remuneration	25 710	29 678
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>25 710</u>	<u>29 678.00</u>
Skietekat CM - Councillor		
Remuneration	211 140	201 086
Travel Allowances	-	-
Telephone Allowances	20 868	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>232 008</u>	<u>213 482.00</u>
Tanda NM - Councillor		
Remuneration	182 650	173 828
Travel Allowances	-	-
Telephone Allowances	20 868	12 396
Pension Contributions	27 397	25 770
Medical Contributions	-	-
	<u>230 915</u>	<u>211 994.00</u>
Teyisi T - Councillor		
Remuneration	21 425	19 505
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>21 425</u>	<u>19 505.00</u>
Van de Hoven PJ - Councillor		
Remuneration	38 565	32 245
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>38 565</u>	<u>32 245.00</u>
Van Rensburg D - Councillor		
Remuneration	7 792	22 832
Travel Allowances	8 194	7 338
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>15 986</u>	<u>30 170.00</u>
Xego D - Councillor		
Remuneration	157 322	142 848
Travel Allowances	67 741	61 657
Telephone Allowances	20 868	12 396
Pension Contributions	23 598	21 426
Medical Contributions	21 251	10 203
	<u>290 780</u>	<u>248 530.00</u>
Abrahams D - Councillor		
Remuneration	20 735	22 534
Travel Allowances	4 508	6 853
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>25 243</u>	<u>29 387.00</u>

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26 REMUNERATION OF COUNCILLORS (CONTINUED)

	2014 R	2013 R
Johannes R - Councillor		
Remuneration	19 913	11 349
Travel Allowances	11 137	9 067
Telephone Allowances	-	-
Pension Contributions	-	-
	<u>31 050</u>	<u>20 416.00</u>
Linden PDD - Councillor		
Remuneration	17 595	201 086
Travel Allowances	-	-
Telephone Allowances	1 739	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>19 334</u>	<u>213 482.00</u>
Kamfer D - Councillor		
Remuneration	149 841	-
Travel Allowances	37 350	-
Telephone Allowances	18 288	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>205 479</u>	<u>-</u>
De Waal NM - Councillor		
Remuneration	-	4 690
Travel Allowances	-	796
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>5 486.00</u>
Gombo ME - Councillor		
Remuneration	-	9 805
Travel Allowances	-	930
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>10 735.00</u>
Harmse J - Councillor		
Remuneration	-	4 466
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>4 466.00</u>
Mvimbi LL - Councillor		
Remuneration	-	1 486
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>1 486.00</u>
De Vries SF - Councillor		
Remuneration	-	10 134
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>10 134.00</u>
Ngemntu NP - Councillor		
Remuneration	-	201 086
Travel Allowances	-	-
Telephone Allowances	-	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>213 482.00</u>

In-kind benefits

The Mayor may utilise official Council transportation when engaged in official duties.

Remuneration of political office bearers and councillors

Remuneration of political office bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the

27 DEPRECIATION

	2014 R	2013 R
Property, Plant and Equipment	3 875 501	4 356 876
Balance previously reported	-	3 970 272
Correction of error - Note 33.1	-	386 604
Investment Property	226 052	239 681
Balance previously reported	-	602 331
Correction of error - Note 33.1	-	(362 651)
	<u>4 101 553</u>	<u>4 596 556</u>

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28	REPAIRS AND MAINTENANCE		
	Buildings	912 465	1 136 778
	Buildings Mission Street	-	60 380
	Electricity	31 681	28 048
	Equipment	835 284	563 963
	Fleet Vehicles	56 965	21 103
	General Maintenance & Complaints	178 293	158 575
	Plant	1 406 642	960 290
	Radio/Transmitter Station	141 554	17 377
	Water Works	16 063	10 280
		3 578 946	2 956 793
29	FINANCE CHARGES		
	Long-term liabilities	369 631	771 379
	Previously reported	-	740 638
	Correction of error - SARS penalties & interest - Note 33.6	-	30 740
	SARS	334 826	423 113
	Previously reported	-	2 138
	Correction of error - SARS penalties & interest - Note 33.6	-	420 975
	Total Interest on External Borrowings	704 457	1 194 492
30	CONTRACTED SERVICES	2014	2013
		R	R
	Asset Verification: BAUD	230 421	-
	Assistance: Year-end procedures	1 078 788	478 891
	Disaster Management	7 670	-
	DWAF Chemical Water Sampling	322 934	272 850
	Environmental Management: Studies & other services	67 332	-
	Fax Machines, Copiers & Maintenance Agreements	21 735	113 095
	Balance previously reported	-	44 105
	Correction of error - Note 33.3	-	68 990
	Fire Fighting Services	5 409 041	4 290 466
	Financial Management Assistance	154 811	719 590
	Furniture Removal	14 109	15 953
	Integrated Transport	351 660	15 666
	Internal Audit Training	6 947	-
	Laboratory Tests	271 529	250 558
	Laundry Services	32 807	8 709
	License & Support Agreements	1 384 157	1 869 527
	LG SETA & TASK	386 016	32 213
	Maintenance Plans	255 709	231 078
	Management Training	348 415	90 751
	RBIG & DBSA Bulk Water Studies	1 975 732	580 727
	Balance previously reported	1 975 732	2 048 778
	Correction of error - Note 33.3	-	(1 468 051)
	Regional Landfill Site	-	15 671
	Security Services	62 660	69 883
	Strategic Session: SCM Processes	-	25 500
	Tourism	52 583	46 931
	Work for Water	1 372 872	3 247 006
		15 783 657	12 375 067
31	ROADS - OPERATING EXPENDITURE	2014	2013
		R	R
	Plant Hire	-	-
	General Expenses	65 826 969	58 635 922
	Repairs and Maintenance	275 077	-
	Contributions to Capital	3 751 833	436 573
		69 853 879	59 072 495
32	GENERAL EXPENSES		
	Included in general expenses are the following: -		
	Advertisements	418 412	323 226
	Audit Fees	2 596 604	1 857 450
	Bank Charges	122 287	187 354
	Computer Programs	60 930	-
	Contribution Full time Shopsteward	10 120	45 975
	Deeds	2 208	1 080
	Disposable Equipment	2 368	6 462
	Domestic Expenses	308 679	337 909
	Employee Support	38 038	5 150
	Entertainment Allowances	36 158	62 963
	External Audit Committee	143 888	64 948
	Health Advisory Committee	1 754	877
	Herbicides	22 200	35
	Health Education	21 211	12 781
	Inventory Items	16 457	14 063
	Insurance	621 539	634 194
	Laboratory Test	484 546	454 114
	Laundry Service	143 741	138 506
	Legal Fees	959 775	1 203 901
	License fees	9 615	5 043
	Material	24 446	9 513
	Membership fees	970 371	850 629
	OPCAR - GRAP	891 547	-
	Operating Projects	1 320 346	2 043 895
	Personnel Contribution Mission Street	527 500	-
	Plant	996 565	1 236 952
	Postage/ Post Box Rental	29 737	11 554
	Printing & Stationery	1 051 149	1 016 846
	Protective Clothing	387 117	384 193
	Public Relations	11 465	1 961

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

32	GENERAL EXPENSES (CONTINUED)	2014 R	2013 R
	Purchases Matresses	25 842	70 832
	Rates & Taxes	635 310	575 651
	Refreshments	47 431	60 299
	Registration Fees: Congresses	19 805	39 463
	Rent	327 294	286 528
	Rent Disaster Centre Equipment	816 444	1 657 185
	Repayment: Eden Employee s (3G)	(28 238)	14 215
	Restaurant	-	70 517
	Road Reserve	442 972	104 943
	Security	109 148	83 204
	Services Accounts	1 899 221	1 726 109
	Skills Development Levy	689 252	697 911
	Strategic Planning	26 863	24 619
	Study Assistance	232 987	309 631
	Subsistence & Travel	1 081 128	1 035 091
	Sundry Expenses	159 365	53 048
	Sundry Expenses - Grant funded	7 574 523	1 232 430
	Telephone/Data lines	2 805 827	3 416 846
	Training	880 471	1 169 064
	Vermin Control	63	1 139
	Wreaths & Bouquets	11 853	8 325
	Year-end Function	39 590	37 460
		29 827 924	23 586 084
33	CORRECTION OF ERROR IN TERMS OF GRAP 3		
	During the current financial year, the municipality had corrected the following prior period errors:		
33.1	Property Plant and Equipment	2013 Cost R	2012 Cost R
	Balance previously reported - 30 June	175 682 168	180 010 144
	Correction of assets previously disposed now found - Note 11 & 33.9	13 225	-
	Correction of assets identified for the first time - Note 11 & 33.9	5 309 973	5 309 973
	Correction of Error Removal of duplications - Note 11 & 33.9	(45 550)	(45 550)
	Correction of Error Removal of incorrect classifications - Note 11 & 33.9	176 760 900	176 760 900
	Correction of error disposal not recognised - Note 11 & 33.9	(351 000)	-
	Correction of Error Removal of incorrect capitalisations - Note 11 & 33.9	(621 854)	(621 854)
	Restated Balance	356 747 862	361 413 612
	Property Plant and Equipment	2013 Accumulated Depreciation R	2012 Accumulated Depreciation R
	Balance previously reported - 30 June	26 975 835	24 494 630
	Correction of assets previously disposed now found - Note 11, 33.9 & 33.10	7 140	-
	Correction of assets identified for the first time - Note 11, 33.9 & 33.10	557 463	478 784
	Correction of Error Removal of Duplications - Note 11, 33.9 & 33.10	(32 747)	(30 073)
	Correction of Error Removal of incorrect classifications - Note 11, 33.9 & 33.10	2 506 143	2 143 492
	Correction of Error prior year useful life - Note 11, 33.9 & 33.10	(29 245)	-
	Correction of error disposal not recognised - Note 11 & 33.9	(16 783)	-
	Correction of Error Removal of incorrect capitalisations - Note 11, 33.9 & 33.10	(198 486)	(177 161)
	Restated Balance	29 769 322	26 909 672
33.2	Investment Property	Cost 2013 R	Cost 2012 R
	Balance previously reported - 30 June	351 910 900	347 939 900
	Correction of Error Removal of incorrect classifications - Note 12 & 33.9	(176 760 900)	(176 760 900)
	Restated Balance	175 150 000	171 179 000
	Investment Property	Accumulated Depreciation R	Accumulated Depreciation R
	Balance previously reported - 30 June	4 299 682	3 017 462
	Correction of Error Removal of incorrect classifications - Note 12 & 33.9 & 33.10	(2 506 143)	(2 143 492)
	Restated Balance	1 793 539	873 970
33.3	Payables from exchange transactions	2013 R	2012 R
	Balance previously reported - 30 June	40 665 028	35 066 622
	Correction of error regarding Contracted Services paid in current financial year for the period 1 July 2012 to 30 June 2013 that was not included in the Provision for Creditors - Note 8 & 33.10	68 990	-
	Correction of incorrect journal processed in the 2011/2012 financial year - Note 8 & 33.9	8 727	8 727
	Correction of unspent priority funds for Kannaland and Hessequa Municipality - Note 8 & 29.9	(670 242)	(670 242)
	Correction of double provision - Note 8 & 33.9	(196 070)	(196 070)
	Correction of incorrect rental billings - Note 8, 33.9 & 33.10	319 266	154 593
	Correction of allocations of income and expenditure for sport club fees - Note 8, 22, 33.9 & 33.10	30 000	11 931
	Correction of Admin Fee: WFW - Note 8, 33.9 & 33.10	(2 187 768)	(1 552 165)
	Correction of Admin Fee Roads - Note 8 & 33.10	1 432 777	-
	Correction of incorrect provision for grant expenditure - Note 8 & 33.10	(1 707 036)	-
	Restated Balance	37 763 673	32 823 396
33.4	Other Receivables from Non-Exchange Transactions	R	R
	Balance previously reported - 30 June	3 171 057	2 011 211
	Correction of classification of Department of Transport debtors - Note 18	(357 014)	(305 596)
	Correction of Other Income allocated to incorrect debtor - Note 18 & 33.10	68 122	-
	Correction of PAYE allocations for the period 2012/2013 - Note 18 & 33.9	42 067	-
	Restated Balance	2 924 232	1 705 615

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33 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)

