

STEVE TSHWETE LOCAL MUNICIPALITY



ANNUAL REPORT

2007/2008

Resolution C18/03/2009

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ANNUAL REPORT

2007/2008

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MEMBERS OF THE MAYORAL COMMITTEE AND FULL TIME COUNCILLORS

I M T Mahlangu	Executive Mayor
R T Mabanola	MMC Health, Social Services, Culture, Sport & Recreation
E F Mathebula	MMC Infrastructure Development & Service Delivery
J B Mayaba	MMC Traffic, Emergency, Transport, Safety & Security
H Pilodia	MMC Economic Development, Finance & Audit
N E Masemola	MMC Housing & Agriculture
A B Xulu	MMC Administration, Human Resource & Education
T R Mpye	Speaker
M A Masina	Chief Whip

COUNCILLORS

Ward Councillors:

N Monareng	Ward 1	J Pretorius	Ward 13
J Nkambule	Ward 2	D Botes	Ward 14
L Mahlangu	Ward 3	H F Niemann	Ward 15
M G Mathebula	Ward 4	H Pilodia	Ward 16
T P Motau	Ward 5	R Xaba	Ward 17
B Simelane	Ward 6	T R Mpye	Ward 18
M F Mahlangu	Ward 7	M T E Mnguni	Ward 19
T M Masango	Ward 8	E F Mathebula	Ward 20
A B Xulu	Ward 9	P R Sibanyoni	Ward 21
M A Masina	Ward 10	T J Marotobolo	Ward 22
L Zweni	Ward 11	A S Grobler	Ward 23
E A Swarts	Ward 12	G C Mbalane	Ward 24

Councillors – Proportional:

I M T Mahlangu	R T Mabanola	N E Masemola
J B Mayaba	C T Tonga	A M Mabena
L J Manzini	R Kunene	T D Skhosana
KPJ Uys	H Knoesen	R Perumall
RMD Zulu	A G Stroud	R E Redman
E du Toit	D Botha	M J Brits
C A M ^c Farlane	B H Mokoena	J N Mgedeza
E S Bassed	K E Masilela	

GRADING OF LOCAL AUTHORITY: GRADE 4

AUDITORS : Auditor-General

BANKERS : ABSA BANK

LEGAL FIRMS : VAN DEVENTER & CAMPHER ATTORNEYS
NTULI NOBLE ATTORNEYS
JOHAN ALBERTS ATTORNEYS

REGISTERED OFFICE : Civic Centre
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MUNICIPAL MANAGER Mr W D Fouché
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(Registered Municipal Accountant)
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EXECUTIVE MANAGER CORPORATE SERVICES Ms T Mekuto
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EXECUTIVE MANAGER TECHNICAL & FACILITIES Mr E Warambwa
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EXECUTIVE MANAGER PUBLIC SERVICES Ms P F Phiri
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VISION

To be the best community driven Local Municipality in the world in the provision of sustainable services and developmental programmes.

MISSION STATEMENT

The Steve Tshwete Local Municipality is committed to the total well being of all its citizens through:

- The rendering of affordable, cost effective, accessible, efficient and quality services for present and future customers.
- The maximizing of infrastructural development through the utilization of all available resources.
- Improving the quality of life by co-ordinating gender and social development programmes.
- The implementation of effective management systems and procedures.
- The creation of an enabling environment for LED.
- Ensuring of effective co-operation with relevant stakeholders.
- To ensure a skilled, motivated and committed workforce and
- The observing of the Batho Pele Principles.

CORE VALUES AND PRINCIPLES

- To always treat everyone with dignity and respect;
- To perform our duties with integrity, honesty and diligence

1. INTRODUCTION & OVERVIEW

The original Middelburg was established in 1866 halfway between Pretoria and Lydenburg. The Steve Tshwete Local Municipality came into being on 05 December 2000 after the National Municipal Elections in terms of Provincial Notice 300 of 2006 issued by the MEC for Local Government, Traffic Control and Traffic Safety in terms of Section 12 of the Local Government: Municipal Structures Act, 1990 on 01 October 2000.

The Municipality is situated in the Province of Mpumalanga within the Nkangala District Municipality this is the North East of the Republic of South Africa on the main route to Mozambique and the Kruger National Park approximately 180km from Johannesburg, 130km from Pretoria and \pm 1600km from Cape Town.

The municipal area covers approximately 3993 square kilometers and includes the following towns, villages and settlements: Middelburg, Mhluzi, Hendrina, Kwazamokuhle, Rietkuil, Pullenshope, Komati, Presidentsrus, Naledi, Lesedi, Kranspoort, Blinkpan, Koorfontein, Kwamakalane, Doornkop.

The population is estimated at 182 507 citizens (Community Survey 2007). The majority lives in the town of Middelburg and Mhluzi whilst others reside in a smaller town – Hendrina, Kwazamokuhle and mining and other villages as well as in vast rural areas.

This is a category B municipality comprising of 47 Councillors of whom 24 are ward representatives and 23 proportional representatives. The Executive Mayor assisted by six members of the Mayoral Committee, the Speaker and the Chief Whip heads the municipality. The Municipal Manager heads the administration

2. ECONOMIC PROFILE

This municipality's main economic activities (sector) are manufacturing, mining and agriculture with an economic growth of above 5% annually and contribute about 29% to the Nkangala District Municipality GGP.

The town of Middelburg is an industrial zone and the undisputed stainless steel capital of the Southern Hemisphere (Columbus Steel). Eskom Power Stations, coal and platinum mining activities, strong agriculture areas, a thriving commercial community and tourist attractions and activities, sustain the area.

EXECUTIVE MAYOR I M T MAHLANGU

The municipality is starting yet another year on a very high note where we have completed the new valuation roll for the period 2009-2013 which will be implemented on 1 July 2009 compiled in terms of Municipal Property Rates Act 6, 2004.

We have also witnessed successful 2009 general elections which marked the fourth democratic elections.

The year in review, above all, has been a celebration of the Steve Tshwete Local Municipality's hard-work, as we have been honored as the best municipality in Mpumalanga during the 2008 Municipal Vuna Awards and the Cleanest Town Competition.

Our achievement in the Vuna Awards for the four consecutive years, once more illustrates confidence in our work. We have also been awarded the first prize as the best municipality for the management of housing in Mpumalanga (2008 Govan Mbeki Housing Award). To top it all, we were also awarded with the best MIG Project Executed Award.

I am also happy to announce our impressive unqualified reports by the Auditor General since 2002 consecutively. This requires us to maintain and further improve our effort to deliver on our mandate which is clearly stipulated in our IDP.

However, this municipality is aware of the fact that challenges still remain and strive to continuously improve on service delivery and poverty alleviation.

In addressing the high unemployment rate, we have partnered with our Big Business and successfully established the Business Linkage Centre where our SMME's can get employment in a form of tenders.

We have handed over a number of community gardens as a response to one of the Premier's Flagship projects, the greening of Mpumalanga in order to alleviate poverty.

Although good progress has been made during the 2007/08 financial year, this does not mean that there is no more to be done. Key challenges for the 2008/09 year ahead, which were also experienced during the 2007/08 financial year, include:

- Improving on housing delivery
- Developing and implementing customer-centric models.
- Accelerating service delivery
- Retaining the unqualified report from the Auditor General.
- And all other challenges which are detailed in this report

I would like to express my profound appreciation from the support of the Speaker, Chief Whip, members of the mayoral committee, councillors well as the public for their assistance in achieving our goals.

The Municipal Manager and his staff must also be commended for their hard work and dedication during a very challenging year.

The new financial year will be equally - if not more - challenging and I look forward to working with you all to achieve a better life for all.

MUNICIPAL MANAGER – MR W D FOUCHÉ

As the Accounting Officer of the municipality, I share sentiments with our Executive Mayor, IMT Mahlangu in saying that the 2007/8 financial year was one that had challenges that were further compounded by the reality that we were preparing for the fourth democratic elections.

In essence it meant that in addition election activities aimed at winning the voters intensified which also impacted on service delivery issues.

This report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000 and records the progress made by the municipality in upholding the Council's vision which is "To be the best community driven local municipality in the world in the provision of sustainable services and development programmes".

This report also records objectives as reflected in the IDP, the Budget and the Service Delivery and Budget Implementation Plan. It also reflects on challenges and priorities for the 2008/09 financial year.

2007/08 financial year was particularly significant for the Steve Tshwete Local Municipality as considerable improvement and progress was achieved in the services, functions and activities of the municipality, including:

- Review of the organizational structures of the municipality to better position it for efficient and effective service delivery.
- Improving capital expenditure from R83 million for 2006/07 to R119 million for the 2007/08, reflecting an additional R 36 million expenditure.
- Improving integrated planning and performance management by involving the public in all decision making.

The municipality once more prides itself on a payment rate of services by the community which since 2002 and the year in review was successfully retained at 101 %.

I would like to thank the Executive Mayor, members of the mayoral committee, all councillors and staff for their contribution in making 2007/08 a success.