	R	R
33.5 Other Receivables from Exchange Transactions	2013	2012
<i>Balance previously reported - 30 June</i>	3 388 492	1 314 981
Correction of incorrect billings with regards to rental properties - Note 17, 33.9 & 33.10	(1 197 929)	(522 064)
Correction of classification of Department of Transport debtors - Note 17	357 014	305 596
Correction of provision for bad debts on incorrect billings with regards to rental properties - Note 17, 33.9 & 33.10	822 404	513 774
Restated Balance	3 369 981	1 612 287
33.6 VAT Receivable	R	R
	2013	2012
<i>Balance previously reported - 30 June</i>	2 095 405	1 754 629
Correction of SARS penalties and interests - Note 10, 33.9 & 33.10	(699 190)	(278 215)
Correction of incorrect billings with regards to rental properties - Note 10, 33.9 & 33.10	119 904	64 120
Correction of incorrect provision for grant expenditure - Note 10 & 33.10	(238 985)	-
Correction of error - Admin Fee Roads - Note 10 & 33.10	175 955	-
Restated Balance	1 453 089	1 540 534
33.7 Housing Development Fund	R	R
	2013	2012
<i>Balance previously reported - 30 June</i>	56 426	56 426
Correction of Housing Development Fund - Note 2 & 33.9	(56 426)	(56 426)
Restated Balance	-	-
33.8 Conditional Grant & Receipts	R	R
	2013	2012
<i>Balance previously reported - 30 June</i>	5 991 082	7 883 178
Correction of emergency housing Zoar & DMA - Note 9, 21 & 33.9	(456 527)	(456 527)
Correction of incorrect provision for grant expenditure - Note 9, 21 & 33.10	1 707 036	-
Restated Balance	7 241 591	7 426 651
33.9 Intangible Assets	R	R
	2013	2012
<i>Balance previously reported - 30 June</i>	2 693 094	2 177 759
Correction of Error: Prior year amortisation - Note 13 & 33.11	201 734	-
Restated Balance	2 894 828	2 177 759
33.10 Long term liabilities	R	R
	2013	2012
<i>Balance previously reported - 30 June</i>	4 266 930	3 287 198
Correction of incorrect calculation of present value of the finance lease - Note 3 & 33.11	30 740	-
Correction of Error: Coorection of ESRI cost price - Note 33.13	86 296	-
Restated Balance	4 383 966	3 287 198
33.11 Accumulated Surplus/(Deficit)		R
Correction of incorrect transactions processed in the 2011/2012 financial year - Note 33.3		(8 727)
Correction of allocations regarding income and expenditure for sport club fees - Note 33.3		(11 931)
Correction of incorrect billings with regards to rental properties - Note 33.5		(612 537)
Correction of bad debt provision on incorrect billings with regards to rental properties - Note 33.5		513 774
Correction of assets identified for the first time - Note 33.1		4 831 189
Correction of assets with values previously disposed now found - Note 33.1		7 219
Correction of Error Removal of Duplications - Note 33.1		(15 477)
Correction of unspent priority funds for Kamnaland and Hessequa Municipality - Note 33.3		670 242
Correction of Housing Development Fund - Note 33.7		56 426
Correction of SARS penalties & interest - Note 33.6		(278 215)
Correction of double provision - Note 33.1		196 070
Correction of emergency housing Zoar & DMA - Note 33.8		456 527
Correction of Error Admin Fee: WFW - Note 33.3		1 552 165
Correction of Error Removal of incorrect capitalisations - Note 33.1		(444 693)
Total amount credited/(debited) to accumulated surplus due to implementation of GRAP		6 912 031
33.12 Changes to Statement of Financial Performance		R
Correction of error regarding Contracted Services paid in current financial year for the period 1 July 2012 to 30 June 2013 that was not included in the Provision for Creditors - Note 33.3		(68 990)
Correction of PAYE allocations for the period 2012/2013 - Note 33.4		42 067
Correction of allocations regarding income and expenditure for sport club fees - Note 33.3		(18 069)
Correction of incorrect billings with regards to rental properties - Note 33.5		(740 429)
Correction of bad debt provision on incorrect billings with regards to rental properties - Note 33.5		264 305
Correction of Error Removal of Duplications - Note 33.1		2 673
Correction of error correction of depreciation on disposals corrected - Note 33.1		2 617
Correction of error disposal not recognised - Note 33.1		(336 827)
Correction of Error Removal of incorrect capitalisations - Note 33.1		21 325
Correction of assets with values previously disposed now found - Note 33.1		(1 134)
Correction of SARS penalties & interest - Note 33.6		(420 975)
Correction of unpaid conditional grants - Note 33.6 & 33.8		(238 985)
Correction of other income (integrated waste management) allocated to incorrect financial year - Note 23		68 122
Correction of Error Admin Fee: WFW - Note 33.3		635 603
Correction of error: prior year amortisation - Note 33.9		(201 734)
Correction of error prior year useful life - Note 33.1		29 245
Correction of agency fee via inter company account		(1 256 822)
Correction of interest incorrectly calculated on finance lease - Note 33.10		(30 740)
Correction of assets identified for the first time - Note 33.1		(78 679)
Total amount credited/(debited) to Statement of Financial Performance due to implementation of GRAP		(2 327 428)

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

33 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)

33.13	Intangible Assets	R	R
		2013	2012
		Cost	Cost
	<i>Balance previously reported - 30 June</i>	6 234 238	3 444 660
	Correction of Error: Correction of ESRI cost price - Note 33.10	86 296	-
	Restated Balance	6 320 534	3 444 660

33.14	Operating Grant Expenditure	R	
	Correction of Error: Operating Grant Expenditure reclassified in the statement of financial performance to the relevant line items as follows:	2013	
	<i>Balance previously reported - 30 June</i>	9 805 662	
	Transferred to:		
	Employee related costs	2 651 854	
	Contracted Services	5 921 378	
	General Expenditure	1 232 430	
	Restated Balance	0	

34	CASH GENERATED FROM OPERATIONS	2014	2013
		R	R
	(Deficit) for the year from Continued Operations	(7 349 578)	12 786 532
	Adjustments for: -		
	Unamortised Discount - Expense	78 066	98 040
	Unamortised Discount - Income	(3 143)	(5 894)
	Depreciation	4 101 553	4 596 556
	Amortisation	729 080	669 965
	Grants received	146 618 912	136 200 860
	Grants recognised as revenue	(145 732 716)	(136 385 919)
	Gain on disposal of property, plant and equipment	-	(133 542)
	Contributed PPE	-	(294 102)
	Loss on disposal of property, plant and equipment	31 769 219	727 891
	Impairments	23 644	120 395
	Contribution to Non-Current Provisions	274 353	236 458
	Actuarial (Gain)/Loss	3 331 879	2 780 986
	Employee benefits paid	(5 455 236)	(4 863 925)
	Contribution to employee benefits	12 875 976	11 056 603
	Bad debts written-off	(711 655)	(14 335 975)
	Contribution to bad debt provision	2 442 803	1 220 478
	Current employee benefits paid	(8 172 783)	(7 282 681)
	Contribution to Current Employee Benefits	8 703 156	7 915 571
	Investment income	-	-
	Interest paid	-	-
	Operating deficit before working capital changes	43 523 530	15 108 298
	(Increase)/Decrease in inventory	(866 753)	(466 768)
	Increase/(decrease) in Operating Lease Liability	18 142	-
	(Increase)/Decrease in Operating Lease Asset	(29 270)	-
	(Increase)/Decrease in Trade Receivables from exchange transactions	(12 843 383)	(2 923 576)
	(Increase)/Decrease in Other Receivables from non-exchange transactions	960 262	13 070 342
	Increase/(decrease) in creditors	(15 945 614)	4 940 277
	(Increase)/Decrease in VAT	(30 363)	87 445
	Cash generated / (utilized in) operations	14 786 552	29 816 016

35	CASH AND CASH EQUIVALENTS	2014	2013
		R	R
	Cash and cash equivalents included in the cash flow statement comprise the following amounts in the statement of financial position:		
	Bank balances and cash	79 736 070	72 983 370
	Call deposits	1 104	1 104
	Total cash and cash equivalents	79 737 174	72 984 474

36	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION	2014	2013
		R	R
	Long-term liabilities (see Note 3)	2 670 408	4 383 966
	Used to finance property, plant and equipment - at cost	2 670 408	4 383 966
	Sub-total	-	-
	Cash set aside for the repayment of long-term liabilities (see note 3)	-	-
	Cash invested for repayment of long-term liabilities	-	-
	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.		

37	RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES	2014	2013
		R	R
	Cash and Cash Equivalents - Note 20	79 737 174	72 984 474
	Investments - Note 14	40 774	40 774
	Less:	79 777 948	73 025 248
	Unspent Committed Conditional Grants - Note 9	8 478 071	7 592 012
	Net cash resources available for internal distribution	8 459 929	7 592 012
	Allocated to:	71 299 877	65 433 236
	Capital Replacement Reserve	(18 068 623)	(7 390 546)
	Resources available for working capital requirements	53 231 254	58 042 690

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EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

38 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUED)

38.1 Unauthorised expenditure

	2014 R	2013 R
Reconciliation of unauthorised expenditure		
Opening balance	14 015 310	1 012 034
Unauthorised expenditure current year	44 803 497	13 003 276
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
	58 818 807	14 015 310

The unauthorised expenditure will be presented to Council in the 2014/2015 financial year for condonation

	2014 R (Actual)	2014 R (Grant Funded)	2014 R (Budget)	2014 R (Variance - excluding grant funded)	2014 (%)
Expenditure by Vote					
Executive and Council	65 949 817	1 000 000	44 469 742	20 480 075	46%
Budget and Treasury Office	17 259 103	1 639 818	17 927 829	(2 308 544)	-13%
Corporate Services	26 245 092	920 261	27 151 930	(1 827 099)	-7%
Community and Social Services	2 278 869	6 978	2 311 992	(40 101)	-2%
Sport and Recreation	8 276 834	-	8 304 582	(27 748)	0%
Public Safety	28 928 069	6 584 000	27 553 450	(5 209 381)	-19%
Health	23 746 350	336 684	23 604 045	(194 379)	-1%
Planning and Development	6 192 787	-	8 455 897	(2 263 111)	-27%
Road Transport	125 443 645	365 095	101 020 044	24 058 507	24%
Electricity	-	-	-	-	0%
Water	200 861	-	2 074 068	(1 873 208)	-90%
Waste Water Management	1 975 732	1 975 732	11 282	(11 282)	-100%
Waste Management	1 688 052	-	2 305 467	(617 415)	-27%
Environmental Protection	5 728 265	2 440 294	8 271 532	(4 983 561)	-60%
	313 913 475	15 268 862	273 461 859	25 182 754	

	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 (%)
Capital expenditure by vote				
Executive & Council	113 822	-	113 822	100%
Budget and Treasury Office	20 675	-	20 675	100%
Planning & Development	50 068	-	50 068	100%
Public Safety	443 636	400 000	43 636	11%
Health	30 640	-	30 640	100%
Corporate Services	559 765	735 000	(175 235)	-24%
Sport & Recreation	6 074	-	6 074	100%
Waste Management	-	5 800 000	(5 800 000)	-100%
	1 224 680	6 935 000	(5 710 320)	

38.2 Fruitless and wasteful expenditure

	2014 R	2013 R
Reconciliation of fruitless and wasteful expenditure		
Opening balance	2 299 681	726 043
Restatement	-	1 573 638
Fruitless and wasteful expenditure current year	342 130	-
Condoned or written off by Council	-	-
Recovered during 2013/2014	(7 303)	-
Fruitless and wasteful expenditure awaiting condonement	-	-
	2 634 507	2 299 681

The 2012/13 restatement, as well as an additional R334,826 in the current year relates to penalties and interest payable to SARS.

Additionally in 2013/14 an employee incurred fruitless and wasteful expenditure of R7,303. The accounting officer followed the necessary steps and the money was recovered from the employee in full.

The fruitless and wasteful expenditure will be presented to Council in the 2014/2015 financial year for condonation.

38.3 Irregular expenditure

	2014 R	2013 R
Reconciliation of irregular expenditure		
Opening balance - previously reported	17 793 733	14 387 042
Irregular expenditure current year - previously reported	-	7 566 986
Correction of error	-	6 820 056
Irregular expenditure current year	11 627 663	3 406 692
Irregular expenditure current year - previously reported	-	1 305 435
Correction of error	-	2 101 256
Condoned or written off by Council	-	-
Recovered during year	-	-
Irregular expenditure awaiting condonement	-	-
	29 421 396	17 793 733

Irregular expenditure recognised in the current year mainly related to non-compliance with sections 36 (unreasonably deviating from procurement processes) and 38 (not obtaining winning bidders municipal accounts) of the SCM regulations.

Included in the opening balance is irregular expenditure of R5.4m relating to a forensic investigation report issued by KPMG. The necessary procedures to recover the funds from the responsible officials is in process as per the Council resolution.

Also, in relation to irregular expenditure of R456,000 relating to the J Zeelie forensic investigation, a final forensic investigation report regarding processes not followed to recover the outstanding amount owed by Mr Zeelie has been issued. The necessary processes will be followed after Council approval.

Currently, two matters relating to possible irregular expenditure are under investigation by the internal auditors to the estimated amount of R12.5million. The final report has not been issued regarding these two matters.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

38 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUED)

Three internal audits were conducted for possible irregular expenditure. One of the audits were requested by the Financial Services Portfolio Committee. Two audits were requested by the chairperson of the Bid Adjudication Committee, after these two items were discussed and the decision by the Bid Adjudication Committee, that these items must be referred to the accounting officer for internal audit.
The final report from internal audit was received on the 22nd of August 2014 and the findings were:
> Two of the findings were identified as irregular expenditure and non-compliance to legislation and processes in terms of Section 32 of the MFMA must be followed by the accounting officer.
The accounting officer will follow due processes with regards to the findings on the three internal audit findings.

39 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

	2014 R	2013 R
39.1 Contributions to organized local government		
Opening balance	-	-
Council subscriptions	57 932	52 852
Amount paid- current year	(57 932)	(52 852)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	-	-
39.2 Audit fees		
Opening balance	-	-
Current year audit fee	2 596 604	1 857 450
Amount paid - prior year	(2 596 604)	(1 857 450)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	-	-
39.3 VAT		
VAT input receivables and VAT outputs payable are shown in note 10 & 8. All VAT returns have been submitted by the due date throughout the year.		
39.4 PAYE AND UIF		
Opening balance	-	-
Current year payroll deductions	18 907 278	18 635 122
Amount paid - current year	(18 907 278)	(18 635 122)
Amount paid - previous years	-	-
Balance unpaid (included in debtors)	-	-
39.5 Pension and Medical Aid Deductions		
Opening balance	-	-
Current year payroll deductions and Council Contributions	20 703 194	20 089 882
Amount paid - current year	(20 703 194)	(20 089 882)
Amount paid - previous years	-	-
Balance unpaid (included in debtors)	-	-

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.

39.6 Councillor's arrear accounts

30 June 2014	Total	Outstanding less than 90 days	Outstanding more than 90 days
The following amounts are outstanding regarding travel allowances:			
AM Wildeman	642 390	-	642 390
JL Hartnick	436 266	-	436 266
J Bouwer	301 071	-	301 071
JMG Bekker	251 864	-	251 864
PJ Roodtman	222 042	-	222 042
SCP Bijljohn	88 876	-	88 876
HJ Loff	82 729	-	82 729
HJ Mc Combi	79 846	-	79 846
A Hartnick	66 272	-	66 272
JJA Koegelenberg	52 114	-	52 114
JE Davids	39 357	-	39 357
A Ewerts	38 311	-	38 311
J Harmse	30 420	-	30 420
CN Ngalo	24 385	-	24 385
FH Stemmet	22 633	-	22 633
B Le Roux	22 008	-	22 008
P van der Hoven	19 903	-	19 903
E Nel	13 551	-	13 551
PJW Murray	11 762	-	11 762
JST Alberts	10 761	-	10 761
AR Olivier	9 071	-	9 071
M Fielies	8 640	-	8 640
EKV van Eden	7 053	-	7 053
PJL Grobler	6 571	-	6 571
A Baartman	5 729	-	5 729
N Bityi	3 527	-	3 527
D Kämpfer	754	-	754
EN Mtshabati	562	-	562
F Joseph	268	-	268
	2 498 736	-	2 498 664

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39 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

30 June 2014	Total	Outstanding less than 90 days	Outstanding more than 90 days
The following amounts are outstanding regarding cellphone accounts:			
Biljohn	18 050	-	18 050
D Kamfer	15 336	-	15 336
S Loliwe	14 718	-	14 718
Kroma	7 362	-	7 362
M Fielies	6 523	-	6 523
HJ McCombi	5 368	-	5 368
Saaiers	4 525	-	4 525
S de Vries	2 530	-	2 530
Ewerts	2 332	-	2 332
J Kemoetie	1 408	-	1 408
JH Loff	1 011	-	1 011
J Maxim	875	-	875
Dorfling	750	-	750
CN Ngalo	700	-	700
E Mtabati	622	-	622
F Stemmet	592	-	592
J Bekker	281	-	281
Simmers	1 677	-	1 677
	84 660	-	84 660

30 June 2013	Total	Outstanding less than 90 days	Outstanding more than 90 days
The following amounts are outstanding regarding travel allowances:			
AM Wildeman	642 390	-	642 390
JL Hartnick	436 266	-	436 266
J Bouwer	301 071	-	301 071
JMG Bekker	251 864	-	251 864
PJ Roodtman	222 042	-	222 042
SCP Biljohn	88 876	-	88 876
HJ Loff	82 729	-	82 729
HJ Mc Combi	79 846	-	79 846
A Hartnick	66 272	-	66 272
JJA Koegelenberg	52 114	-	52 114
JE Davids	39 357	-	39 357
A Ewerts	38 311	-	38 311
J Harmse	30 420	-	30 420
CN Ngalo	24 385	-	24 385
FH Stemmet	22 633	-	22 633
B Le Roux	22 008	-	22 008
P van der Hoven	19 903	-	19 903
E Nel	13 551	-	13 551
PJW Murray	11 762	-	11 762
JST Alberts	10 761	-	10 761
AR Olivier	9 071	-	9 071
M Fielies	8 640	-	8 640
EKV van Eden	7 053	-	7 053
PJL Grobler	6 571	-	6 571
A Baartman	5 729	-	5 729
N Bity	3 527	-	3 527
D Kampher	754	-	754
EN Mtabati	562	-	562
F Joseph	268	-	268
	2 498 736	-	2 498 664

30 June 2013	Total	Outstanding less than 90 days	Outstanding more than 90 days
The following amounts are outstanding regarding cellphone accounts:			
Biljohn	18 050	-	18 050
D Kamfer	15 336	-	15 336
S Loliwe	14 718	-	14 718
Kroma	7 362	-	7 362
M Fielies	6 523	-	6 523
HJ McCombi	5 368	-	5 368
Saaiers	4 525	-	4 525
S de Vries	2 530	-	2 530
Ewerts	2 332	-	2 332
J Kemoetie	1 408	-	1 408
JH Loff	1 011	-	1 011
J Maxim	875	-	875
Dorfling	750	-	750
CN Ngalo	700	-	700
E Mtabati	622	-	622
F Stemmet	592	-	592
J Bekker	281	-	281
Simmers	1 677	1 677	-
	84 660	1 677	82 982

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.

Deviations from procurement processes in terms of section 36 of 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
Financial Services	573 748	1 044 231	1 800 057	-
Management Services	1 428 776	492 736	652 368	-
Office of the MM	783 285	232 553	1 050 190	-
Support Services	634 956	523 962	860 000	-
Technical Services	4 476 321	3 925 482	1 411 005	-
	7 897 086	6 218 963	5 773 620	-

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

39 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

The major deviations were as follows:

Awarded to	Reason/Explanation	Amount
Auditor-General	Sole supplier	2 100 380
Business Engineering	Sole supplier	860 000
Van der Berg Vervoer	Impractical procurement process - reasons as per deviation report.	523 520
Total SA		424 294
Lezmin Quarries CC	SLA not yet signed	404 824
PriceWaterhouseCoopers Combined Systems	Impractical procurement process - reasons as per deviation report.	325 573
Jan Palm Consulting Engineers	Sole supplier	252 366
Protea Toyota	Ratification of minor breach in SCM policy procedures by the Accounting Officer in terms of SCM Reg 36 1 (b)	400 000
Marx Concrete	Impractical Procurement Process	248 210
ELB Equipment	Provincial Government Western Cape recommendation no: R/2013/259	234 450
Total		5 773 617

40 CAPITAL COMMITMENTS

At year-end had committed R5.8million for the purchase of the regional landfill site to be established in Mossel Bay. All processes has been followed as per the Municipal Asset Transfer Regulations and Council approved the purchase. Currently the Municipality is in the process of finalising purchase contracts. Bank guarantees will be issued once the contracts have been signed

41 CONTINGENT LIABILITY

30 June 2014

41.1 GHJ Kruger

Gert Hendrik Jacobus Kruger vs. the MEC for Transport and Public Works (First defendant) and Eden District Municipality (Second defendant). This matter relates to a veld fire that allegedly originated on the road reserve that belongs to the Province and spread to the property of the plaintiff. The plaintiff alleges that the suffered damages of R906 550 as a result of the fire that spread to this property. Eden is acting as an agent of the Province. Respondent (Eden District Municipality) plea filed, awaiting plaintiffs response or trail date. We received the request for further particulars for the first and second defendants.

2014
R

906 550

41.2 Theunis Barnard / Eden DM / September January

We received a summons from Calmanz Incorporated, with regards to an accident that happened on 5 February 2010. The driver of the vehicle was September January and at the time of the accident employed at Eden District Municipality. The vehicle had the registration number PA 175 129. This matter was referred to their Insurance company. Notice of intention to defend was issued.

38 231

41.3 F du Toit / DL du Plooy / Eden DM

Dr du Toit and his fiancé went on vacation at Victoria Bay Camp Site. They were robbed of valuable items. Therefore they are suing Eden DM for damages. This case was referred to Millers Attorneys. A notice of intention to defend was issued. Millers recommend that Advocate Schmidt be appointed in this matter. The Municipal Manager signed the disclosure statement and it was sent to Millers for further action.

376 750

41.4 Lefatshe - Computer Systems

Eden District Municipality entered into an agreement with Lefatshe Technologies (Pty) Ltd whereby they will provide the municipality with an integrated information technology system on or about 31 August 2011. The Municipal Manager informed Lefatshe in writing of Council's decision to investigate the Lefatshe tender and that the contract is on hold pending the outcome of the forensic investigation. Lefatshe Technologies (Pty) Ltd are claiming the following:
> Payment of R 1,643,174.61 regarding invoice 3181 for services rendered together with interest at 15.5% per year from 1 October 2011 to date of final payment;
> Damages of R 9,329,213 together with interest at 15.5% per year from the date of signing of the arbitration agreement, 21 February 2013, to date of final payment;and
> Cost of the suit, which cannot be determined as to date.

14 007 721

41.5 Hoogbaard / Delo vs. Eden DM / GW Louw

A joint summons against Eden DM and Mr GW Louw for alleged defamation of character. They claim an amount of R 300 000.00 each. The Council appointed Attorneys to defend the case. We are waiting for the opposition to apply for a trial date.

600 000

41.6 I Gerber N.O and others / Eden DM and P McKenzie

The Cape Town High Court issued a court order against Eden District Municipality. In terms of the said order each party is liable for its own costs in respect of the said Application. In addition the court ordered the Applicant to bring a court application on or before the 31st of July 2013, in order to review Eden DM's decision to lease Part 4 of the farm Woodville 172, Division George to Peter McKenzie (the second Respondent), which will have further cost implications for Eden DM. Lastly instructions were issued that a lease be drafted in the interim between the relevant parties. Eden District Municipality is in the process of obtaining an eviction order against Gerber as he was supposed to evacuate the premises on or before 1 July 2014, in order for Mr. McKenzie to make use of the land / property.

21 840

41.7 Possible Dispute with B-Municipalities Regarding Properties Registered in Eden District Municipality's Name

The Municipality embarked on a process to dispose some of its land and buildings located within the District. Some of the local municipalities have disputed that these properties can in fact be disposed since it was supposed to be transferred to them because the assets were supposed to follow the function and since Eden are not fulfilling some of these anymore the local municipalities are claiming these properties. The Municipality intends to dispute this claim.

159 644 620

41.8 Uniondale Correction Facility on behalf of Department of Public works

Electricity consumption for 2006 - 2011. A claim of R8.3 m has been received but an in-house investigation must first be undertaken to assess the authenticity.

8 300 000

41.9 A Lamont

On-going labour dispute between A Lamont and Eden DM relating to a possible unlawful dismissal.

1 200 000

42 IN-KIND DONATIONS AND ASSISTANCE

The Municipality did not receive any in-kind donations and assistance.

43 EVENTS AFTER THE REPORTING DATE

The Municipality is not aware of any events after reporting date.

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44 RELATED PARTY TRANSACTIONS

44.1 Related Party Transactions

	Rates	Service Charges	Outstanding balances
Year ended 30 June 2014			
None	-	-	-
Year ended 30 June 2013			
None	-	-	-

44.2 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 16 to the Annual Financial Statements.