MUNICIPAL MANAGER

GENDER & SOCIAL DEVELOPMENT
COMMUNICATIONS
LED
IDP

Function	Municipal Manager	
Sub-Function	Gender and Social Development	
Reporting Level	Detail	Total
Overview	The Gender and Social Development Unit is responsible to ensure effective and efficient management of social development program, activities and strengthen collaboration with NGO's, relevant Departments etc. to improve service delivery at Steve Tshwete Local Municipality.	
Strategic Goals	<ul style="list-style-type: none"> • To improve the quality and equity of service delivery within the municipal area • To mitigate the negative impact of HIV and AIDS • To reduce poverty through integrated services like LED unit and other economic structures by specifically prioritizing the most vulnerable groups to our locality • To rebuild families and communities through policies and program empowering the young, elderly, and people with disabilities as well as women in our municipal area. 	
Key Issues from July to December 2008	<ul style="list-style-type: none"> • The Local Aids Council (LAC) was successfully reviewed, 3 bi-monthly meetings were held, 15 task team meetings were also held • Three task team leaders (one from Victim Support Centre, one from Department of Correctional Services and one from People Living with Aids) and the HIV and AIDS acting coordinator from Steve Tshwete Local Municipality attended a 12 day course arranged by GTZ and it was offered by University of Pretoria from August to December 2008 • The Steve Tshwete Local Municipality HIV and AIDS strategy was reviewed although it is not yet adopted. • Day of an African Child was celebrated in style. In June Children with disabilities attended Children's Parliament which started at Steve Tshwete Local Municipality, 2 children represented Steve Tshwete at Mpumalanga Provincial Legislature and they successfully proceeded to the National Assembly in Cape Town where they were representing Mpumalanga • In June again Day of an African Child was celebrated at Kwazamokuhle Stadium, coordinated by Steve Tshwete Local Municipality, Social Development and Early Childhood Development, creches and pre-schools attended • In November again 5 Children from our area went to Gert Sibande and proceeded to Kimberly to celebrate the National Children's Day. • In July, 10 Women in our municipality attended a Women's Parliament which started at Emalahleni, it proceeded to Mpumalanga Provincial Legislature and it ended at the National 	

	<p>Parliament in Cape Town were the late Cllr M.G Mathebula represented Mpumalanga.</p> <ul style="list-style-type: none"> • Women’s Summit was succesfully held on the 25th and 26th in our municipality, 156 women attended. On the 27, 28 and 29, more than 100 women from Steve Tshwete Local Municipality attended the Southern African Women Inventors and Innovators Symposium at Galleger Estate, supported and transported by our municipality. • On the 25 September, Heritage Day was celebrated at Botshabelo were staff members of the municipality, the departments, NGO’s and the community were informed about the meaning of the South African Flag, Coat of Arms for Mpumalanga Province, Nkangala District and Steve Tshwete Local Municipality • On the 29 October, Steve Tshwete Local Municipality celebrated the Older Persons Month. The Elderly had breakfast and lunch with the Executive Mayor, IMT Mahlangu and they all received gifts from the Mayor. • The review for Social Funding Policy was done, although it is not adopted yet. • From the 25 November until the 10 December, 16 days of activism for no violence against women and children campaign started together with AIDS Day. 	
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Function	Municipal Manager	
Sub Function	Communications Manager	
Reporting level	Detail	Total
Overview	The Communications Department is responsible for internal and external communicaiton functions for the organization. This includes integrating throughout the organizaiton and at times being the communication police to ensure that the entire organization	

	communicates consistently and with relevance. The purpose of the department amongst others entail the management of events, administration of councils communication function, community development, publicity, marketing of council facilities, activities and services and advertisements.	
Description of Activity	The Communications Department function is administrated as follows:	
	<ul style="list-style-type: none"> • Provision of publicity for Council events. • Marketing of Council activities and services. • Management of Council newsletters. • Maintenance of media relations; co-ordination of events such as festivals, ceremonial functions, cultural occasions, campaigns, etc. • Foster inter-governmental relation with other government departments. • Liaising with the national and provincial offices for any occasions that should be co-hosted by the municipality. • Submission of reports with recommendations to the Mayoral Committee. • Dealing with general public enquiries (telephonically, in writing and otherwise). • Management of customer suggestions and complaints system. • Liaison with other structures e.g. NGO's, community based organizations and stakeholders. Representing Council at all relevant structures and formations e.g. Mpumalanga Tourism, Communication of Council policies, Telecommunications administration. • Speech writing for the Executive Mayor 	
	The strategic objectives of this function are to:	
	<ul style="list-style-type: none"> • Ensure public awareness of council activities, events and services • Providing a mechanism thorough which the general public may submit their concerns and compliments and reacting thereto. • Creating a strong sense of community through festivities and ceremonials occasions. • Ensuring efficient communications electronically and otherwise. • Continuously monitoring customer satisfaction by way of suggestion/complaints/compliments mechanism. • Ensure the provision of effective assistance to the community by referring them through to the correct and relevant department for enquiries. • Marketing of council incentives for possible investments • Media relations 	

Analysis of the Function:	<ol style="list-style-type: none"> 1. Number of municipal publications <ul style="list-style-type: none"> • External – 6 000 copies • Internal – 1000 copies 2. Slots with the Greater Middelburg FM 3. Publication of council meetings 4. Press Statements 5. Radio statements 6. Advertisement of Council activities, e.g. joint effort with SAP against corruption 7. Media breakfasts/dinners meetings 	10 Bi-monthly Quarterly 1/week as required as required as required as required as required as required
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	Number of personnel	1

Function	Municipal Manager
Sub Function	LED
Reporting level	Detail
Overview	The Local Economic Development Unit is responsible for the socio-economic growth of the whole Steve Tshwete Local Municipality area to better the livelihoods of the communities. The purpose of the department amongst others entails managing projects, liaising with business (big and small) and facilitating LED initiatives.
Description of Activity	<p>The LED Unit functions within the municipality and is administered as follows:</p> <ul style="list-style-type: none"> • Liaising with other structures such as private companies, CBO's, NGO's and relevant stakeholders. • Stimulating and facilitating the activities that are LED related. • Liaising with the departments within the municipal and provincial and national governments.
Strategic Objectives	<ul style="list-style-type: none"> • Facilitation of job creating projects within the municipal area. • Developing of a LED/marketing strategy that will attract investors to invest locally. • Assist with capacity building especially for the small entrepreneurs. • Identifying of incentives for business and investors. • Creation of an enabling environment for business development.
Key issues for 2007/2008	<ul style="list-style-type: none"> • Youth Advisory Centre in partnership with Umsobomvu Youth Fund is still effectively running to address entrepreneurship and career guidance issues that will benefit the youth at large. • The Thushanang School in Mhluzi is currently being renovated and it will be utilized to provide manufacturing businesses with proper infrastructure to do their business. • MSI skills and entrepreneurship development project is still effectively running. • A Woman in Mining Summit was held under the guidance of the Executive Mayor. • The Ekageng Community Garden was created at Mhluzi. • A Business Linkage Centre was created where SMME's are brought into contact with buying department of the large businesses and mining companies. • Sixteen (16) new industrial stands were created and sold for the development of new industries. • Several Business Breakfast meetings were held with the top management of large local companies as an initiative to improve relationships between the municipality and large businesses.

Function	Municipal Manager	
Sub Function	IDP/PMS	
Reporting level	Detail	Total
Overview	The IDP/ PMS unit is the embodiment of the core business of the municipality. It functions across all departments in the municipality expressing the strategic direction the municipality has planned to take.	
Strategic Goals	Development and revision of Council's Integrated Development Plan Development and implementation of Performance Management System	
Objectives	<ul style="list-style-type: none"> • To conduct community meetings in each ward to obtain inputs with regard to the developmental needs of the community. • To develop and compile the IDP document. • To conduct IDP/ PMS Technical committee meetings. • To conduct IDP/ PMS forum meetings for further stakeholder inputs. • To provide assistance in the compilation of Managers' Performance Agreements and Performance Reports. 	
Activities	<ul style="list-style-type: none"> • Number of IDP/ PMS technical meetings held. • Number of IDP/ PMS forum meetings held. • Number of community meetings held. • Number of Managers Performance Agreements compiled. • Number of quarterly reports compiled. • Reviewed municipal IDP document. • Revised Performance 2008/2009 KPIs. 	<p>2</p> <p>3</p> <p>21</p> <p>3</p> <p>4</p> <p>Approved by March 2008</p> <p>Revision process finalized by May 2008</p>

DIRECTORATE: TECHNICAL & FACILITIES

PURPOSE

The Directorate is aimed at addressing the infrastructure and service delivery needs of communities in a participatory and sustainable manner.

The Directorate comprises of the following departments:

- Civil Engineering:
 - Sewerage
 - Water
 - Roads
- Town Electrical Engineering
- Town Planning
- Municipal Building Services
- Solid Waste Management Services
- Parks and Recreation:
 - Parks
 - Cemeteries

Function	Technical & Facilities : Civil Engineering Services Sanitation & Waste Water Management	
Sub Function	Sewerage	
Reporting level	Detail	Total
Overview	Sanitation: Includes provision of sewerage services, new infrastructure, waste water treatment and toilet facilities in the rural area.	
Description of Activity	<p><i>The sewerage functions of the municipality are administered as follows and include:</i></p> <ul style="list-style-type: none"> • The maintenance of existing internal and outfall sewer networks. • The provision of new infrastructure for new developments. • The provision and management of waste water treatment plants. • The treatment of waste water (sewerage and effluent) to statutory standards according to the National Water Act. <p><i>The strategic objectives of this function are to:</i></p> <ul style="list-style-type: none"> • To maintain the existing sewer networks in the urban areas. • To provide infrastructure for new developments • Address the problems regarding sanitation on farms that might result in the contamination of water sources and spreading of diseases. <p><i>The key issues:</i></p> <ul style="list-style-type: none"> • Proper upgrading and maintenance of all existing sewer infrastructure, equipment and vehicles to provide a sustainable service. • The effective treatment of human and industrial waste effluent at the treatment plants. • The effective management of sewerage effluent according to the Water Services Act and National Water Act. • The provision of new sewer connections to all new buildings upon request. • The upgrading of outfall sewers. 	
Analysis of the Function	<p>Number and costs to employer of all personnel associated with sewerage function.</p> <p>Number of households with sewerage services, and type and cost of service:</p> <ul style="list-style-type: none"> • Flush toilet (connected to sewerage system) 32065 • Biological units 252 • No toilet provision(Rural Study) 150 <p>Anticipated expansion of sewerage:</p> <ul style="list-style-type: none"> • Number of treatment plants. 1 <p>Free Basic Service Provision: 3</p> <p>New Infrastructure: 32065</p> <p>Number of residential erven serviced 300</p> <p>Number of Industrial erven serviced 63</p>	<p>102 R 5 930 195</p>

Function	Technical & Facilities : Civil Engineering Services Road Transport	
Sub Function	Roads & Stormwater	
Reporting level	Detail	Total
Overview	<p>Construction of new and maintenance of existing roads and storm water systems within the municipality's area of jurisdiction.</p> <p>The Department Civil Engineering Services is responsible for the planning, design, construction and maintenance of roads and storm water networks in the area.</p>	
Description of the Activity:	<p>The road maintenance and construction responsibilities of the municipality are administered as follows:</p> <p><i>The development and implementation of maintenance management systems consisting of:</i></p> <ul style="list-style-type: none"> • Pavement monitoring programme for surfaced roads. • Storm water management system. • Resealing programme • Designing of new roads and storm water drainage systems • Planning of paving and kerbing. • Collect traffic data for planning, design, maintenance and operation management. • Roads and storm water planning for new developments and maintenance of existing infrastructure. • Project Management on the construction of new roads and storm water systems. <p><i>The strategic objectives of this function:</i></p> <ul style="list-style-type: none"> • To install an effective storm water drainage system in all developed areas. • To tar all existing gravel roads in the townships. • To maintain existing roads, paying special attention to potholes. • To improve the quality of gravel access roads in rural areas. • To provide paved sidewalks in areas with high density of pedestrians. • To construct roads, kerbing and storm water drainage for new developments. <p><i>Key issues:</i></p> <ul style="list-style-type: none"> • Effective storm water planning and management. • Manage the execution of capital projects and maintenance work on roads and storm water infrastructure. • The construction and maintenance of paved sidewalks. • The provision of new roads and storm water infrastructure. 	
Analysis of function	<p>1. Number and cost of all personnel:</p> <p>2. Total Number, kilometers and value of road projects: Roads New Roads rebuild</p>	<p>71 R 3 982 418</p> <p>17.55 km</p>

	<p>New gravel (km) Roads resealed</p> <p>Note: If other types of road projects, please provide details Total kilometers and maintenance cost associated with existing roads :</p> <ul style="list-style-type: none"> • Tar • Gravel <p>Total Number of kilometers : Constructed Rebuilt</p> <p>Note : If other types of road projects, please provide details</p> <p>Average frequency and cost of re-tarring, re-sheeting roads :</p> <ul style="list-style-type: none"> • Tar • Gravel <p>Estimated backlog in number of roads, showing kilometers and capital cost.</p> <ul style="list-style-type: none"> • Tar • Gravel <p>Total operating cost of service:</p> <p>Capital Budget</p> <p>Operational</p>	<p>1,185 km 24.83 km 26.4 km</p> <p>801 km 245 km</p> <p>17.55 km 1,185 km</p> <p>R39 359 546</p> <p>R 33 811 370</p> <p>R 5 548 176</p>
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Function	Technical & Facilities: Civil Engineering Services Water	
Sub Function	Water supply and distribution	
Reporting level	Detail	Total
Description of Activity	<p>The water distribution and purification function of the municipality is administered as follows and include:</p> <ul style="list-style-type: none"> • Maintenance of existing water infrastructure and provides new infrastructure for developments. • Responsible for the acquisition, abstraction, purification and distribution of bulk water. • Operation and maintenance of water treatment plants. • Ensure sustainable, affordable, effective and efficient access to water for its residents. • Management of water meter replacement programme to reduce water losses. • Maintenance of existing water infrastructure and provides new infrastructure for developments. <p>These services extend to include function/area, but do not take account of <function/area> which sits within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> • Provide drinking water to all households in the urban areas. • Provide drinking water to people residing on farms/informal settlements and who do not have access to safe water sources. • Maintain existing water infrastructure • Provide infrastructure for new development. 	
Analysis of the function:	<ol style="list-style-type: none"> 1. Number and cost to employer of all personnel 2. Percentage of total water usage per month <p>Note: this will therefore highlight percentage of total stock used per month.</p> <ol style="list-style-type: none"> 3. Total volume and cost of bulk water supplied in kilolitres and rand, by category of consumer . <ul style="list-style-type: none"> • Residential/other • Commercial • Kilolitres pumped (portable) (14 317 563) • Kilolitres sold (portable) (11 460 590) 4. Total 2007/08 water losses in kilolitres and rand 5. Total 2007/08 water losses in kilolitres (2 520 501) 	<p>58 R 3 220 049 85%</p> <p>30 021 2 044 R 30 738 330</p> <p>R 7 662 2 856 973 kl</p>

Function	Technical & Facilities : Town Electrical Engineer	
Sub Function	Electricity distribution	
Reporting level	Detail	Total
Description of Activity	<p>The distribution and transformation of electrical energy as a function of the municipality is administered as follows and include:</p> <ul style="list-style-type: none"> • Maintenance of existing electricity networks consisting of lines, cables switchgear and transformers. • Provide infrastructure for new developments. • Responsible for the acquisition, transformation and distribution of bulk electricity. • Operation and maintenance of networks and substations. • Ensure sustainable, affordable, effective and efficient access to electricity for its residents, businesses and industrial sector. • Management and metering of electricity to reduce losses and power interruptions. • Provision of efficient street and area lightning to cater for the needs of the community. • Provides new infrastructure for developments. <p>These services extend to include function/area, but do not take account of <function/area> which sits within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> • Provide electricity to all households in the licensed area. • Provide free electricity connections to all RDP households in the licensed area. • Maintain existing electrical infrastructure. • Reduce and minimize power interruptions • Provide electricity to new developments. <p>The key issues for 2007/8 were:</p> <ul style="list-style-type: none"> • Effective maintenance of existing electrical infrastructure, equipment and vehicles to provide a good quality and an affordable service. • Maintenance of existing street and area lighting infrastructure, equipment and vehicles to provide efficient area and street lighting. • Continuous replacement of redundant & unsafe switchgear to ensure safety of workers and public, reduce damage to equipment and ensure a continuous supply of electricity. <ul style="list-style-type: none"> • The provision of connections to all new developments as and when required • Upgrading of distribution network in Mhluzi, Middelburg, Hendrina and Kwaza to provide in the increasing demand with subdivisions and densifying. • Provision of new infrastructure and connections for RDP houses 	

	<ul style="list-style-type: none">• Upgrading of the Notified Maximum Demands from Eskom to Hendrina, Kwazamokhule and Middelburg.• The planning of 2 new 88kV intake substations – Aerorand and Nasaret.• Initializing of 2 new 88kV supplies from Eskom for Aerorand and Nasaret substations.• The provision of electrical infrastructure to industrial and domestic erven to cater for the increasing demand.• The expansion of Gholfsig Substation (88kV)	
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Function	Technical & Facilities
Sub Function	Town Planning Services
Reporting level	Detail
Overview	<p>This department is constituted mainly by two divisions namely, Town Planning and Building Control. The Town Planning Division provides the strategic direction regarding the spatial two physical development of the towns in the Steve Tshwete Municipality and ensures that the development of towns take place within appropriate pieces of legislation such as acts, buildings regulations, town planning schemes and by laws and Spatial Development Framework. It further facilitates and promotes the development of an integrated spatial plan in order to attain urban and rural growth management by means of physical, social, economic and institutional development.</p> <p>STAFF COMPONENT</p> <p>1 x Chief Town Planning Services 2 x Town Planners 1 x Town Planning Assistant 1 x Chief Building Control Officer 1 x Senior Building Control Officer 1 x 5 Building and Drainage Inspector 2 x Clerk Grade 1 1 x Senior Clerical Assistant</p>
Description of Activity	<p>The function of Town Planning Department within the municipality includes:</p> <ul style="list-style-type: none"> • Evaluation of applications for township establishment, rezoning, consent use, subdivision consolidation, placing of public telephone containers and applications for any land related development. • Regulation and management of land uses. • Evaluation and approval of building plans and site development plans. • Conducting inspections of building plans and site development plans. • Conducting inspections of buildings to be erected to ensure that they are in accordance with the building plans approved.
Development Priorities	<ul style="list-style-type: none"> • To involve the community in town planning matters • To attend to the management of underdeveloped land. • To provide additional land that can be used for building of churches. • To attend to problems experienced with illegal use of land. • To provide additional residential sites for purchase by the community. • To provide land for farming purposes in the rural areas. • To inform the community of the rights and responsibility of land ownership • To investigate the possibility of creating rural villages.
Analysis of the function	<p>Number and cost of all personnel:</p> <ul style="list-style-type: none"> • Total number and value of buildings plans approved • Total number of building inspections performed • Total operating cost of this function <p>Town planning status :</p> <ul style="list-style-type: none"> • Total amendment schemes recorded • Total building line • Total consents recorded

	<ul style="list-style-type: none"> • Total street addresses recorded • Article 92's - not registered yet
<p>Tasks accomplished last year – Capital and Operating</p>	<ol style="list-style-type: none"> 1. <u>Town Planning: Establishment of Rockdale Township: (3062 stands)</u> This township is not proclamation stage. 2. <u>Additional Residential sites at Mhluzi Extension 4</u> Portion 7 of Erf 12941 Mhluzi has been subdivided into 38 residential erven, 1 church erf and a park erf. Approval of SG Plan by the Surveyor General is still awaited. 3. <u>Creation of residential erven on Portions 177 – 180 of Erf 5629</u> 4. <u>Mhluzi Extension 2</u> The stands were rezoned consolidated and subdivided to create 15 residential erven. Approval of the rezoning and subdivision application by the Department of Agriculture and Land Administration is still awaited. 5. <u>Kwazamokuhle Extension 1</u> The township is at registration and proclamation stage. 6. <u>Aerorand South Township</u> The township comprising of 600 stands is being planned by a consultant. 7. <u>Nasaret</u> Rezoning and subdivision of Erf 345 into 10 residential erven, 1 business erf and 1 church erf. 4 additional church erven at Aerorand were created. Approval of the last two consolidation and subdivision diagram is still awaited. 8. <u>Mhluzi Town</u> <ol style="list-style-type: none"> (i) Rezoning and subdivision of Erf 1588 Mhluzi into 8 residential erven and 1 church erf was finalised. Approval of the subdivision diagram is still outstanding.. (ii) Rezoning of Erf 10072 Mhluzi into church erf was done. (iii) Rezoning of Erf 43 Doornkop to “Business 2” was done. 9. <u>Rural villages</u> Bankfontein and Mafube Rural Villages have been approved by Council. Reticulation of services has been commenced with. The rural villages are at registration and proclamation stages.