44.3 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
- * Senior Manager: Finance
- * Executive Manager: Support Services
- * Senior Manager: Technical Services
- * Executive Manager: Management Services

Their short term employee benefits are disclosed in notes 23 & 24

44.4 Other Supply Chain Transactions

The following purchases were made from Suppliers whose shareholders is in service of the state:

Supplier	Employee	State Department	2014 R
Juta & Company Ltd	JD Volmink - Director	North West University	32 714
African Oxygen Ltd t/a Afrox Ltd	KDK Mokhele - Director	NAT: Science & Technology	2 907
The Courier and Freight Group	NJD - Buick - Director	SA Medical Research Council	7 943
INCA Portfolio Managers	M Mokoena - Director	Gautrain Management Agency	176 484
Minolco (Pty) Ltd t/a Konica Minolta Cashbuild	KR Mthimunye - Director	State Information Technology Agency	59 864
Swift Silliker (Pty) Ltd	DSS Lushabe - Non Executive Director	University of Johannesburg	69 028
L&L Projects	JJR - Bilet - Director	South African Weather Services	15 162
KPMG Services (Pty) Ltd	C Legodi - Member	NAT: Agriculture, Forestry & Fisheries	260
Vodacom	N Shah - Director	South African Weather Services	44 525
Windsor Hotel	V Jarana - Director	Legal Aid South Africa	1 148 395
Schindler Lifts (Pty) Ltd	LL Tsipa - Director	Eastern Cape Development Corporation	3 200
Total SA (Pty) Ltd	MG Mokoka - Director	Passanger Rail Agency of South Africa	23 353
Nashua Mobile	MS Molala - Officer	Johannesburg Property Company	10 953 033
AON South Africa (Pty) Ltd	D Nchoba - Director	NAT: Arts & Culture	4 115
MK Construction t/a Africa Co	MM Maponya - Director	NTP Radioisotopes	746 927
	MA Kula - Member	EC: Health	278 801
			13 566 711

45 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:

	2014 R	2013 R
0.5% (2009 - 0.5%) Increase in interest rates	(12 838)	(20 254)
0.5% (2009 - 0.5%) Decrease in interest rates	12 838	20 254

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 fire fighting fees and rental agreements. 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 the diversified nature of debtors and immaterial nature of individual balances. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", 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 services are payable within 30 days from invoice date. Refer to note 17 and 18 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

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 17 & 18 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 2014

45 RISK EXPOSURES (CONTINUED)

	2014 %	2014 R	2013 %	2013 R
Ambulance and Fire Fighting Fees	28.39%	2 533 985	28.96%	2 071 495
Councillors' Arrears	28.00%	2 498 736	20.35%	1 455 506
Rental Agreements	21.30%	1 901 109	22.85%	1 633 931
Sundry debtors	22.31%	1 991 153	27.84%	1 991 153
	100.00%	8 924 982	100.00%	7 152 084

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:

	2014 R	2013 R
Long-term Receivable	49 891 728	44 796 124
Consumer Debtors	14 440 466	3 369 981
Other Debtors	1 441 785	2 475 116
Short term Investment Deposits	1 104	1 104
Bank Balances and Cash	79 736 070	72 983 370
Maximum Credit Risk Exposure	145 511 153	123 625 695
Debtors past due date no impaired		
31-60 days	378 366	841 267
61-90 days	335 444	717 392
91-120 days	296 088	663 937
121-365 days	2 365 352	1 844 897
+365 days	1 488 228	2 461 647
	4 863 479	6 529 139

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
2014				
Long Term liabilities	2 184 939	716 995	-	-
Capital repayments	1 996 017	674 391	-	-
Interest	188 922	42 604	-	-
Trade and Other Payables	21 818 059			
Unspent conditional government grants and receipts	8 459 929			
	32 462 927	716 995	-	-
			Between 1 and 5 years	Over 10 Years
2013				
Long Term liabilities	2 083 189	2 901 934	-	-
Capital repayments	1 753 508	2 630 458	-	-
Interest	329 681	271 476	-	-
Trade and Other Payables	37 763 673			
Unspent conditional government grants and receipts	7 592 012			
	47 438 874	2 901 934	-	-

46 FINANCIAL INSTRUMENTS

In accordance with GRAP 104 the financial assets of the municipality are classified as follows:

	Classification	2014 R	2013 R
Financial Asset			
Long-term Receivable			
Department of Transport: Roads - At amortised cost	Financial instruments at amortised cost	47 487 458	42 261 845
Long term debtors: Local Authorities - At amortised cost	Financial instruments at amortised cost	-	25 199
Consumer Debtors			
Service debtors	Financial instruments at amortised cost	14 440 466	3 369 981
Other Debtors			
Roads - Sundry debtors	Financial instruments at amortised cost	10 280 615	-
Sundry debtors	Financial instruments at amortised cost	1 441 785	2 475 116
Recoverable Debtors	Financial instruments at amortised cost	563 936	449 116
Current Portion of Long-term Receivables			
Department of Transport: Roads - At amortised cost	Financial instruments at amortised cost	2 404 270	2 509 080
Non-current Investments			
Non-current Investment	Financial instruments at amortised cost	40 774	40 774
Short term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	1 104	1 104
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	19 591 732	72 982 005
Cash Floats and Advances	Financial instruments at amortised cost	60 144 338	21 365
Total Financial Assets		156 396 477	124 115 585

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EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

46	FINANCIAL INSTRUMENTS (CONTINUED)	2014	2013
		R	R
	SUMMARY OF FINANCIAL ASSETS		
	Financial instruments at amortised cost	156 396 477	124 115 585
		<u>156 396 477</u>	<u>124 115 585</u>
	Financial Liability		
	Non-Current Liabilities		
	Long-term Liabilities	Financial instruments at amortised cost 704 932	2 569 434
	Current Liabilities		
	Trade and other payables	Financial instruments at amortised cost 21 818 059	37 763 673
	Current portion of long-term liabilities	Financial instruments at amortised cost 1 904 452	1 675 442
	Total Financial Liabilities	<u>24 427 443</u>	<u>42 008 549</u>
	SUMMARY OF FINANCIAL LIABILITIES		
	Financial instruments at amortised cost	<u>24 427 443</u>	<u>42 008 549</u>

EDEN DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014
11 PROPERTY PLANT & EQUIPMENT
30 JUNE 2014

Reconciliation of Carrying Value

	Cost						Accumulated Depreciation and Impairment Losses						Accumulated Impairments						Carrying Value										
	Opening Balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening Balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance
Infrastructure	332 039	-	227 550	-	-	104 489	-	-	-	-	-	142 619	18 513	131 262	-	-	29 871	142 619	18 513	131 262	-	-	29 871	74 619	-	-	-	-	74 619
Roads and Streets	332 039	-	227 550	-	-	104 489	-	-	-	-	-	142 619	18 513	131 262	-	-	29 871	142 619	18 513	131 262	-	-	29 871	74 619	-	-	-	-	74 619
Community Assets	928 314	-	-	-	-	928 314	-	-	-	-	-	169 037	37 430	-	-	-	206 467	169 037	37 430	-	-	-	206 467	721 847	-	-	-	-	721 847
Caravan Parks	928 314	-	-	-	-	928 314	-	-	-	-	-	169 037	37 430	-	-	-	206 467	169 037	37 430	-	-	-	206 467	721 847	-	-	-	-	721 847
Land and Buildings	323 595 235	-	29 415 000	-	-	294 150 235	-	-	-	-	-	10 791 327	1 487 792	622 132	-	-	11 656 987	10 791 327	1 487 792	622 132	-	-	11 656 987	282 493 248	-	-	-	-	282 493 248
Land	272 620 534	-	26 768 860	-	-	245 851 674	-	-	-	-	-	10 791 327	1 487 792	622 132	-	-	11 656 987	10 791 327	1 487 792	622 132	-	-	11 656 987	245 851 674	-	-	-	-	245 851 674
Buildings	50 944 701	-	2 646 140	-	-	48 298 561	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36 641 574	-	-	-	-	36 641 574
Other Assets	31 922 280	995 412	833 988	-	-	32 087 704	-	23 644	-	-	23 644	18 666 338	2 331 706	540 332	-	-	20 457 772	18 666 338	2 331 706	540 332	-	-	20 457 772	11 606 288	-	-	-	-	11 606 288
Office Equipment	2 635 034	-	138 375	-	(1 024)	2 495 634	-	-	-	-	-	1 404 989	193 023	70 752	-	-	1 527 261	1 404 989	193 023	70 752	-	-	1 527 261	968 374	-	-	-	-	968 374
Furniture and Fittings	4 692 300	179 882	214 005	-	(650)	4 657 587	-	-	-	-	-	3 074 475	256 933	167 190	-	-	3 164 217	3 074 475	256 933	167 190	-	-	3 164 217	1 493 369	-	-	-	-	1 493 369
Bins and Containers	430 191	-	-	-	-	430 191	-	-	-	-	-	169 677	55 148	-	-	-	224 824	169 677	55 148	-	-	-	224 824	205 367	-	-	-	-	205 367
Emergency equipment	1 459 070	-	86 007	-	-	1 373 062	-	-	-	-	-	918 121	110 788	56 795	-	-	972 113	918 121	110 788	56 795	-	-	972 113	400 949	-	-	-	-	400 949
Motor Vehicles	4 538 116	400 000	32 974	-	-	4 905 142	-	-	-	-	-	2 279 089	360 669	18 870	-	-	2 620 887	2 279 089	360 669	18 870	-	-	2 620 887	2 284 255	-	-	-	-	2 284 255
Fire Engines	4 709 719	-	100 802	-	-	4 608 917	-	23 644	-	-	23 644	2 061 873	306 516	58 760	-	-	2 309 630	2 061 873	306 516	58 760	-	-	2 309 630	2 275 643	-	-	-	-	2 275 643
Computer Equipment	6 989 431	419 531	232 189	-	-	7 188 773	-	-	-	-	-	3 893 989	574 684	145 864	-	-	4 322 964	3 893 989	574 684	145 864	-	-	4 322 964	2 865 964	-	-	-	-	2 865 964
Plant and Equipment	1 628 253	-	29 635	-	1 674	1 598 293	-	-	-	-	-	898 489	129 194	22 101	-	-	1 005 582	898 489	129 194	22 101	-	-	1 005 582	592 711	-	-	-	-	592 711
Disaster Management Equipment	4 832 105	-	-	-	-	4 832 105	-	-	-	-	-	3 965 636	344 813	-	-	-	4 310 449	3 965 636	344 813	-	-	-	4 310 449	521 656	-	-	-	-	521 656
	356 747 867	995 412	30 475 538	-	-	327 270 743	-	23 644	-	-	23 644	29 769 321	3 875 501	1 263 726	-	-	32 351 096	29 769 321	3 875 501	1 263 726	-	-	32 351 096	294 896 003	-	-	-	-	294 896 003

The Loss on disposal of property of R32 103 422 relates to property transferred to the B Municipalities.

30 JUNE 2013

Reconciliation of Carrying Value

	Cost						Accumulated Depreciation and Impairment Losses						Accumulated Impairments						Carrying Value										
	Opening Balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening Balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance
Infrastructure	332 039	-	-	-	-	332 039	-	-	-	-	-	124 684	17 935	-	-	-	142 619	124 684	17 935	-	-	-	142 619	189 420	-	-	-	-	189 420
Roads and Streets	332 039	-	-	-	-	332 039	-	-	-	-	-	124 684	17 935	-	-	-	142 619	124 684	17 935	-	-	-	142 619	189 420	-	-	-	-	189 420
Community Assets	928 314	-	-	-	-	928 314	-	-	-	-	-	128 128	39 909	-	-	-	169 037	128 128	39 909	-	-	-	169 037	759 276	-	-	-	-	759 276
Caravan Parks	928 314	-	-	-	-	928 314	-	-	-	-	-	128 128	39 909	-	-	-	169 037	128 128	39 909	-	-	-	169 037	759 276	-	-	-	-	759 276
Land and Buildings	327 909 867	-	373 632	-	(3 971 000)	323 565 235	-	-	-	-	-	9 927 716	1 571 887	28 386	-	-	10 791 327	9 927 716	1 571 887	28 386	-	-	10 791 327	312 773 907	-	-	-	-	312 773 907
Land	273 467 534	-	266 000	-	(571 000)	272 620 534	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	272 620 534	-	-	-	-	272 620 534
Balance previously reported	104 217 871	-	-	-	(571 000)	103 646 871	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103 646 871	-	-	-	-	103 646 871
Correction of error identified for the first time - Note 34.1	4 250 000	-	-	-	(266 000)	3 984 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 250 000	-	-	-	-	4 250 000
Correction of error disposal not recognised - Note 34.1	-	-	-	-	(266 000)	(266 000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(266 000)	-	-	-	-	(266 000)
Correction of error incorrect classification - Note 34.1	164 989 663	-	-	-	-	164 989 663	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	164 989 663	-	-	-	-	164 989 663
Buildings	54 452 333	-	107 632	-	(3 400 000)	50 944 701	-	-	-	-	-	9 927 716	1 571 887	28 386	-	-	10 791 327	9 927 716	1 571 887	28 386	-	-	10 791 327	40 153 374	-	-	-	-	40 153 374
Balance previously reported	43 178 096	-	22 632	-	(3 400 000)	39 755 464	-	-	-	-	-	7 883 566	1 227 147	14 220	-	-	8 416 603	7 883 566	1 227 147	14 220	-	-	8 416 603	31 338 861	-	-	-	-	31 338 861
Correction of error incorrect classification - Note 34.1	11 771 237	-	-	-	(85 000)	11 771 237	-	-	-	-	-	2 143 482	362 651	-	-	-	2 506 143	2 143 482	362 651	-	-	-	2 506 143	9 265 094	-	-	-	-	9 265 094
Correction of error disposal not recognised - Note 34.1	(497 000)	-	85 000	-	-	(412 000)	-	-	-	-	-	-	(2 617)	14 166	-	-	(16 783)	-	(2 617)	14 166	-	-	(16 783)	(68 217)	-	-	-	-	(68 217)
Correction of error incorrect classification - Note 34.1	-	-	-	-	(497 000)	(497 000)	-	-	-	-	-	(99 342)	(15 295)	-	-	-	(114 636)	(99 342)	(15 295)	-	-	-	(114 636)	(382 364)	-	-	-	-	(382 364)