Function	Technical & Facilities 2007/2008	
Sub Function	Parks & Recreation	
Reporting level	Detail	Total
Overview	The Parks and Recreation service provides a wide range of services to the community. This reaches from the administration of sports and recreational facilities to arts and cultural events. The department is also responsible for the maintenance of all parks and recreational facilities and resort like, Middelburg Dam and Kosmos Dam.	
Description of Activity	<p>The function of provision of Parks and Recreation Services is administered as follows:</p> <ul style="list-style-type: none"> • Provide and maintain sport facilities and day-to-day running of the municipal swimming pools at Kees Taljaard and Mhluzi. • Provide and maintain parks and open spaces as well as sidewalks pavements. • Maintain recreational facilities and resorts. • Administrate applications of pesticides and herbicides. • Arboriculture and construction services. • The operation of a municipal nursery and maintenance of diverse gardens and garden refuse removal. • Provide and maintain recreation furnishings and equipment. • The operation of a mechanical workshop and a vehicle fleet. • Seasonal maintenance of Council properties and other sites, when necessary. • Development of new parks and facilities. 	
	<p>The strategic objectives of this function are:</p> <ul style="list-style-type: none"> • To provide additional sporting facilities and equipment for different sporting codes. • To maintain and upgrade the existing sport and recreational facilities. • To provide basic sporting facilities such as soccer fields in the rural area where there is a concentration of people. • To ensure that the existing museum at Hendrina is maintained and extended if possible. • To carry out general operational repairs and maintenance to parks, open spaces, sidewalks, sports and recreational facilities. • To further develop existing parks, open spaces, sidewalks and recreational facilities. • To bring into being new parks, open spaces, sidewalks and recreational facilities. 	
	<p>The key issues for 2007/2008 have been:</p> <ul style="list-style-type: none"> • The replacement of fencing and various sports facilities with concrete palisade fencing. • The refurbishment of the Mhluzi pool and pool equipment. • The refurbishment of the Mhluzi small pool Marbelite. • Upgrading of Eastdene sportfacilities. • Provision of power points at Middelburg Dam camp sites. • Upgrading and maintenance of playing equipment. • Upgrading, development and maintenance of electrical network at Kees Taljaard Sport Stadium. • Development of new parks all over the jurisdiction. 	
Analysis of the Function	This Department became autonomous and is functioning as such.	

1	NUMBER AND COST ALL PERSONNEL: Parks Sport and Recreation	215 194 21
2	NUMBER OF PARKS DEVELOPED: Existing parks New parks	77 2
3	NUMBER OF FACILITIES PROVIDED: <ul style="list-style-type: none"> • Rugby • Bowls • Netball • Korfbal • Tennis • Jukskei • Hockey • Cricket • Badminton • Squash • Wrestling • Boxing • Pigeon clubs • Marathon • Karate • Basketball • Aerobics • Soccer (grass fields) • Volleyball • Soccer (ground fields) • Total operating cost of Parks and Recreation 	2 2 8 6 20 36 0 1 3 3 1 1 2 3 2 5 1 9 3 16
Short History of Department	This Department became autonomous and is functioning as such.	
Tasks accomplished in Previous Years	<ul style="list-style-type: none"> • Provided sporting facilities and equipment for different sporting codes. • Maintenance and upgraded the existing sport and recreational facilities. • Provided basic sporting facilities such as soccer fields in the rural areas. • General operational repairs and maintenance to parks, open spaces, sidewalks, sports and recreational facilities. • Developed existing parks, open spaces, sidewalks and recreational facilities. • Developed new parks, open spaces, sidewalks and recreational facilities. 	
Tasks accomplished last year – Capital and Operating	<ul style="list-style-type: none"> • Replaced fencing and various sports facilities with concrete palisade fencing. • Refurbished the cloakrooms and ablution facilities of the Kees Taljaard stadium. • Power points at Middelburg Dam camp sites. • Upgraded and maintained playing equipment. • Developed new parks all over the jurisdiction. 	
Tasks accomplished in current budget	<ul style="list-style-type: none"> • Replaced fencing and various sports facilities and pools with concrete palisade fencing. • Refurbished the clubhouse facilities of the Kees Taljaard stadium. • Power points at Middelburg Dam camp sites. • Upgraded and maintained playing equipment. 	

Function	Technical & Facilities 2007/2008	
Sub Function	Parks & Recreation : Cemeteries	
Reporting level	Detail	Total
Overview	Currently eight cemeteries are maintained in Middelburg area and three in Hendrina and Kwazamokuhle. The community in the rest of the incorporated areas in the Steve Tshwete municipality area utilise the cemeteries in the nearest vicinity.	
Description of Activity	<p>The function of provision of various community and social services within the municipality is administered as follows and include:</p> <ul style="list-style-type: none"> • Provision of cemeteries • Continuous updating and record keeping of cemetery registers now captured on electronic database. • Planning and development of future cemeteries to ensure that sufficient space is available • The maintenance and upgrading of existing equipment, vehicles, system and procedures to ensure a quality service to the community 	
	<p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> • Upgrade the existing cemeteries which include fencing tarred roads and ablution facilities. • Provide new cemeteries in the rural area at places such as Pullenshope, Rietkuil and Komati. • To maintain existing facilities on a high standard. 	
	<p>The key issues for 2007/2008 have been:</p> <ul style="list-style-type: none"> • The continuous upgrading and maintenance of cemeteries • The new area of Fontein Street cemetery and temporary grading of gravel roads and surfacing portion thereof. • Started to fence Fontein street and Nasaret Cemeteries with concrete palisade fence. • New gates at the Hindu and Voortrekker Street cemeteries. • Paved a new Road portion in Nasaret Cemetery. • Identify sites for cemeteries in rural areas. Komati and Pullenshope. 	
Analysis of the Function	<p>The planning process on new cemetery in Komati and Pullenshope The planning process to extend Fontein street cemetery and Phumolong.</p>	

1	NUMBER AND COST ALL PERSONNEL:	22
2	NUMBER AND INCOME FROM BURIALS: <ul style="list-style-type: none"> • Phumolong 1267 • Fontein Street 316 • Nasaret 132 • Voortrekker Street 11 • Hendrina/Kwaza 416 • Avalon 5 • Adults 1738 • Children 409 TOTAL BURIALS 2147	
3	LIST OF CEMETERIES: <ul style="list-style-type: none"> • Cross Roads cemetery • Avalon cemetery • Phumolong cemetery • Voortrekker Street cemetery • General <ul style="list-style-type: none"> ○ Jewish ○ Muslim ○ Hindu • Fontein Street cemetery • Nasaret Old cemetery • Nasaret New cemetery • Hendrina cemetery • Kwaza old cemetery • Kwaza children's old cemetery • Karee street cemetery 	
Short History of Department	This department always took pride in the cemeteries and maintenance thereof and hope to keep it part of the pride of the Town and Townlands.	
Tasks accomplished in Previous Years	<ul style="list-style-type: none"> • Upgraded the existing cemeteries which include fencing tarred roads and ablution Facilities. • Provided new cemeteries in the areas that needed it. • Maintained existing facilities on a high standard. 	
Tasks accomplished last year – Capital and Operating	<ul style="list-style-type: none"> • The continuous upgrading and maintenance of cemeteries • The new area of Fontein Street cemetery temporary grading of gravel roads and surfacing portion thereof. • The new area at Hendrina cemetery, surfacing and kerbing portion of the roads. • New fencing on part of Hindu and Voortrekker street cemeteries. • Surveys on portions in Pullenshope and Komati for development 	
Tasks to be accomplished in current budget	<ul style="list-style-type: none"> • The continuous upgrading and maintenance of cemeteries • The new area of Fontein Street cemetery and temporary grading of gravel roads and surfacing portion thereof. • New fencing on part of Nasaret, Phumolong and Fontein street cemeteries. • Extension of Fontein street cemetery. • Development of new cemetery in Komati and Pullenshope. 	
Tasks to be accomplished according to IDP objectives	<ul style="list-style-type: none"> • New fencing and gates on part of Phumolong and Fontein street cemeteries. • Extension of Fontein street cemetery. • Development of new cemetery in Komati and Pullenshope. 	

- | | | |
|--|--|--|
| | <ul style="list-style-type: none">• Fence at Nasatet cemetery. | |
|--|--|--|

Function	Technical & Facilities 2007/2008	
Sub Function	Municipal Building Services	
Reporting level	Details	Total
Overview	This department is responsible for the provision of new municipal buildings and structures, maintenance and security of these structures.	
Description of the activity	The municipal services are administered as follows and include: "The provision of new and upgrading municipal buildings and structures; the maintenance of municipal buildings; the cleansing of municipal buildings; public toilets and taxi ranks; the planning and installation of security systems and the compilation of replacement values of municipal buildings for insurance purposes."	
Strategic Objectives	To interact with other departments smoothly and without disturbance in order to ensure accurate implementation for planning and maintenance of municipal buildings eg. upgrade existing ablution facilities and to build new ones at various cemeteries, taxi ranks and sports grounds, to erect new shelters and carports at taxi ranks; to upgrade old and build new libraries, clinics, sporting facilities and fire stations throughout the municipal area.	
The key issues for 2006/2007 have been	During this period a total number of 22 capital projects with the value of about 11 million Rand have been undertaken, from the Community hall Extension 7, construction of clinic at Mhluzi X6 to the upgrading, extension and renovating of facilities and the provision of security fences and air-conditioning. Maintenance work to the value of 3.0 million Rand was carried out in about 84000m ² of municipal buildings.	
Staff component of department	<ul style="list-style-type: none"> 1 Engineering Technician 1 Technical Assistant 2 Senior Carpenters 1 Caretaker Cleansing 1 Clerical Assistant 1 Artisan Assistant 24 Worker Grade 3 	

Challenges the department face	Maintaining Municipal buildings within the allocated budget for various departments and external factors like contractors and suppliers. Vandalism and theft at the municipal buildings that occur on a regular basis. Hawkers utilizing public toilets to obtain water for their business and structuring of hawkers at the taxi facilities	
Improvement of departmental performance	<ul style="list-style-type: none"> • Ensuring projects are executed within the specific time frame. • Compile of yearly maintenance programme. • Maintaining municipal buildings ensuring that they adhere to all building regulations & health and safety acts. 	
Capital projects for 2007/2008	<ol style="list-style-type: none"> 1. Fencing Kwaza library 2. Upgrade Rates hall 3. Renovate floor coverings Civic Centre 4. Air conditioners 24 HR Centre 5. Air-conditioners Civic Centre 6. Upgrade storm water inlets 7. Replace floor covering community halls 8. Upgrade main entrance at the Service Centre 9. Fencing old age homes 10. Air conditioners – Testing grounds 11. Palisade fencing testing grounds 12. Air conditioners – Mhluzi clinic 13. Pounding storage building for Public Services 14. Washbay phase 2 – Solid Waste 15. Replace roof at the Service Centre 16. Replace fencing Loskop / Botashabelo road 17. 2nd phase Doornkop MPCC 18. Fencing at Vaalbank 19. Toilet facilities at Rietkuil library 20. Erection of Banquet hall 21. Community hall X7 MPCC 22. Paving Nasaret community hall 	

Number, cost and extent of buildings maintained:

Buildings	Number	Cost
Housing	205	R257 000.00
Libraries	9	R118 000.00
Municipal Offices	3	R488 085.00
Community Halls	6	R173 000.00
Public Toilets	7	R71 000.00
Dumping Sites	4	R3 000.00
Clinics	10	R135 145.00
Hostel	2	R101 000.00
Squatter Control	1	R14 000.00
Cemeteries	5	R14 000.00
Fire Stations	2	R155 000.00
Sport grounds Middelburg	13	R200 000.00
Workshops	2	R13 000.00
Sewerage Purification Plants	10	R117 115.00
Service Centre	21	R152 425.00
Fixed Property including MPCC's	12	R111 000.00
Taxi Terminals	6	R57 000.00
Water Purification Plants	5	R145 650.00
Electricity Sub-stations	100	R73 500.00
Vehicle Testing Centres	2	R39 000.00
24 hr Control centre	1	R42 200.00

Function	Technical & Facilities	Total
Sub Function	Solid Waste Management Services	
Reporting Level	Detail	
Overview	The Solid Waste Disposal Services are managed "in a closed account", i.e. it is not subsidized at all. It consists of four main components: Residential, Business and Industrial Refuse Removal, Street cleansing and removal of refuse from illegal dumping sites, Management of landfill site, provision of refuse containers and Pendulla Bins in parks and streets.	
Description of Activity	The refuse collection functions of the municipality are administered as follows and include: <ul style="list-style-type: none"> • Residential refuse removal (plastic bags and dustbins); • 1,75m³ bulk containers in residential units; • Business and industrial refuse removal; • Street cleansing activities in central business areas and in open areas e.g. parks, main entrances, riverbanks and vacant land; • Removal of excess household and garden refuse in 3m³ bulk containers; • Collection of refuse in Pendulla Containers 	
	The strategic objectives of this function are to: <ul style="list-style-type: none"> • Provide collection containers at strategic points for garden refuse; • Provide all households with a dustbin; • Remove all illegal dumping sites; • Manage all landfill sites environment friendly and according to specifications; • Ensure a safe and proper operation at most cost effective rates; • To strive to be the cleanest town in South Africa 	
Key Issues for 2006 / 2007	<ul style="list-style-type: none"> • Mass refuse containers were completely refurbished. • Pendula refuse bins were installed through out the area. • Provision of a new LDV. • Provision of new 1,75m³ refuse removal containers. • Purchase a new 20,5m³ refuse removal compactor vehicle. • Cleaning of illegal dumping sites. • Construction of phase two of the landfill site 	
Analysis of the Function	<ul style="list-style-type: none"> • Number of households receiving regular refuse removal services and frequency and cost of service; • Removed by municipality at least once a week; • Removed by municipality less often; • Communal refuse dump used • Own landfill site <p><i>Note: if other intervals of services are available, please provide details</i></p>	41 000 0 1 1

	<p>Total and projected tonnage of all refuse disposed:</p> <p>Domestic / Commercial</p> <p>Garden</p> <p><i>Note: Provide total tonnage for current and future years activity</i></p>	<p>238.33 ton per day</p> <p>Not measured</p>
	<p>Total number, capacity and life expectancy of refuse disposal sites:</p> <p>Domestic / Commercial (number)</p> <p>Garden (Number)</p> <p><i>Note: Provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period.</i></p>	<p>20</p> <p>3</p>
Tasks accomplished in previous years	<ul style="list-style-type: none"> • Sales of refuse bins to the public on a cost price; • Establishment of the garden refuse site in Komati, Rietkuil and Hendrina; • Sales of Medical Waste Containers to surgeries 	
Task accomplished last year – Capital and Operating	<ul style="list-style-type: none"> • Purchase and installation of the 85l Pendula refuse bins and repair 1.75m³ refuse containers. • Identify all the illegal dumping sites and continue cleaning up of all the sites. • Purchase and distribution of the 1.75m³ refuse containers to the businesses. • Completed the construction of the waste mini stations in Extension 1, 4 and 2. • Develop further sites of the dumping site. • Purchase of a light delivery vehicle. • Refurbishment of the damaged refuse containers. 	
Tasks to be accomplished in current budget	<ul style="list-style-type: none"> • Continue cleaning and reducing the illegal dumping areas. • Purchase and install the 85l Pendula refuse bins. • Operate and maintenance of the garden refuse sites as well as the waste transfer station and waste mini sites. • Purchase of a light delivery vehicle. • Refurbishment of the damaged refuse containers. • Continue with the sales of refuse bins to the public on a cost price as well as medical waste containers. • Purchase and distribution of the refuse containers (1.75m³, 4.5m³ and 85l bins). • Construction of the mini waste transfer stations. • Reduction of all illegal dumping areas through cleaning and creation of parks and planting of trees in conjunction with Parks & Recreation and Local Economic Development Department. 	
Tasks to be accomplished according to IDP objectives	<ul style="list-style-type: none"> • Continue selling refuse bins at a cost price. • Reduction of all illegal dumping areas through cleaning and creation of parks and planting of trees in conjunction with Parks & Recreation and Local Economic Development Department. • Cleaning the areas around the outskirts of the town. • To ensure proper operation and management of the refuse removal and street cleansing. • Drill new boreholes for the landfill site. • Purchase 3 ton tipper truck. • Purchase of the refuse containers (1.75m³, 4.5m³ and 85l 	

	bins).	
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DIRECTORATE: PUBLIC SERVICES

PURPOSE

The Directorate is aimed at establishing, promoting, sustaining peaceful environment, safety and the protection of the community.

The Directorate comprises of the following departments:

- Traffic Services
- Fire & Rescue Services
- Licensing Services
- Health Services
- Housing Services
- Library Services

FUNCTION	PUBLIC SERVICES	
SUB FUNCTION	TRAFFIC DEPARTMENT	
REPORTING LEVEL	DETAIL	TOTAL
Overview	<ul style="list-style-type: none"> • This function mainly ensures promotes and sustains the safety care and protection of the community through Traffic control. • They deal with various patrol and court duties, speed violations, execution of warrants and summonses issued and are responsible for the maintenance and erection of Road and Traffic signs, speed calming, maintenance of road marking and Street names. 	
Description	<p>The Traffic control functions within the Municipality includes:</p> <ul style="list-style-type: none"> • Responsible for various Scholar patrol duties at schools marches, marathon and community training about road usage. • Participate in “Arrive Live” projects especially during the Easter period, school holidays and Festive Seasons. • Ensuring and promoting Traffic safety to the communities through visible Traffic policing in all areas. • Maintain and erect new Traffic signs, including speed calming measures. • Responsible for the erection of new lights and the maintenance on existing ones. • Respond to accidents, fire and rescue call outs to regulate traffic incidents. <p>Strategic objectives of this function:</p> <ul style="list-style-type: none"> • To improve the quality of the service by providing more vehicles and manpower. • To ensure that Traffic officers are operating in all areas in order to reduce overloading and reckless driving. • To provide more speed humps at high risk places, reducing speeding and ignoring of road traffic signs at intersections. • To assist with the provision of scholar patrols at strategic points to ensure the safety of learners. • To assist with the correct placing of hawkers at strategic points to ensure the safety of all pedestrians and motorist. • To acquire specialized Traffic control orientated vehicles, equipment etc. <p>Key issues:</p> <ul style="list-style-type: none"> • Improve traffic control and safety. • Provide additional vehicles and equipment. • Provision and maintenance of existing roads and traffic signs as well as speed humps and traffic lights. • Reduce speed violations and promote traffic control and safety. 	
Analysis of the function	Management functions as follows:	
	<ul style="list-style-type: none"> • Traffic Officers 	34
	<ul style="list-style-type: none"> • Administrative 	6
	<ul style="list-style-type: none"> • Messenger 	1
	<ul style="list-style-type: none"> • Temp. 	2
	<ul style="list-style-type: none"> • Technical staff 	11
	<ul style="list-style-type: none"> • Security 	1
	<ul style="list-style-type: none"> • Warrant control 	1
	<ul style="list-style-type: none"> • Traffic Wardens 	8
	<ul style="list-style-type: none"> • To plan, control direct coordinate, monitor and evaluate 	

	<p>duties of the Traffic & Security within the municipality and to foresee the safety of municipality's properties and enforcing municipal by laws and control and regulate informal traders within our areas. Arrange and facilitate hawkers and transport forums and educate the community, NGO, scholars about road usage.</p> <ul style="list-style-type: none"> • Approve of budget less than R600 00, annual leaves, duties, payments of goods, contract planning of operational budget, and capital budget. • Monitoring and adjustment of budget. • Compilation of report on service delivering as Acting Head Traffic Security & Services. • Promoting of skills to personnel to ensure quality service delivering. • Processing of advertisement of the posts, interview and recommend appointments. • Three (3) admin. Officials trained for Trafman course. 	
	<p>Internal training</p> <ul style="list-style-type: none"> • Three (3) new officers trained on the following: <ol style="list-style-type: none"> 1. Completion of AR Forms 2. Completion of Sect. 56 and 341 notices. 3. Criminal procedure Act. Safe working procedure. 4. Refresher training is conducted to staff on every second Wednesday on all relevant legislation related to Traffic. 5. Drilling by traffic official conducted also every second Wednesday. 	
	<p>External training</p> <ul style="list-style-type: none"> • Three (3) admin. Personnel attended a Trafman course. • Four (4) new officers attended a fire arm training course. • All Traffic officers attended fire arm shooting practice twice as required by legislation. • Office admin. Personnel attended ENATIS course. 	
Loudhailing	<ul style="list-style-type: none"> • 99% of the loud hailing was done by Traffic Officials. • 80% of Funerals, VIP, and abnormal loads were done by Traffic Officials. 	

ACCIDENT FOR 2007/2008

Vehicles involved

Person involved

Fatal	Serious	Slight	Damage		Fatal	Serious	Slight	No injuries	
27	112	322	2286		30	146	495	3617	
			Total	2747				Total	4288

Hours spent in Pullenshope, Rietkuil, Blinkpan, Mhluzi, and Kwazamokuhle 2007/2008

Pullenshope	152
Kwazamokuhle	181
Rietkuil	96
Blinkpan	81
Mhluzi	420
Total	930

Citation issued and arrest for 2007/2008

56	25,771
341	1,365
Arrest	283
Total	27,419

Warrants of arrest

Issued	Paid	Withdrawn	Outstanding
10,191	2,127	1,133	6,934

IDP TASKS 2007/2008 in MP313

- Four (4) new officers were appointed.
- Two (2) training sessions to Taxi Operators on new traffic legislation amendment.
- Three (3) Traffic calming measures were erected.
- Traffic Officials were deployed to strategic areas on a daily basis for Law Enforcement.
- Twenty (20) Schools registered a scholar patrol and three hundred and fifty (350) learners were trained to operate the scholar patrol and evaluated.
- Three (3) new patrol vehicles were purchased with specialized equipments.
- 100% street calming measures are maintained (painted) every three months to keep them up to standard.
- 80% of the street names have been painted on the kerb stones.