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

11 PROPERTY PLANT & EQUIPMENT (CONTINUED)

	Cost				Accumulated Impairments				Accumulated Depreciation and Impairment/Losses				Carrying Value				
	Opening Balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance		Additions	Disposals	Impairment	Class Transfer
Other Assets	32 243 398	875 758	1 196 876	-	-	31 922 280	16 728 144	2 727 145	-	-	18 666 338	1 404 989	788 950	-	-	-	13 255 942
Office Equipment	2 605 649	152 745	123 360	-	-	2 685 034	2 630 034	-	-	-	2 630 034	2 630 034	203 331	65 926	-	-	1 230 045
Balance previously reported	2 604 185	152 745	123 360	-	-	2 630 173	2 630 173	-	-	-	2 630 173	2 630 173	202 907	67 211	-	-	1 404 331
Correction of error - removal of duplications - Note 34.1	(19 077)	-	-	-	-	(19 077)	(12 538)	-	-	-	(13 887)	(13 887)	(1 149)	-	-	-	1 225 842
Correction of error - incorrect capitalisation - Note 34.1	(10 705)	-	-	-	-	(10 705)	(5 155)	-	-	-	(1 387)	(5 155)	(1 387)	-	-	-	(5 390)
Correction of error - previously disposed now found - Note 34.1	31 247	-	(3 396)	-	-	3 396	-	-	-	-	-	16 643	229	(1 285)	-	-	1 883
Correction of error - identified for the first time - Note 34.1	-	-	-	-	-	31 247	-	-	-	-	-	19 375	19 375	-	-	-	11 872
Furniture and fittings	4 745 553	71 426	124 619	-	-	4 892 360	2 821 122	327 278	-	-	3 074 475	2 821 122	73 925	-	-	-	1 617 885
Balance previously reported	4 730 928	71 426	124 619	-	-	4 873 209	2 814 472	325 184	-	-	3 063 351	2 814 472	76 275	-	-	-	1 609 828
Correction of error - removal of duplications - Note 34.1	(8 609)	-	-	-	-	(8 609)	(5 726)	(481)	-	-	(6 206)	(5 726)	(481)	-	-	-	(2 403)
Correction of error - incorrect capitalisation - Note 34.1	(1 148)	-	-	-	-	(1 148)	(76)	-	-	-	(837)	(76)	-	-	-	-	(312)
Correction of error - previously disposed now found - Note 34.1	24 394	-	(4 526)	-	-	4 526	-	-	-	-	-	13 137	479	(2 350)	-	-	2 829
Correction of error - identified for the first time - Note 34.1	-	-	-	-	-	24 394	-	-	-	-	-	15 309	15 309	9 075	-	-	1 688
Bins and Containers	430 191	-	-	-	-	430 191	123 183	-	-	-	169 677	123 183	-	-	-	-	260 514
Emergency equipment	1 484 584	57 261	82 776	-	-	1 459 070	838 140	129 403	-	-	918 121	838 140	49 423	-	-	-	540 949
Balance previously reported	1 454 721	57 261	82 776	-	-	1 429 206	821 976	126 815	-	-	899 368	821 976	49 423	-	-	-	529 838
Correction of error - identified for the first time - Note 34.1	29 863	-	-	-	-	29 863	16 165	2 588	-	-	18 753	16 165	2 588	-	-	-	11 111
Motor Vehicles	4 718 407	299 439	479 729	-	-	4 538 116	2 401 686	197 676	-	-	2 279 089	2 401 686	320 274	-	-	-	2 259 028
Balance previously reported	4 831 407	299 439	480 754	-	-	4 650 091	2 473 589	202 179	-	-	2 355 140	2 473 589	320 628	-	-	-	2 294 952
Correction of error - incorrect capitalisation - Note 34.1	(113 000)	-	-	-	-	(113 000)	(71 903)	(4 566)	-	-	(76 469)	(71 903)	(4 566)	-	-	-	(36 531)
Correction of error - previously disposed now found - Note 34.1	-	-	(1 025)	-	-	1 025	-	64	-	-	418	-	64	(354)	-	-	607
Fire Engines	4 759 025	-	49 306	-	-	4 709 719	1 837 191	258 986	-	-	2 061 873	1 837 191	34 304	-	-	-	2 647 846
Balance previously reported	4 759 025	-	49 306	-	-	4 709 719	1 837 191	288 231	-	-	2 091 118	1 837 191	34 304	-	-	-	2 618 601
Correction of error - useful life - Note 34.1	-	-	-	-	-	-	(29 246)	-	-	-	(29 246)	-	-	-	-	-	29 245
Computer Equipment	6 960 986	294 887	256 442	-	-	6 999 431	3 482 182	595 134	-	-	3 893 969	3 482 182	183 327	-	-	-	3 105 442
Balance previously reported	6 899 043	294 887	260 719	-	-	6 733 210	3 530 433	570 634	-	-	3 724 713	3 530 433	185 344	-	-	-	3 008 468
Correction of error - removal of duplications - Note 34.1	(12 610)	-	-	-	-	(12 610)	(8 588)	(78)	-	-	(9 233)	(8 588)	(78)	-	-	-	(3 317)
Correction of error - previously disposed now found - Note 34.1	274 553	-	(4 277)	-	-	274 553	151 337	362	-	-	2 980	151 337	24 853	(2 017)	-	-	1 998
Correction of error - identified for the first time - Note 34.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98 363
Plant and Equipment	1 706 897	-	80 644	-	-	1 626 253	785 245	175 015	-	-	898 489	785 245	61 772	-	-	-	727 764
Balance previously reported	1 687 225	-	80 644	-	-	1 606 581	773 924	172 994	-	-	885 145	773 924	61 772	-	-	-	724 435
Correction of error - removal of duplications - Note 34.1	(5 253)	-	-	-	-	(5 253)	(3 221)	(338)	-	-	(3 660)	(3 221)	(338)	-	-	-	(1 693)
Correction of error - identified for the first time - Note 34.1	24 926	-	-	-	-	24 926	14 543	2 361	-	-	16 903	14 543	2 361	-	-	-	8 023
Disaster Management Equipment	4 157 105	-	-	-	-	4 157 105	2 904 849	749 854	-	-	3 654 703	2 904 849	43 973	-	-	-	502 402
Balance previously reported	675 000	-	-	-	-	675 000	266 960	43 973	-	-	310 933	266 960	43 973	-	-	-	364 067
Correction of error - identified for the first time - Note 34.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance	361 413 618	875 758	1 570 509	-	(3 971 000)	356 747 867	26 909 672	4 356 876	-	-	29 769 321	26 909 672	817 337	-	(679 885)	-	326 878 546

The leased property, plant and equipment is secured as set out in Note 3.

EDEN DISTRICT MUNICIPALITY
ANNEXURE A
SCHEDULE OF EXTERNAL LOANS
FOR THE YEAR ENDED 30 JUNE 2014

EXTERNAL LOANS	Loan Redeemable No.	Balance 30/06/2013 R	Received during the period R	Redeemed or written off R	Balance 30/06/2014 R	Carrying Value of Property, Plant and Equipment R	Other Costs in accordance with the MFMA
DBSA LOANS		2 505 080	-	862 727	1 642 353	-	-
<i>Loan: 10130/102</i> (10% interest rate, six monthly installments of R 25 669.04 with the final payment on 30/09/2015)							
<i>Loan: 10132/102</i> (10% interest rate, six monthly installments of R 184 150.24 with the final payment on 31/03/2016)							
<i>Loan: 10129/202</i> (10% interest rate, six monthly installments of R 130 001.34 with the final payment on 30/09/2015)							
<i>Loan: 10131/102</i> (10% interest rate, six monthly installments of R 193 023.80 with the final payment on 30/09/2015)							
		2 505 080	-	862 727	1 642 353	-	-
LEASE LIABILITY							
Office Equipment @ average of 12%							
		1 878 886	-	850 831	1 028 055	-	-
TOTAL EXTERNAL LOANS		4 383 966	-	1 713 558	2 670 408	-	-

ANNEXURE B
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Description	Provider	1 July 2013 Opening balance	Correction of Error	Restated Opening balance	2014 Financial Year				Closing Balance 30-Jun-14	Unspent	Unpaid
					Receipts Grants received	Expenditure Operating	Capital	Repaid to National Revenue Fund			
Municipal Systems Improvement Grant (MSIG)	National Government Grants	(106 743)	-	(106 743)	880 000	438 670	192 114	59 053	59 053	-	
Dpt.Land Affairs: District Assessment Committee	Provincial Government Grants	49 343	-	49 343	-	-	-	49 343	49 343	-	
Donation Funds National Water	Provincial Government Grants	41 700	-	41 700	-	-	-	41 700	41 700	-	
Housing Consumer Education Fund	Provincial Government Grants	32 167	-	32 167	-	-	-	32 167	32 167	-	
Local Government Financial Management Grant (FMG)	National Government Grants	12 274	-	12 274	1 250 000	1 185 007	-	64 993	64 993	-	
LGESTA-Re-imbursment	Other Grant Providers	1 128 101	-	1 128 101	131 015	347 892	-	911 224	911 224	-	
LGSETA: LED Learnership	Other Grant Providers	9 164	-	9 164	-	-	-	9 164	9 164	-	
Human Rights Programme	Provincial Government Grants	53 797	-	53 797	-	4 035	-	49 197	49 197	-	
Sports Grounds: Haarlem	Provincial Government Grants	8 678	-	8 678	-	-	-	8 678	8 678	-	
Libraries Grant - Facilities	Provincial Government Grants	77 506	-	77 506	-	-	-	77 506	77 506	-	
Non-Motorised Transport	Provincial Government Grants	2 442	-	2 442	-	-	-	2 442	2 442	-	
Bucket system Elimination Schools/Clinic	Provincial Government Grants	128 417	-	128 417	-	-	-	128 417	128 417	-	
LG: Bulk Water and Waste Water Infrastructure	Provincial Government Grants	62 850	-	62 850	-	-	-	62 850	62 850	-	
Expanded Public Works Incentives	National Government Grants	(83 579)	-	(83 579)	1 000 000	1 000 000	-	(83 579)	-	83 579	
Task Contributions - Municipalities	Other Grant Providers	(50 247)	-	(50 247)	274 000	133 899	-	86 460	86 460	-	
Emergency Housing DMA	Provincial Government Grants	282 478	(282 478)	-	-	-	-	-	-	-	
Emergency Housing Zoar	Provincial Government Grants	174 048	(174 048)	-	-	-	-	-	-	-	
WC FMG Assistance	National Government Grants	550 000	-	550 000	-	454 811	-	21 673	73 516	-	
DWA: Abstraction Validation on Blou	Provincial Government Grants	35 589	-	35 589	-	-	-	35 589	35 589	-	
DWAF: Chemical Water Sampling	Provincial Government Grants	(7 248)	-	(7 248)	126 801	322 934	-	46 178	(248 559)	248 559	
RBIG & DBSA: Bulk Water Studies	Other Grant Providers	(1 809 636)	1 707 036	(102 600)	2 904 935	1 975 732	-	192 693	633 910	-	
Integrated Transport	Provincial Government Grants	-	-	-	604 000	365 095	-	100 346	138 560	-	
Municipal Disaster Recovery	Provincial Government Grants	-	-	-	6 584 000	6 584 000	-	-	-	-	
Mandela Memorial Celebrations	Provincial Government Grants	-	-	-	150 000	13 750	-	136 250	136 250	-	
Braille Project	Provincial Government Grants	-	-	-	15 000	2 943	-	11 645	11 645	-	
WC FMG Internal Audit Project	National Government Grants	-	-	-	400 000	-	-	400 000	400 000	-	
WC FMG SCM Project-Database	National Government Grants	-	-	-	100 000	-	-	100 000	100 000	-	
ROADS - DEPARTMENT OF TRANSPORT	Provincial Government Grants	-	-	-	-	-	-	-	-	-	
CONSOLIDATED MIG PROJECTS - OPERATIONAL		591 100	1 250 509	1 841 610	14 429 750	12 828 568	192 114	2 727 806	3 059 944	332 138	
WFW: Brandwaach 2010/11	Provincial Government Grants	0	0	0	643 067	623 344	-	19 724	0	-	
WFW: Great - Brak 2010/11	Provincial Government Grants	0	0	0	942 108	910 297	-	31 811	0	0	
WFW: Karalara 2010/11	Provincial Government Grants	0	0	0	475 542	469 706	-	5 837	0	0	
WFW: Knyasa 2010/11	Provincial Government Grants	(0)	0	(0)	44 718	43 989	-	729	(0)	0	
WFW: Moorikw 2010/11	Provincial Government Grants	0	0	0	414 726	392 958	-	21 768	0	0	
WORK FOR WATER TOTALS		0	0	0	2 520 162	2 440 294	192 114	79 868	0	0	
TOTALS		591 100	1 250 509	1 841 610	16 949 912	15 268 862	192 114	2 727 806	3 059 944	332 138	
CAPITAL PROJECTS											
OTHER GRANTS											
Financial Management Grant	National Government Grants	-	-	-	-	-	-	-	-	-	
Municipal System Improvement Grant	National Government Grants	-	-	-	-	-	-	-	-	-	
TOTALS											
DME GRANTS											
Electricity Demand Side Management	National Government Grants	5 399 985	-	5 399 985	-	-	-	5 399 985	5 399 985	-	
TOTALS		5 399 985		5 399 985				5 399 985	5 399 985		
TOTAL CAPITAL BALANCES		5 399 985		5 399 985				5 399 985	5 399 985		
UNSPENT BALANCES END OF REPORTING PERIOD		5 991 085	1 250 509	7 241 594	16 949 912	15 268 862	192 114	8 127 790	8 469 931	332 138	
Consolidated MIG Projects		-	-	-	-	-	-	-	-	-	
Consolidated FMG Projects		1 689 464	-	1 689 464	1 250 000	-	-	2 939 465	2 939 465	-	
Consolidated MSIG Projects		(301 029)	-	(301 029)	890 000	1 185 007	-	(596 036)	-	596 036	