TRAFFIC SIGNS AND PAINT USED 2007/2008

White	Yellow	Black	Red	Total	Fixed signs	Replaced	New erected	Total
160 x 20Liter	60 x 20Liter	10 x 20Liter	30 x 20 Liter	5200	198	159	49	406

ACHIEVEMENTS FOR 2007/2008

<u>Capital</u>	
• x 7 synchronized traffic lights upgraded.	R610 188.45
• x 1 synchronized traffic light erected (intersection)	R152 439.00
• Speed calming (speed humps)	R149 996.00
• X 3 new patrol vehicles purchased.	R615 667.00
• Traffic signs erected.	R209 606.00
<u>Operational</u>	
• Print stationary.	R160 693.00
• Vehicles license.	R8360.00
• Rental of machine	R27 448.00
• Inventory	R4845.00
• Entertainment for HOD	R1717.00
• Collect commission	R2275.00
• Travel subsistence	R25 925.00
• Skills development training	R33 745.00
• Books	R126.00
• Fuel and lubrication	R438 954.00
• Transport allowance	R322 627.00
• O/time and standby	R1607 477.00

Function	Public Services
Sub Function	Chief : Fire Services
Reporting level	Detail
Overview	The department Fire and Rescue Services are governed by legislation in the form of the Fire Brigade Services Act no 99 of 1987 to provide fire and rescue services to the inhabitants of the Steve Tshwete Local Municipality. Further, to fire and rescue services, the department also provided Disaster Management Services in accordance with the prescriptions of the Disaster Management Act no 57 of 2002
Description of Activity	<p>Some of the services provided include but is not limited to:</p> <ul style="list-style-type: none"> • Disaster Management – services deriving from human or natural disasters. • Fire Fighting – structural, industrial, wild land, vehicle etc. • Rescues – motor vehicle accidents, water related, confined space, high-angle etc. • Hazardous Materials – Identifying, managing, leak sealing etc. • Special Services – Mitigation of situations involving bees, snakes, pumping of water etc. <p>Prevention – Fire prevention inspections, building plan inspections, risk assessments, public awareness campaigns, registration and inspection of hazardous installations and premises etc.</p> <p>Mutual aid agreements – Land owners, neighbouring Council's, NGO's, State Departments, etc.</p>
The strategic objectives of this function	<ul style="list-style-type: none"> • To establish and maintain a peaceful environment for the Steve Tshwete Municipal area of jurisdiction to ensure and enhance sustainable development. • To strive for effective and world class prevention, mitigation and emergency response to incidents through optimal utilization of financial, human and national resources to amicably reduce risk for the people and environment of Steve Tshwete Municipality.
The key issues for 2007/2008 have been	The acquiring of sufficient vehicles and equipment and the appointment of sufficient staff to render an effective service and to meet the minimum requirements as stipulated in the SANS 10090 Code of Practice – Community Protection Against Fire.
Analysis of the function	Total number of call outs : Middelburg

During the period the fire & rescue services received a total of 340 calls which drills down as follows:

Summary

Total calls received:	Inside Area:	340
	Outside Area:	0
	Total:	340
Total number of no service calls:		207
Total number of false calls:		10
Total hours spent:	Inside area:	466:16
	Outside area:	0
	Total:	466:16
Total Km traveled:	Inside area:	11,145
	Outside area:	0
	Total:	11,145
Total injuries:	Fatal:	1
	Fire:	0
	Rescue:	0
	Special Services:	0
	Serious:	83
	Minor	312
	Total:	396
Total estimated damage:		R 9,330,300.00
Total estimated value:		R 33,790,900.00
Total number of internal training courses:		26
Total number of training courses presented:		7
Total number of external training courses attended:		0
Total:		33
Total number of fire prevention functions completed:		91

Total financial levy for fire, rescue and special services inside area:

Fixed charge:	R	10,459.38
First hour:	R	23,062.56
Subsequent hour:	R	18,039.90
Equipment:	R	7,146.11
Water:	R	657.00
Total Income:	R	107,218.37

Total financial levy for fire, rescue and special services outside area:

Fixed charge:	R	0.00
First hour:	R	0.00
Subsequent hour:	R	0.00
Equipment:	R	0.00
Personnel:	R	0.00
Remission:	R	0.00
Water:	R	0.00
Total Income:	R	0.00
Council property:	R	29,404.64

Day of emergency call received:	Monday:	40
	Tuesday:	30
	Wednesday:	37
	Thursday:	47
	Friday:	50
	Saturday:	77
	Sunday:	59

Busiest day: Saturday

Time of emergency call received:	00:00 – 03:00	24
	03:00 – 06:00	12
	06:00 – 09:00	32
	09:00 – 12:00	46
	12:00 – 15:00	45
	15:00 – 18:00	69
	18:00 – 21:00	73
	21:00 – 24:00	39

Busiest time: 18:00 - 21:00

Standby	Normal Time	Sunday Time
Officers: 312:00	27:20	8:15
Civil Defence:		
Firemen:	25:30	7:00

SPECIAL SERVICES

Total number of special services:		16
Number of calls:	Inside area:	16
	Outside area:	0
Number of no service calls:		6
Number of false calls:		0
Hours spent:	Inside area:	43:12
	Outside area:	0
	Total:	43:12
Kilometers traveled:	Inside area:	619
	Outside area:	0
	Total:	619
Injuries:	Fatal:	0
	Serious:	0
	Minor:	0
	Total:	0
Total damage caused:	R	0.00
Total value:	R	820,000.00

Type of service:	
UNKNOWN	1
SPECIAL SERVICE	3
UNKNOWN	3
SPECIAL SERVICE	4
UNKNOWN	1
SPECIAL SERVICE	3
FLOODING	1

Total financial levy for special services inside area:

Fixed charge:	R	685.00
First hour:	R	1,510.00
Subsequent hour:	R	1,480.00
Equipment:	R	273.60
Water:	R	146.00
Total Income:	R	8,430.60

Total financial levy for special services outside area:

Fixed charge:	R	0.00
First hour:	R	0.00
Subsequent hour:	R	0.00
Equipment:	R	0.00
Personnel:	R	0.00
Remission:	R	0.00
Water:	R	0.00
Total Income:	R	0.00

Council property:	R	3,058.65
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Day of special service call received:	Monday:	4
	Tuesday:	1
	Wednesday:	2
	Thursday:	2
	Friday:	2
	Saturday:	3
	Sunday:	2

Busiest day: Monday

Time of special service call received:	00:00 – 03:00	0
	03:00 – 06:00	1
	06:00 – 09:00	2
	09:00 – 12:00	6
	12:00 – 15:00	1
	15:00 – 18:00	1
	18:00 – 21:00	2
	21:00 – 24:00	3

Busiest time: 09:00 - 12:00

Fatal: N/A

Fire Fighting

Total number of firefighting calls received:		129
Number of calls:	Inside area:	129
	Outside area:	0
Number of no service calls:		0
Number of false calls:		0
Hours spent:	Inside area:	210:09
	Outside area:	0
	Total:	210:09
Kilometers traveled:	Inside area:	3,753
	Outside area:	0
	Total:	3,753
Injuries:	Fatal:	0
	Serious:	2
	Minor:	7
	Total:	9
Total damage caused:	R	103,000.00
Total value:	R	1,800,000.00

Types of fire:

BACK UP TO BELFAST - FACTORY FIRE	1
BURNING COALS	1
DUMPING SITE FIRE	1
FIRE BREAKS	4
GRASS FIRE	48
GRASS FIRE - COMMUNITY SERVICE	36
GRASS FIRE- COMMUNITY SERVICE	1
HOUSE FIRE	15
RUBBISH BURNING	1
SCRAP BURNING - COMMUNITY SERVICE	1
SHACK FIRE	1
SHACK FIRE - COMMUNITY SERVICE	1
STRUCTURE FIRE	3
TAXI ON FIRE	1
TRANSFORMER	2
TRUCK BURNING	10
VEHICLE FIRE	2

Causes:

OPEN FLAMES	126
SPECIAL SERVICE	2
UNKNOWN	1

Total financial levy for fire fighting services inside area:

Fixed charge:	R	6,493.42
First hour:	R	14,318.14
Subsequent hour:	R	11,688.78
Equipment:	R	3,668.20
Water:	R	547.50
Total Income:	R	66,146.34

Total financial levy for fire fighting services outside area:

Fixed charge:	R	0.00
First hour:	R	0.00
Subsequent hour:	R	0.00
Equipment:	R	0.00
Personnel:	R	0.00
Remission:	R	0.00
Water:	R	0.00
Total Income:	R	0.00

Council property: R 26,345.99

Day of fire fighting service call received:

Monday:	17
Tuesday:	12
Wednesday:	10
Thursday:	21
Friday:	23
Saturday:	20
Sunday:	26

Busiest day: Sunday

Time of fire fighting service call received:

00:00 – 03:00	9
03:00 – 06:00	3
06:00 – 09:00	5
09:00 – 12:00	21
12:00 – 15:00	31
15:00 – 18:00	20
18:00 – 21:00	26
21:00 – 24:00	14

Busiest time: 12:00 - 15:00

Fatal: N/A

Rescue Services

Total number of rescue service calls:		181
Number of calls:	Inside area:	181
	Outside area:	0
Number of no service calls:		0
Number of false calls:		0
Hours spent:	Inside area:	207:00
	Outside area:	0
	Total:	210:09
Kilometers traveled:	Inside area:	6,573
	Outside area:	0
	Total:	6,573
Injuries:	Fatal:	0
	Serious:	78
	Minor:	297
	Total:	375
Total damage caused:		R 9,114,300.00
Total value:		R 28,344,900.00

Type of incident:

DROWNING	1
MVA	152
MVA 1 X FATAL	14
MVA 2 X FATAL	1
MVA X FATAL	1
MVA1 X FATAL	1
PEDESTRIAN ACCID	11

Total financial levy for rescue services inside area:

Fixed charge:	R	3,417.96
First hour:	R	7,536.42
Subsequent hour:	R	5,167.12
Equipment:	R	3,204.31
Water:	R	0.00
Total Income:	R	35,268.93

Total financial levy for rescue services outside area:

Fixed charge:	R	0.00
First hour:	R	0.00
Subsequent hour:	R	0.00
Equipment:	R	0.00
Personnel:	R	0.00
Remission:	R	0.00
Water:	R	0.00
Total Income:	R	0.00

Council property:	R	0.00
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Day of rescue service call received:	Monday:	18
	Tuesday:	16
	Wednesday:	25
	Thursday:	22
	Friday:	21
	Saturday:	52
	Sunday:	27

Busiest day: Saturday

Time of rescue service call received:

00:00 – 03:00	15
03:00 – 06:00	7
06:00 – 09:00	21
09:00 – 12:00	15
12:00 – 15:00	11
15:00 – 18:00	46
18:00 – 21:00	44
21:00 – 24:00	22

Busiest time: 15:00 - 18:00

Fatal: N/A

TRAINING

Internal training

Course name	Number of courses	Number of persons	Hours	Institute Attended
40HRS FIRE FIGHTING	1	2	40	
BREATHING APPARATUS	4	18	2	
FIRE FIGHTING	7	106	272	
HAZARDOUS SUBSTANCES	1	4	1	
HAZMAT CONFINE SPACE	1	14	56	
HOSES	2	7	2	
INCIDENT MANAGEMENT SYSTEM	1	14	15	
LADDERS	3	22	2	
RESCUE EQUIPMENT	2	8	1	
ROPES AND KNOTS	2	10	0	
SOP'S	2	10	2	
Total	26	215	393	

External training courses presented

Course name	Number of courses	Number of persons	Hours	Institutes Attended
20HR FIRE FIGHTING	1	210	1	
FIRE FIGHTING	2	14	2	HENDRINA CLINIC
PRE-SCHOOL DEMONSTRATION	3	2607	14	28 CRECHES, MOPEDI PRIMARY
&				HND COMBINED SCHOOL
PUBLIC AWARENESS CAMPAIGN	1	110	2	
Total	7	2941	19	

External training courses attended

None

FIRE PREVENTION

Function	Number of functions
FIRE HYDRANT INSPECTIONS	77
FIRE PREVENTION INSPECTION	6
FIRE PREVENTION INSPECTIONS	1
INSPECTION FLAMMABLE LIQUIDS	1
INSPECTIONS FLAMMABLE LIQUIDS	6
Total	91

BETWEEN DATES REPORT FOR THE DEPARTMENT FIRE AND RESCUE: MIDDELBURG AREA BETWEEN THE DATES: 2007/07/01 To 2008/06/30

During the period the fire & rescue services received a total of 1821 calls which drills down as follows:

Summary

Total calls received:	Inside Area:	1,821
	Outside Area:	0
	Total:	1,821
Total number of no service calls:		1,141
Total number of false calls:		103
Total hours spent:	Inside area:	2067:07
	Outside area:	0
	Total:	2067:07
Total Km traveled:	Inside area:	55,278
	Outside area:	0
	Total:	55,278
Total injuries:	Fatal:	25
	Fire:	0
	Rescue:	21
	Special Services:	0
	Serious:	419
	Minor:	1,448
	Total:	1,892
Total estimated damage:		R 59,178,131.12
Total estimated value:		R 191,252,575.50
Total number of internal training courses:		11
Total number of training courses presented:		8
Total number of external training courses attended:		9
Total:		28
Total number of fire prevention functions completed:		459

Total financial levy for fire, rescue and special services inside area:

Fixed charge:	R	43,390.72
First hour:	R	95,679.56
Subsequent hour:	R	54,637.47
Equipment:	R	33,739.03
Water:	R	1,660.75
Total Income:	R	393,378.49

Total financial levy for fire, rescue and special services outside area:

Fixed charge:	R	0.00
First hour:	R	0.00
Subsequent hour:	R	0.00
Equipment:	R	0.00
Personnel:	R	0.00
Remission:	R	0.00
Water:	R	0.00
Total Income:	R	0.00

Council property: R 129,725.94

Day of emergency call received:Monday:	224
Tuesday:	209
Wednesday:	202
Thursday:	255
Friday:	309
Saturday:	341
Sunday:	281

Busiest day: Saturday

Time of emergency call received:00:00 – 03:00	100
03:00 – 06:00	102
06:00 – 09:00	195
09:00 – 12:00	206
12:00 – 15:00	309
15:00 – 18:00	362
18:00 – 21:00	358
21:00 – 24:00	189

Busiest time: 15:00 - 18:00

Standby	Normal Time	Sunday Time
Officers: 1114:00	173:20	85:00
Civil Defence:		
Firemen:	375:35	56:00

SPECIAL SERVICES

Total number of special services:		88
Number of calls:	Inside area:	88
	Outside area:	0
Number of no service calls:		32
Number of false calls:		0
Hours spent:	Inside area:	268:22
	Outside area:	0
	Total:	268:22
Kilometers traveled:	Inside area:	4,262
	Outside area:	0
	Total:	4,262
Injuries:	Fatal:	0
	Serious:	1
	Minor:	1
	Total:	2
Total damage caused:	R	200,000.00
Total value:	R	430,000.00
Type of service:		
SPECIAL SERVICE		2
SPECIAL SERVICE		2
SPECIAL SERVICE		21
UNKNOWN		8
WATER		3
UNKNOWN		1
UNKNOWN		1
HAZMAT CLEAN UP		2
SPECIAL SERVICE		8
UNKNOWN		4
COMMUNITY TRAPPED BY WATER		1
EVACUATION		1
SPECIAL SERVICE		28
UNKNOWN		1
SPECIAL SERVICE		1
SPECIAL SERVICE		1
WATER		1
UNKNOWN		1
SPECIAL SERVICE		1

Total financial levy for special services inside area:

Fixed charge:	R	1,362.96
First hour:	R	3,000.42
Subsequent hour:	R	3,256.00
Equipment:	R	274.38
Water:	R	54.75
Total Income:	R	14,515.41

Total financial levy for special services outside area:

Fixed charge:	R	0.00
First hour:	R	0.00
Subsequent hour:	R	0.00
Equipment:	R	0.00
Personnel:	R	0.00
Remission:	R	0.00
Water:	R	0.00
Total Income:	R	0.00

Council property: R 3,522.05

Day of special service call received:		
Monday:		14
Tuesday:		9
Wednesday:		8
Thursday:		16
Friday:		14
Saturday:		10
Sunday:		17

Busiest day: Sunday

Time of special service call received:

00:00 – 03:00	1
03:00 – 06:00	3
06:00 – 09:00	11
09:00 – 12:00	21
12:00 – 15:00	17
15:00 – 18:00	17
18:00 – 21:00	15
21:00 – 24:00	3

Busiest time: 09:00 - 12:00

Fatal: N/A

Fire Fighting

Total number of firefighting calls received:		515
Number of calls:	Inside area:	515
	Outside area:	0
Number of no service calls:		0
Number of false calls:		0
Hours spent:	Inside area:	752:58
	Outside area:	0
	Total:	752:58
Kilometers traveled:	Inside area:	14,656
	Outside area:	0
	Total:	14,656
Injuries:	Fatal:	0
	Serious:	4
	Minor:	25
	Total:	29
Total damage caused:		R 4,721,100.00
Total value:		R 14,786,780.00

Types of fire:

BACK UP	1
BUS FIRE	2
CABLES BURNING	3
CABLES BURNING - COMMUNITY SERVICE	1
CARAVAN BURNING	1
CARAVAN BURNING - COMMUNITY SERVICE	1
CIRCIUT BOX ON FIRE	1
COUCH ON FIRE	1
DOZER ON FIRE	1
DUMPING SITE FIRE	9
ELECTRICAL CABLE	1
ELECTRICAL FIRE	3
ELECTRICITY POLE BURNING	1
FENCE ON FIRE	1
FIRE BREAKS	7
FIRE BREAKS - COOMUNITY SERVICE	1
GASS LEAK	1
GRASS FIRE	235
GRASS FIRE - COMMUNITY SERVICE	54
GRASS FIRE - GRASS FIRE	1
GRASS FIRE- COMMUNITY SERVICE	1
HOUSE FIRE	29
HOUSE FIRE - COMMUNITY SERVICE	6
LAPA BURNING	4
METAL BURNING	1
MVA	1
MVA 3 X FATAL, TRUCK BURNING	1
PIPE BURNING	1
PLASTIC BURNING	1
RUBBISH BURNING	28

RUBBISH FIRE	1
SCRAP BURNING	2
SHACK FIRE	24
SHACK FIRE - COMMUNITY SERVICE	9
SPECIAL SERVICE	1
STRUCTURE FIRE	23
STRUCTURE FIRE - BACK UP	1
STRUCTURE FIRE - COMMUNITY SERVICE	1
TANKER ON FIRE	1
TAXI ON FIRE	1
TRANSFORMER	7
TREE BURNING	3
TRUCK BURNING	17
TYRES BURNING	11
VEHICLE FIRE	13
WOOD ON FIRE	1

Causes:

ARSON SUSPECTED	1
ASSISTING WITH GRASS FIRE	1
FIRE BREAKS	6
FISH OIL ON STOVE	1
OPEN FLAME	2
OPEN FLAMES	481
SPECIAL SERVICE	1
UNKNOWN	21
WATER	1

Total financial levy for fire fighting services inside area:

Fixed charge:	R	13,463.20
First hour:	R	29,725.40
Subsequent hour:	R	23,086.66
Equipment:	R	6,903.79
Water:	R	1,536.65
Total Income:	R	147,090.17

Total financial levy for fire fighting services outside area:

Fixed charge:	R	0.00
First hour:	R	0.00
Subsequent hour:	R	0.00
Equipment:	R	0.00
Personnel:	R	0.00
Remission:	R	0.00
Water:	R	0.00
Total Income:	R	0.00

Council property: R 125,561.87

Day of fire fighting service call received:

Monday:	79
Tuesday:	68
Wednesday:	72
Thursday:	73
Friday:	73
Saturday:	63
Sunday:	87

Busiest day: Sunday

Time of fire fighting service call received:

00:00 – 03:00	24
03:00 – 06:00	28
06:00 – 09:00	38
09:00 – 12:00	71
12:00 – 15:00	124
15:00 – 18:00	101
18:00 – 21:00	79
21:00 – 24:00	50