**APPENDIX C(1) - Unaudited
EDEN DISTRICT MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
Revenue - Standard								
Governance and administration	171 640	(2 143)	169 497	163 210	(6 286)	96.3%	95.1%	164 122
Executive and council	170 528	(2 143)	168 385	162 335	(6 050)	96.4%	95.2%	163 213
Budget and treasury office	-	-	-	-	-	-	-	7
Corporate services	1 112	-	1 112	875	(237)	78.7%	78.7%	902
Community and public safety	4 713	409	5 122	5 327	205	104.0%	113.0%	5 009
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	4 553	409	4 962	5 143	181	103.7%	113.0%	4 878
Public safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Health	160	-	160	183	23	114.5%	114.5%	131
Economic and environmental services	50	99 944	99 994	137 906	37 912	137.9%	275812.1%	110 651
Planning and development	-	-	-	4	4	#DIV/0!	#DIV/0!	21
Road transport	-	99 869	99 869	137 713	37 844	137.9%	#DIV/0!	110 141
Environmental protection	50	75	125	189	64	151.3%	378.2%	488
Trading services	-	80	80	120	40	150.0%	#DIV/0!	380
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-
Waste management	-	80	80	120	40	150.0%	#DIV/0!	380
Other	-	-	-	-	-	-	-	-
Total Revenue - Standard	176 403	98 289	274 692	306 563	31 871	111.6%	173.8%	280 161
Expenditure - Standard								
Governance and administration	92 559	(3 009)	89 550	109 454	19 905	122.2%	118.3%	87 517
Executive and council	44 270	200	44 470	65 950	21 480	148.3%	149.0%	48 207
Budget and treasury office	20 012	(2 084)	17 928	17 259	(669)	96.3%	86.2%	16 474
Corporate services	28 276	(1 125)	27 152	26 245	(907)	96.7%	92.8%	22 836
Community and public safety	60 970	804	61 774	63 230	1 456	102.4%	103.7%	57 126
Community and social services	2 940	(628)	2 312	2 279	(33)	98.6%	77.5%	3 378
Sport and recreation	8 008	296	8 305	8 277	(28)	99.7%	103.4%	7 414
Public safety	25 608	1 945	27 553	28 928	1 375	105.0%	113.0%	23 479
Housing	-	-	-	-	-	-	-	-
Health	24 414	(810)	23 604	23 746	142	100.6%	97.3%	22 855
Economic and environmental services	18 506	99 241	117 747	137 365	19 617	116.7%	742.3%	120 514
Planning and development	7 092	1 364	8 456	6 193	(2 263)	73.2%	87.3%	6 728
Road transport	1 152	99 869	101 020	125 444	24 424	124.2%	10893.9%	110 141
Environmental protection	10 263	(1 992)	8 272	5 728	(2 543)	69.3%	55.8%	3 644
Trading services	3 013	1 378	4 391	3 865	(526)	88.0%	128.3%	2 219
Electricity	-	-	-	-	-	-	-	-
Water	505	1 569	2 074	201	(1 873)	9.7%	39.8%	66
Waste water management	458	(447)	11	1 976	1 964	17512.5%	431.3%	4
Waste management	2 049	256	2 305	1 688	(617)	73.2%	82.4%	2 148
Other	-	-	-	-	-	-	-	-
Total Expenditure - Standard	175 047	98 414	273 462	313 913	40 452	114.8%	179.3%	267 375
Surplus/(Deficit) for the year	1 355	(125)	1 230	(7 350)	(8 581)	-597.4%	-542.3%	12 787

**APPENDIX C(2) - Unaudited
EDEN DISTRICT MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
Revenue by Vote								
Executive and Council	170 528	(2 143)	168 385	162 335	(6 050)	96.4%	95.2%	163 213
Budget and Treasury Office	-	-	-	-	-	-	-	7
Corporate Services	1 112	-	1 112	875	(237)	78.7%	78.7%	902
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	4 553	409	4 962	5 143	181	103.7%	113.0%	4 878
Public Safety	-	-	-	-	-	-	-	-
Health	160	-	160	183	23	114.5%	114.5%	131
Planning and Development	-	-	-	4	4	#DIV/0!	#DIV/0!	21
Road Transport	-	99 869	99 869	137 713	37 844	137.9%	#DIV/0!	121 649
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	-	80	80	120	40	150.0%	#DIV/0!	380
Environmental Protection	50	75	125	189	64	151.3%	378.2%	488
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
Total Revenue by Vote	176 403	98 289	274 692	306 563	31 871	111.6%	173.8%	291 669
Expenditure by Vote to be appropriated								
Executive and Council	44 270	200	44 470	65 950	21 480	148.3%	149.0%	48 207
Budget and Treasury Office	20 012	(2 084)	17 928	17 259	(669)	96.3%	86.2%	16 474
Corporate Services	28 276	(1 125)	27 152	26 245	(907)	96.7%	92.8%	22 836
Community and Social Services	2 940	(628)	2 312	2 279	(33)	98.6%	77.5%	3 378
Sport and Recreation	8 008	296	8 305	8 277	(28)	99.7%	103.4%	7 414
Public Safety	25 608	1 945	27 553	28 928	1 375	105.0%	113.0%	23 479
Health	24 414	(810)	23 604	23 746	142	100.6%	97.3%	22 855
Planning and Development	7 092	1 364	8 456	6 193	(2 263)	73.2%	87.3%	6 728
Road Transport	1 152	99 869	101 020	125 444	24 424	124.2%	10893.9%	110 141
Electricity	-	-	-	-	-	-	-	-
Water	505	1 569	2 074	201	(1 873)	9.7%	39.8%	66
Waste Water Management	458	(447)	11	1 976	1 964	17512.5%	431.3%	4
Waste Management	2 049	256	2 305	1 688	(617)	73.2%	82.4%	2 148
Environmental Protection	10 263	(1 992)	8 272	5 728	(2 543)	69.3%	55.8%	3 644
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
Total Expenditure by Vote	175 047	98 414	273 462	313 913	40 452	114.8%	179.3%	267 375
Surplus/(Deficit) for the year	1 355	(125)	1 230	(7 350)	(8 581)	-597.4%	-542.3%	24 295

**APPENDIX C(3) - Unaudited
EDEN DISTRICT MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014
REVENUE AND EXPENDITURE**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
Revenue By Source								
Property rates	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 889	(642)	1 248	853	(395)	68.4%	45.1%	990
Interest earned - external investments	2 051	550	2 601	4 684	2 083	180.1%	228.4%	3 433
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	189	189	#DIV/0!	#DIV/0!	208
Agency services	13 780	(2 500)	11 280	-	(11 280)	-	-	-
Transfers recognised - operating	133 413	7 684	141 097	145 733	4 636	103.3%	109.2%	136 386
Other revenue	17 270	101 197	118 468	155 105	36 637	130.9%	898.1%	136 992
Gains on disposal of PPE	8 000	(8 000)	-	-	-	-	-	134
Total Revenue (excluding capital transfers and contributions)	176 403	98 289	274 692	306 563	31 871	279.5%	173.8%	278 142
Expenditure By Type								
Employee related costs	94 205	51 851	146 056	147 787	1 731	101.2%	156.9%	145 142
Remuneration of councillors	6 954	15	6 969	7 028	59	100.8%	101.1%	6 747
Debt impairment	650	-	650	2 443	1 793	375.8%	375.8%	1 734
Depreciation & asset impairment	8 136	-	8 136	4 854	(3 282)	59.7%	59.7%	5 387
Finance charges	585	(100)	485	704	220	145.3%	120.5%	1 194
Bulk purchases	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-
Contracted services	11 330	(400)	10 930	13 808	2 878	126.3%	121.9%	12 375
Transfers and grants	3 744	400	4 144	-	(4 144)	-	-	-
General Expenses	49 444	46 649	96 092	#REF!	#REF!	#REF!	#REF!	#REF!
Loss on disposal of PPE	-	-	-	31 769	31 769	#DIV/0!	#DIV/0!	728
Total Expenditure	175 047	98 414	273 462	#REF!	#REF!	277.9%	#REF!	#REF!
Surplus/(Deficit)	1 355	(125)	1 230	#REF!	#REF!	#REF!	#REF!	#REF!
Transfers recognised - capital	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1 355	(125)	1 230	#REF!	#REF!	#REF!	#REF!	#REF!

**APPENDIX C(4) - Unaudited
EDEN DISTRICT MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
Capital expenditure - Vote								
Multi-year expenditure								
Executive and Council	-	-	-	-	-	-	-	-
Budget and Treasury Office	-	-	-	-	-	-	-	-
Corporate Services	-	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Road Transport	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
Capital multi-year expenditure	-	-	-	-	-	-	-	-
Single-year expenditure								
Executive and Council	-	-	-	114	114	#DIV/0!	#DIV/0!	303
Budget and Treasury Office	-	-	-	21	21	#DIV/0!	#DIV/0!	26
Corporate Services	225	510	735	560	(175)	76.2%	248.8%	2 992
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	250	(250)	-	6	6	#DIV/0!	2.4%	73
Public Safety	400	-	400	444	44	110.9%	110.9%	180
Planning and development	-	-	-	50	50	#DIV/0!	#DIV/0!	12
Health	-	-	-	31	31	#DIV/0!	#DIV/0!	77
Road Transport	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	8 000	(2 200)	5 800	-	(5 800)	-	-	9
Environmental Protection	-	-	-	-	-	-	-	3
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
Capital single-year expenditure	8 875	(1 940)	6 935	1 225	(5 710)	18%	14%	3 675
Total Capital Expenditure - Vote	8 875	(1 940)	6 935	1 225	(5 710)	18%	14%	3 675
Capital Expenditure - Standard								
Governance and administration	225	510	735	694	(41)	94.5%	308.6%	3 321
Executive and council	-	-	-	114	114	#DIV/0!	#DIV/0!	303
Budget and treasury office	-	-	-	21	21	#DIV/0!	#DIV/0!	26
Corporate services	225	510	735	560	(175)	76.2%	248.8%	2 992
Community and public safety	650	(250)	400	480	80	120.1%	73.9%	330
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	250	(250)	-	6	6	#DIV/0!	2.4%	73
Public safety	400	-	400	444	44	110.9%	110.9%	180
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	31	31	#DIV/0!	#DIV/0!	77
Economic and environmental services	-	-	-	50	50	#DIV/0!	#DIV/0!	15
Planning and development	-	-	-	50	50	#DIV/0!	#DIV/0!	12
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	3
Trading services	8 000	(2 200)	5 800	-	(5 800)	-	-	9
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-
Waste management	8 000	(2 200)	5 800	-	(5 800)	-	-	9
Other	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	8 875	(1 940)	6 935	1 225	(5 710)	18%	14%	3 675
Funded by:								
National Government	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	8 875	(1 940)	6 935	1 225	(5 710)	17.7%	13.8%	3 675
Total Capital Funding	8 875	(1 940)	6 935	1 225	(5 710)	18%	14%	3 675

**APPENDIX C(5) - Unaudited
EDEN DISTRICT MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014
CASH FLOWS**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Other receipts	33 249	96 621	129 870	145 087	15 217	111.7%	436.4%	140 762
Government - operating	133 413	7 684	141 097	145 541	4 444	103.1%	109.1%	63 697
Government - capital				192	192	#DIV/0!	#DIV/0!	23 712
Interest	2 051	550	2 601	4 684	2 083	180.1%	228.4%	2 712
Dividends								
Payments								
Suppliers and employees	(146 091)	(102 029)	(248 119)	(280 012)	(31 893)	112.9%	191.7%	(198 384)
Finance charges	(985)	500	(485)	(704)	(220)	145.3%	71.5%	(663)
Transfers and Grants	(3 744)	(400)	(4 144)		4 144			
NET CASH FROM/(USED) OPERATING ACTIVITIES	17 893	2 927	20 820	14 787	(6 034)	71.0%	82.6%	31 836
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	8 000	(8 000)						230
Decrease (Increase) in non-current debtors Decrease (increase) other non-current receivables		2 534	2 534	(5 096)	(7 630)	-201.1%	#DIV/0!	29
Decrease (increase) in non-current investments								(377)
Payments								
Capital assets		(6 935)	(6 935)	(1 225)	5 710	17.7%	#DIV/0!	(33 654)
NET CASH FROM/(USED) INVESTING ACTIVITIES	8 000	(12 401)	(4 401)	(6 320)	(1 920)	143.6%	-79.0%	(33 772)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans								
Borrowing long term/refinancing								44
Increase (decrease) in consumer deposits								260
Payments								
Repayment of borrowing		(622)	(622)	(1 714)	(1 091)	275.3%	#DIV/0!	(390)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(622)	(622)	(1 714)	(1 091)	275.3%	#DIV/0!	(87)
NET INCREASE/ (DECREASE) IN CASH HELD	25 893	(10 096)	15 797	6 753	(9 044)	42.7%	26.1%	(2 022)
Cash/cash equivalents at the year begin:		72 984	72 984	72 984		100.0%	#DIV/0!	26 585
Cash/cash equivalents at the year end:	25 893	62 888	88 782	79 737	(10 136)	89.8%	307.9%	24 562

PAWK: ROADS
BALANCE SHEET AS AT 30 JUNE 2014

CAPITAL EMPLOYED	Note	2013/2014 R	2012/2013 R
FUNDS AND RESERVES		-	-
Statutory funds		-	-
Reserves	1	-	-
ACCUMULATED SURPLUS/(DEFICIT)	2	(39 322 498)	(41 877 656)
		<u>(39 322 498)</u>	<u>(41 877 656)</u>
TRUST FUNDS	3	-	-
NON-CURRENT PROVISIONS			
		<u>(39 322 498)</u>	<u>(41 877 655)</u>
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	4	-	-
		<u>-</u>	<u>-</u>
NET CURRENT LIABILITIES		(39 322 500)	(41 877 655)
CURRENT ASSETS		16 204 331	20 583 296
Trade & Other Receivables	6	10 280 615	357 014
Cash & Cash Equivalents		5 923 716	20 226 282
NON-CURRENT LIABILITIES			
Eden District Municipality - Employee Benefits	7	(47 585 725)	(42 261 845)
CURRENT LIABILITIES		(7 941 105)	(20 199 106)
Provisions	8	4 751 467	4 316 895
Trade Payables	9	2 166 675	12 927 245
Loan account - Eden District Municipality		(1 283 040)	445 886
Current Portion of Non-Current Liabilities		2 306 003	2 509 080
Vat	10	-	-
		<u>(39 322 499)</u>	<u>(41 877 655)</u>

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

2012/2013 Actual Income	2012/2013 Actual Expenditure	2012/2013 Actual Surplus/ (Deficit)	2013/2014 Actual Income	2013/2014 Actual Expenditure	2013/2014 Actual Surplus/ (Deficit)	2013/2014 Budget Surplus/ (Deficit)
116 927 498 <u>116 927 498</u>	113 224 959 <u>113 224 959</u>	3 702 539 <u>3 702 539</u>	130 877 378 <u>130 877 378</u>	130 387 861 <u>130 387 861</u>	489 517 <u>489 517</u>	81 731 254 <u>81 731 254</u>
116 927 498	113 224 959	3 702 539	130 877 378	130 387 861	489 517	81 731 254
RATES AND GENERAL SERVICES						
TOTAL						
Appropriations for the year (refer to note 2)			2 065 641			
Net Surplus/(defecit) for the year			2 555 158			
Accumulated surplus/(defecit) : beginning of the year			(41 877 656)			
ACCUMULATED SURPLUS/(DEFECIT) END OF THE YEAR			(39 322 498)			

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
CASH GENERATED FROM OPERATING ACTIVITIES	(19 423 368)	8 309 537
Cash generated by operations	12 1 404 877	3 317 267
Investment income	11 1 150 281	385 272
Decrease/(Increase) in working capital	13 (21 978 524)	4 606 998
	(19 423 366)	8 309 537
Less: External interest paid	-	-
Cash available from operations	(19 423 366)	8 309 537
Cash contributions from the public and the state	-	-
CASH UTILISED IN INVESTING ACTIVITIES		
Investment in fixed assets	-	-
CASH UTILISED FROM FINANCING TRANSACTIONS		
Increase in Non-Current Liability	5 120 803	(2 577 741)
NET CASH FLOW	<u>(14 302 564)</u>	<u>5 731 795</u>
CASH EFFECTS OF FINANCING ACTIVITIES		
(Increase)/decrease in cash investments	15 -	-
(Increase)/decrease in cash at bank	14 14 302 565	(5 731 799)
NET CASH (GENERATED)/UTILISED	<u>14 302 565</u>	<u>(5 731 799)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
1 RESERVES		
Operating Reserve 2004 <i>(Refer to Appendix A for more details)</i>	-	-
2 ACCUMULATED SURPLUS / (DEFICIT)		
<i>Appropriation account :</i>		
Accumulated surplus/(deficit) at the beginning of the year	(41 877 656)	(45 580 195)
Operating surplus/(deficit) for the year	489 517	3 702 539
Appropriations for the year :	2 065 641	-
- Prior year adjustments	2 065 641	-
Accumulated deficit at the end of the year	(39 322 498)	(41 877 656)
<i>Operating account :</i>		
Capital expenditure	-	-
3 TRUST FUNDS		
Goukou - Structure Plan	-	-
Resurfacing	-	-
Reseal 04/05	-	-
Kerwelsvlei - Minor Road	-	-
Vicbay Beach Fund	-	-
Ballotsbay Resort	-	-
Disaster Fund	-	-
Vicbay Jetty	-	-
Resealing of Trunk Road 2/12	-	-
Repair ARMCO Gravelroad 83/1	-	-
GP83 Armco	-	-
AP1297 Slangriver	-	-
MR 363 Repair ARMCO	-	-
MR 369 Repair ARMCO	-	-
MR 342 Repair ARMCO	-	-
Div Roads 1316/1576/1577	-	-
<i>(Refer to Appendix A for more details)</i>	-	-
4 FIXED ASSETS		
Fixed assets at the beginning of the year	3 051 400	3 051 400
Capital expenditure during the year	-	-
Less: Assets written off, transferred or disposed of during the year	-	-
Total fixed assets	3 051 400	3 051 400
Less: Loans redeemed and other capital receipts	3 051 400	3 051 400
Net fixed assets	-	-
5 LONG-TERM DEBTORS		
Vehicle Loans	-	-
Loans for personal computers	-	-
Less: Short-term portion of long-term debtors transferred to current assets	-	-
	-	-
6 TRADE & OTHER RECEIVABLES		
Suspense accounts	146 040	149 184
Plant Account	-	-
Other debtors	10 134 574	207 830
	10 280 615	357 014

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

7 EDEN DISTRICT MUNICIPALITY - EMPLOYEE BENEFITS

	2014	2013
	R	R
Eden District Municipality - Employment Benefit Provisions on Behalf of Department of Transport		
Roads - Provision for Post Employment Health Care Benefits	46 000 742	40 801 527
Roads - Provision for Ex-Gratia Pension Benefits	713 322	855 875
Roads - Provision for Long Service Leave Awards	3 177 664	3 113 523
	<u>49 891 728</u>	<u>44 770 925</u>
Less Short Term Portion Transferred to Current Provisions	(2 306 003)	(2 509 080)
Roads - Provision for Post Employment Health Care Benefits	1 874 893	1 865 178
Roads - Provision for Ex-Gratia Pension Benefits	127 993	143 684
Roads - Provision for Long Service Leave Awards	303 117	500 218
	<u>47 585 725</u>	<u>42 261 845</u>

Total Employee Benefit Provisions

Reconciliation of present value of fund obligation:

Provision for Post Employment Health Care Benefits:

Present value of fund obligation at beginning of year	40 801 526	43 847 115
Current service cost	1 719 286	1 566 057
Interest Cost	3 402 612	3 261 394
Benefits Paid	(1 915 302)	(2 253 096)
Total expenses	<u>44 008 124</u>	<u>46 421 470</u>
Actuarial (gains) / losses	1 992 619	(5 619 944)
Present value of fund obligation at the end of the year	<u>46 000 742</u>	<u>40 801 526</u>

Provision for Ex-Gratia Pension Benefits:

Present value of fund obligation at beginning of year	855 875	1 002 246
Current service cost	-	-
Interest Cost	52 908	53 807
Benefits Paid	(143 684)	(158 768)
Total expenses	<u>765 099</u>	<u>897 285</u>
Actuarial (gains) / losses	(51 777)	(41 410)
Present value of fund obligation at the end of the year	<u>713 322</u>	<u>855 875</u>

Provision for Long Service Leave Awards

Present value of fund obligation at beginning of year	3 113 523	2 499 304
Current service cost	432 235	294 911
Interest Cost	208 913	154 012
Benefits Paid	(440 277)	(324 808)
Total expenses	<u>3 314 394</u>	<u>2 623 419</u>
Actuarial (gains) / losses	(136 730)	490 104
Present value of fund obligation at the end of the year	<u>3 177 664</u>	<u>3 113 523</u>

8 PROVISIONS

Performance Bonuses	-	-
Staff Bonus	1 725 132	1 529 869
Auditor General	-	-
Staff Leave	3 026 335	2 787 026
Long Service	-	-
	<u>4 751 467</u>	<u>4 316 895</u>

9 TRADE PAYABLES

	2014	2013
	R	R
Sundry creditors	1 060 452	2 550 729
Debtors with credit balances	-	-
Payments in Advance	1 000 000	9 474 284
Suspense accounts	106 223	129 355
Shortfall on Pensionfund	-	772 877
Plant Account	-	-
	<u>2 166 675</u>	<u>12 927 245</u>

10 VAT

Vat payable	<u>-</u>	<u>-</u>
-------------	----------	----------

11 FINANCE TRANSACTIONS

Total external interest earned or paid		
- Interest earned	<u>1 150 281</u>	<u>385 272</u>
- Interest paid	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

12 CASH GENERATED BY OPERATIONS

	2014 R	2013 R
Surplus/(Deficit) for the year	489 517	3 702 539
Adjustments in respect of:		
Previous years operating transactions	2 065 641	-
Appropriations charged against income	-	-
* Provisions and reserves	-	-
* Fixed assets	-	-
Capital charges	-	-
* Interest paid:	-	-
- on external loans	-	-
* Redemption:	-	-
- of external loans	-	-
* Deferred charges written off	-	-
Investment income (operating account)	(1 150 281)	(385 272)
Non-operating expenditure:		
Charged against Provisions and Reserves	-	-
	<u><u>1 404 877</u></u>	<u><u>3 317 267</u></u>

13 (INCREASE)/DECREASE IN WORKING CAPITAL

Decrease/(Increase) in debtors, long term debtors	(9 923 600)	(51 418)
Increase/(Decrease) in creditors, consumer deposits	(12 054 924)	4 658 416
	<u><u>(21 978 524)</u></u>	<u><u>4 606 998</u></u>

14 (INCREASE)/DECREASE CASH AND CASH EQUIVALENTS

Cash balance at the beginning of the year	20 226 282	14 494 484
Less: Cash balance at the end of the year	5 923 716	20 226 282
	<u><u>14 302 565</u></u>	<u><u>(5 731 798)</u></u>

15 (INCREASE)/DECREASE IN CASH INVESTMENTS

Investments made	-	-
Investments realised	-	-
	<u><u>-</u></u>	<u><u>-</u></u>

16 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

16.1 Contributions to organized local government

	2014 R	2013 R
Opening balance	-	-
Amount paid - current year	246 063	234 126
Amount paid - previous years	(246 063)	(234 126)
Balance unpaid (included in creditors)	<u><u>-</u></u>	<u><u>-</u></u>

The contribution to SALGA was paid by Eden District Municipality and includes the contribution for the Roads Agency Function. It was financed out of the administration levy received by Eden District Municipality.

16.2 Audit fees

Opening balance	-	-
Current year audit fee	-	-
Amount paid - current year	354 785	375 653
Amount paid - previous years	-	-
	<u><u>354 785</u></u>	<u><u>375 653</u></u>

16.3 VAT

Vat inputs receivable and Vat outputs payable are shown in note 9. All Vat returns have been submitted by the due date throughout the year.

16.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	4 197 831	3 775 432
Amount paid - current year	(4 197 831)	(3 775 432)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	<u><u>-</u></u>	<u><u>-</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

**16 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT
(Continued)**

2014

2013

R

R

16.5 Pension and Medical Aid Deductions

Opening balance	-	(528 578)
Current year payroll deductions and Council Contributions	10 976 037	15 494 001
Amount paid - current year	(10 976 037)	(14 965 423)
Amount paid - previous years		
Balance outstanding (included in debtors)	-	-

The balance represents amounts due to us by pensioners regarding their medical contributions. Invoices for the outstanding amounts were issued by the Municipality.

16.6 Non-compliance with Chapter 11 of the Municipal Finance Management Act

The Municipality has developed a supply chain management policy.

**APPENDIX A:
STATUTORY FUNDS, RESERVES AND PROVISIONS
FOR THE YEAR ENDED 30 JUNE 2014**

	Balance at 30 June 2013	Contributions during the year	Interest on investments	Other income	Expenditure during the year	Balance at 30 June 2014
RESERVES	-	-	-	-	-	-
Operating Reserve 2004	-	-	-	-	-	-
TRUST FUNDS	-	-	-	-	-	-
Goukou - Structure Plan	-	-	-	-	-	-
Resurfacing	-	-	-	-	-	-
Reseal 04/05	-	-	-	-	-	-
Kerwelsvlei - Minor Road	-	-	-	-	-	-
Vicbay Beach Fund	-	-	-	-	-	-
Ballotsbay Resort	-	-	-	-	-	-
Disaster Fund	-	-	-	-	-	-
Vicbay Jetty	-	-	-	-	-	-
Resealing of Trunk Road 2/12	-	-	-	-	-	-
Repair ARMCO Gravelroad 83/1	-	-	-	-	-	-
GP83 Armco	-	-	-	-	-	-
AP1297 Slangriver	-	-	-	-	-	-
MR 363 Repair ARMCO	-	-	-	-	-	-
MR 369 Repair ARMCO	-	-	-	-	-	-
MR 342 Repair ARMCO	-	-	-	-	-	-
Div Roads 1316/1576/1577	-	-	-	-	-	-
	-	-	-	-	-	-

**APPENDIX B:
ANALYSIS OF FIXED ASSETS
FOR THE YEAR ENDED 30 JUNE 2014**

Expenditure 2012/2013	Asset	Budget 2012/2013	Balance at 30 June 2013	Expenditure 2013/2014	Written off, Transferred or Disposed	Balance at 30 June 2014
0	Rates and General	-	3 051 400	-	-	3 051 400
0	Roads Expenditure	-	3 051 400	-	-	3 051 400
0	Total Fixed Assets	-	3 051 400	-	-	3 051 400
	LESS : Loans Redeemed and Other Capital Receipts		3 051 400	-	-	3 051 400
	Loans Redeemed		-	-	-	-
	Contribution from Current Income		3 051 400	-	-	3 051 400
	Donations and subsidies		-	-	-	-
	NETT FIXED ASSETS		-	-	-	-

**APPENDIX C:
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2014**

Actual 2012/2013		Actual 2013/2014
	INCOME	
108 146 564	Government and Provincial Grants and Subsidies	128 526 665
-	Advances Plant Account	-
5 661 354	Actuarial Gain	188 507
3 119 580	Other Income	2 162 206
116 927 498		130 877 378
	Expenditure	
51 068 849	Employee related costs	55 224 672
2 593 510	Increase in Provision for Non-Current Liabilities	3 316 692
490 104	Actuarial Loss	1 992 619
-	Plant Hire	-
-	Interest on Pension Fund Liability	-
-	Allocation Indirect Account	-
-	Contracts	-
58 635 922	General Expenses	65 826 969
-	Repair and Maintenance costs	275 077
436 573	Contributions to Capital	3 751 833
113 224 959	Net Expenditure	130 387 861

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APPENDIX D:
DETAILED INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2014

2012/2013 Actual Income	2012/2013 Actual Expenditure	2012/2013 Actual Surplus/ (Deficit)		2013/2014 Actual Income	2013/2014 Actual Expenditure	2013/2014 Actual Surplus/ (Deficit)	2013/2014 Budget Surplus/ (Deficit)
116 927 498	113 224 959	3 702 539	RATES AND GENERAL SERVICES	130 877 378	130 387 861	489 517	81 731 254
116 927 498	113 224 959	3 702 539		130 877 378	130 387 861	489 517	81 731 254
116 542 226	113 224 959	3 317 267	Normal Repair & Maintenance	129 727 097	130 387 861	(660 764)	81 731 254
-	-	-	Emergency Expenses	-	-	-	-
-	-	-	Re-Surfacing	-	-	-	-
-	-	-	Fencing	-	-	-	-
-	-	-	Construction, Re-construction & Improvements	-	-	-	-
-	-	-	Road Signs	-	-	-	-
-	-	-	Minor Roads	-	-	-	-
-	-	-	Main Roads	-	-	-	-
-	-	-	Traffic Fines	-	-	-	-
-	-	-	Routine maintenance	-	-	-	-
385 272	-	385 272	Interest received	1 150 281	-	1 150 281	-
-	-	-	Interest on Pension Fund Liability	-	-	-	-
-	-	-	Contributions	-	-	-	-
-	-	-	Advances Plant Account	-	-	-	-
-	-	-	Approved Capital Projects	-	-	-	-
116 927 498	113 224 959	3 702 539	TOTAL	130 877 378	130 387 861	489 517	81 731 254
		-	Appropriations for the year			2 065 641	
		3 702 539	Net surplus for the year			2 555 158	
		(45 580 195)	Accumulated surplus/(deficit) : beginning of the year			(41 877 656)	
		(41 877 656)	ACCUMULATED DEFICIT: END OF THE YEAR			(39 322 498)	

REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE – EDEN DISTRICT MUNICIPALITY

We present our report for the financial year ended 30 June 2014

RESPONSIBILITY

The EDEN DISTRICT MUNICIPALITY (EDM) has constituted its Audit and Performance Audit Committee (hereinafter referred to as the “Audit Committee” or AC) 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 (AC) 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 AC currently 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 AC.

The AC consisted of the following members during the financial year ended 30 June 2014:

1. Mr. J. Stoffels - independent Member and Chairperson – re-appointed 1 September 2011
2. Mr. JRN Metelerkamp – Independent Member – re-appointed 1 September 2011
3. Mr G. Harris – Independent Member - appointed 1 September 2011
4. Ms A. Potgieter – Independent Member – appointed 14 October 2012
5. These appointments were made for a term of three years. Mr Harris resigned on 29 July 2014.

ACTIVITIES

The AC met 7 times during the financial year ended 30 June 2014, 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 2014, the Final Management Report of the Auditor-General (hereinafter referred to as the A-G), as well as the report of the A-G on the Annual Financial Statements and the findings of the A-G on pre-determined objectives and

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- 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. Attended the mid-year and final Performance Assessments of the Section 56 appointees
 9. Reviewed various forensic reports in order to advise Council.
 10. Considered other matters as deemed appropriate.

We also conducted regular monthly meetings with the Municipal Manager to discuss issues of mutual concern.

AUDITOR GENERAL'S REPORT AND FINAL MANAGEMENT LETTER

Annual financial statements

We have taken note of the report of the A-G for the financial year ended 30 June 2014. The staff, political office bearers, our internal audit unit and Meyer Otto must be congratulated on achieving a "clean audit outcome". This is a first for EDM, and we regard this as an outstanding achievement. It also demonstrates the power of people working together as a team !!

We are however, mindful of the fact that, despite the "clean audit outcome", there are still administrative deficiencies which need our constant attention. These deficiencies are well documented in the Final Management Letter of the A-G. We urge Council to study these carefully, and to lend priority to the more urgent recommendations.

Our report will focus mainly on the following two sections, the details of which are comprehensively analysed in the A-G's Final Management Letter :

1. Section 2 – Matters relating to the Auditor's Report
2. Section 3 - Specific Focus Areas

Section 2 is comprised of different parts, and we list them as per the Final Management Letter :

1. **Part A – Misstatements in the Financial Statements.**

The A-G reports that "material misstatements were identified during the audit." Of concern to the AC is the fact that "these misstatements were not prevented or detected by the municipality's system of internal control". These material misstatements were corrected by management during the audit process.

- #### 2. **Part B – Matters to be brought to management and Council.** Under significant uncertainties, the A-G indicates that EDM is the defendant in two significant lawsuits, one being Lefatshe Computer Systems (R 23,5 million) and the other Uniondale Correction Facility (R 8,3 million)

There are also possible disputes with B-municipalities regarding properties registered in EDM's name with Mossel Bay municipality (R 75,8 million), Knysna municipality(R 8,7 million) and George municipality (R 75,1 million). These matters need urgent attention, given the fact the EDM's revenue base is so small.

3. **Part C – This section deals with the annual performance report**

The A-G identified material misstatements in the annual performance report submitted for auditing (see page 9 of the Final Management Letter). Management subsequently corrected these misstatements. The A-G therefore did not raise any material findings on the usefulness and reliability of the reported performance information.

4. **Part D – This section deals with findings on non-compliance with legislation**

The A-G did not identify any instances of material non-compliance with specific matters in key applicable legislation, as set out in the General Notice issued in terms of the PAA.

5. Part E – Internal Control.

The A-G did not identify any deficiencies in internal control which was considered significant for inclusion in the Final Management Letter.

6. Part F – Assessment of assurance providers.

This matter is detailed on pages 13-15 of the Final Management Letter.

Specific Focus Areas

These deal in the main with problems regarding Procurement, Contract Management and related controls in place. These matters are detailed on pages 15 – 22 of the Final Management Letter.

Of particular concern is the following :

- **Irregular expenditure of R 11,627 million. R 8,9 million of this total was identified during the audit process and not detected by monitoring processes of the municipality.**
- Awards to persons in the service of the State. SCM Regulation 44 prohibits awards to persons or entities owned/managed by them or if they are in the service of EDM. This includes employees and councilors. See page 15 and 16 of the Final Management for more details.

We once again urge Council to give this matter priority attention, as it often leads to fraud, corruption, irregular expenditure and costly litigation. It can also cause reputational damage to the organization.

Internal Audit

Internal Audit operates under a 3-year rolling Internal Audit plan, approved by the AC, and which has a significant focus on financial internal controls.

We regard this issue as bordering on a crisis. We currently do not have a Chief Audit Executive, following the tragic death of our late Chief Audit Executive. Our internal audit unit has been plagued by capacity constraints for the last 4 years, and Council must give priority attention to the critical aspect of municipal administration.

In addition, we also experience capacity constraints within the finance department.

We were fortunate that certain members of the AC, together with the Municipal Manager, were able to source a grant of R 400 000.00 from Provincial Treasury to strengthen the internal audit capacity. These funds were used to appoint an external service provider to support the depleted staff capacity at internal audit. We want to thank Mr Basil Vink of Provincial Treasury for his support in this matter.

The audit committee is unanimous in its view that weaknesses in the internal audit unit has played a major part in the internal control deficiencies raised by the A-G in this regard. We have highlighted this matter in discussions with the Municipal Manager and the Executive Mayor on a number of occasions, and also lobbied senior officials of Provincial Treasury to assist with capacitating the Internal Audit Unit.

Our view is that if the internal audit function has sufficient skills and resources to execute its mandate, the internal controls deficiencies of the municipality can be remedied.

OTHER FINDINGS AND RECOMMENDATIONS OF THE AUDIT COMMITTEE**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.

We are, however, 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.

We urge Council to give urgent attention to these matters.

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
- We reported in 2012 and 2013 that the new Ignite system purchased by the municipality is not utilised adequately and effectively by management, and this is still the case. Urgent intervention in this regard is necessary, as it impacts negatively on Performance Management. The process whereby performance reviews are conducted has improved significantly. What we now need is more effective cooperation between Internal Audit and the various departmental heads to further enhance the integrity of the process.
- We again urge management to strengthen the process of 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.
- The chairperson of the Audit Committee attended the mid-year and final performance evaluations of the Section 56 appointees. As indicated, the process is starting to mature, and we need to build on our successes of 2014.
- We again urge Council to see to it that performance management and measurement are extended to include all levels of staff. It does not have to be a sophisticated measurement process, but it is important that the performance of every employee is measured in some way. This can also help to improve the morale, self - esteem and day-to-day performance of the workforce.

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 and the Risk Committee

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. EDM has established a Risk Management Committee under the direct supervision of the Municipal Manager. A full time Risk officer has been appointed, and regular meetings are held. The minutes of these meetings also served at Audit Committee meetings.

APPOINTMENTS AND COMMITTEE MEMBERSHIP

Advocate W Olivier was appointed as a fourth member of the Audit Committee on 13 October 2014. This follows the resignation of Mr G. Harris in July 2014.

CONCLUSION

reached our target of achieving a clean audit outcome by 2014 !

The AC 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.

The challenge going forward will be to maintain this level of performance. We are confident that this is indeed possible, if we keep working together as a team. We therefore recommend that Council focuses on the following :

1. The urgent appointment of a properly qualified and skilful Chief Audit Executive. This appointment should be considered purely on merit.
2. 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.
3. Ongoing monitoring of and support for disaster areas in the Greater Eden District. The development of preventative strategies should also be stepped up if possible.
4. The development of medium to long term financial and operational strategies to address the adverse financial position.
5. Ongoing focus on effective execution of core functions and service delivery, particularly with regard to the needs and expectations of local communities.
6. Improvement of the accuracy of in-year financial and performance reporting and the effectiveness of related monitoring processes.
7. 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.
8. 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.



Bitou, a holiday experience known for its magnificent white sandy beaches and marine life.