Busiest time: 12:00 - 15:00
Fatal: N/A

Rescue Services

Total number of rescue service calls:		1,118
Number of calls:	Inside area:	1,118
	Outside area:	0
Number of no service calls:		0
Number of false calls:		0
Hours spent:	Inside area:	958:37
	Outside area:	0
	Total:	752:58
Kilometers traveled:	Inside area:	33,592
	Outside area:	0
	Total:	33,592
Injuries:	Fatal:	21
	Serious:	395
	Minor:	1,356
	Total:	1,772
Total damage caused:		R 51,113,781.12
Total value:		R 165,364,798.50

Type of incident:

AIRPLANE CRASH	1
BACK UP	1
COLLAPSED HOUSE	1
COLLAPSED WALL	1
DROWNING 1 X FATAL	1
GRASS FIRE	2
MVA	920
MVA - FATAL	1
MVA 1 FATAL	1
MVA 1 X FATAL	39
MVA 2 X FATAL	3
MVA 3 X FATAL	2
MVA 4 X FATAL	1
MVA 5 X FATAL	1
MVA 6 X FATAL	1
MVA X FATAL	1
NVA	1
PEDESTRIAN ACCID	115
PEDESTRIAN ACCID 1 X FATAL	10
RESCUE	2
ROPE RESCUE	2
SUICIDE	1
TRAPPED IN LIFT	1
TREE BURNING	1
VEHICLE FIRE	5
VEHICLE IN DAM	1
WATER RESCUE	2

Total financial levy for rescue services inside area:

Fixed charge:	R	28,017.06
First hour:	R	61,745.74
Subsequent hour:	R	26,518.81
Equipment:	R	26,480.86
Water:	R	69.35
Total Income:	R	228,161.41

Total financial levy for rescue services outside area:

Fixed charge:	R	0.00
First hour:	R	0.00
Subsequent hour:	R	0.00
Equipment:	R	0.00
Personnel:	R	0.00
Remission:	R	0.00
Water:	R	0.00
Total Income:	R	0.00

Council property: R 642.02

Day of rescue service call received:

Monday:	124
Tuesday:	116
Wednesday:	114
Thursday:	153
Friday:	200
Saturday:	242
Sunday:	169

Busiest day: Saturday

Time of rescue service call received:

00:00 – 03:00	69
03:00 – 06:00	61
06:00 – 09:00	135
09:00 – 12:00	101
12:00 – 15:00	152
15:00 – 18:00	232
18:00 – 21:00	244
21:00 – 24:00	124

Busiest time: 18:00 - 21:00

Fatal:

C/O PROTEA & MEYER STREET
DR BEYERS NAUDE STR
GROBLERSDAL RD
GROBLERSDAL ROAD AT KRANSPOORT
HENDRINA OFFRAMP 5KM
N4 - HND OFFRAMP
OLD BELFAST ROAD

TRAINING

Internal training

Course name	Number of courses	Number of persons	Hours	Institute Attended
BY-LAWS	1	5	5	
FIRE FIGHTING	1	3	3	
FIRE PREVENTION PRE INCIDENT PLANNING	1	16	32	
HOSES	1	16	32	
INCIDENT MANAGEMENT SYSTEM	1	11	33	
ROPES AND KNOTS EMERGENCY TENTS	1	11	530	
SAESI CLASSES	1	2	12	
SOP EMERGENCY DRILL	1	3	5	
SOP'S CONTROL ROOM	1	5	240	
STANDARD OPERATING PROCEDURES TENTS	1	14	42	
	1	6	240	
Total	11	92	1174	

External training courses presented

Course name	Number of courses	Number of persons	Hours	Institutes Attended
20 HR FIRE FIGHTING	1	15	240	SAPS MIDDELBURG
FIRE FIGHTING	2	28	74	WEEBER TYLON
FIRE FIGHTING FIRST AID	1	15	240	MIDMED HOSPITAL
FIRE PREVENTION EMERGENCY DRILL	1	20	20	WEEBER TYLON
HAZARDOUS SUBSTANCES MIDDELBURG,	2	86	244	SAPS
				SAPS, MPA, LOCAL TRAFFIC
PRE-SCHOOL DEMONSTRATION	1	200	4	
Total	8	364	822	

External training courses attended

Course name	Number of courses	Number of persons	Hours	Institutes Attended
BAC	1	2	80	
COMMUNICATION	1	2	48	
DATA CAPTURING IMIS	1	20	60	
DEMO FIRE BALL	1	12	1	
EMERGENCY DRIL	1	30	1	
FIRE FIGHTING	1	9	36	WEEBER TYLON
INCIDENT MANAGEMENT SYSTEM	2	7	28	
IVECO DRIVERS TRAINING	1	10	80	
Total	9	92	334	

FIRE PREVENTION

Function	Number of functions
BUILDING PLANS APPROVED	94
BUILDING PLANS DISAPPROVED	5
BUSINESS LICENCE INSPECTIONS	5
EIA	13
EMERGENCY PROCEDURES	3
EMERGENCY PROCEDURES (MEETINGS)	5
EP, EIA	4
FIRE PREVENTION INSPECTION	79
FIRE PREVENTION INSPECTIONS	61
FLAMMABLE LIQUID INSPECTIONS	2
FLAMMABLE LIQUID VEHICLES	1

FLAMMABLE LIQUIDS VEHICLES	5
INSPECTIONS BUSINESS LICENCE	4
INSPECTIONS FLAMMABLE LIQUIDS	17
INSPECTIONS RE: BUSINESS LICENCE	2
INSPECTIONS RE: FLAMMABLE LIQUIDS	5
INSPECTIONS: BUSINESS LICENCE	7
INSPECTIONS: FLAMMABLE LIQUIDS	40
OCCUPATION CERTIFICATE	12
OCCUPATION CERTIFICATES	12
REGISTRATION CERTIFICATE ISSUED	5
REGISTRATION CERTIFICATES ISSUED	71
REGISTRATION FIREWORKS	1
REGISTRATION OF SERVICEMAN	1
REGISTRATION SERVICEMAN	1
REGISTRATION: FIRE WORKS	3
REGISTRATIONS RE: FIREWORKS DISPLAY	1
Total	459

Function	Public Services	
Sub Function	License Department	
Reporting Level	Detail	Total
Overview	This function mainly ensures the registering and licensing of vehicles and drives for the purpose of maintaining order and legality and to promote Road Safety in general	
Description of Activity	<p>The license Department of the municipality is administered as follows and include:</p> <ul style="list-style-type: none"> • Issuing of licenses for businesses • Testing of learners and driver's licenses • Renewal of credit card type drivers licenses • Renewal of public driving permits • Responsible for the registration and licensing of vehicles and motor cycles • Testing of vehicles for roadworthiness – currently not in operation. <p>Strategic objectives of this function:</p> <ul style="list-style-type: none"> • To register and license vehicles in accordance with legislation. • To test applicants for learners and drivers licenses in accordance with prescribed procedures • Operate and maintain testing centre of vehicles for roadworthiness <p>Key issues:</p> <ul style="list-style-type: none"> • Proper implementation of the provision of the Road Traffic Act • Improve service delivery by reduce waiting time and proper training of officials • Operate and maintain testing centre for the vehicles for roadworthiness 	
Analysis of the function	<p>Learners licenses issued</p> <p>Drivers license issued (conversions and new)</p> <p>Learners licenses tested</p> <p>Drivers licenses tests</p> <p>Motor vehicle licenses issued</p> <p>Motor vehicle registered. Amount includes the totals for Hendrina and Middelburg</p>	<p>10541</p> <p>2761</p> <p>4745</p> <p>5075</p> <p>70241</p> <p>21201</p>
Short History of Department	<p>This department consists of 30 permanent staff and 10 temporary staff, which are divided into the following sections:</p> <ul style="list-style-type: none"> • Steve Tshwete Motor Vehicle Registration and licensing • Steve Tshwete Drivers license Testing Centre • Steve Tshwete Motor vehicle testing station – currently not in operation • Hendrina Registration and Licensing • Hendrina Drivers License Testing Centre <p>13 Officials were trained as Peace officers</p>	
Tasks accomplished in previous year	Although a shortage of qualified staff, the License Department achieved all the objectives in the previous years with regards	

	to the Capital & Operating budget	
Tasks accomplished in current year – Capital and operating	<p>The following was accomplished in this current budget year:</p> <ul style="list-style-type: none"> • 2 x Plasma TV Screens were purchased • 5 x Optec Professional vision testers • 3 x Water coolers • Installation of the Q matic system was finalised. 	
Tasks to be accomplished according to IDP objectives	<ul style="list-style-type: none"> • Waiting time for drivers and learners need to shortened • Vacant post has to be filled with people that have the correct qualifications. 	

		Ordered	Achieved	Amount
1	2 x Plasma TV Screens	23/08/2007	06/09/2007	R24300-00
2	5 x Optec Professional vision testers	31/08/2007	08/09/2007	R133950-00
3	3 x Water Coolers	14/05/2008	15/05/2008	R5997-00
Totals				R164547-00

STATISTICAL INFORMATION

Best practice Model Training is done in house. Training for peace officers was held and 13 officials from the Licensing Department attended the course. 13 Officials of the Licensing Department done the peace officer course and awaits the results and certificates. Ms A M J Lewis went on the Project Management course in December, still awaits the result.

<p>3. Analysis of the function</p>	<ul style="list-style-type: none"> • Inspection and commenting on business/project application to ensure safe and healthy environment <p>3.1 Management of health staff as follows:-</p> <p>3.1.1 Community Health Nurses 3.1.2 Environmental Health Officers 3.1.3 Non professional staff 3.1.4 Chief Community Health nurses</p> <p>3.2 Approval of budget less than R60 000, staff leave except maternity leave, payment of purchased goods, contracts etc.</p> <p>3.3 Planning of operational, capital and personnel budget</p> <p>3.4 Processing of advertisement of staff posts, planning and conducting interviews and recommend appointments</p> <p>3.5 Monitoring and amendment of budget</p> <p>3.6 Compiling reports on budget, and service delivery</p> <p>3.7 Implementing of disciplinary action within the scope of practice as a Chief Health Services</p> <p>3.8 Promoting skills development of staff to ensure quality service</p> <p>Performance during the year targets against Actual achieved and plans to improve performance</p> <p><u>Achievements</u></p> <p>4.1 Number and cost of public, private Clinics servicing population</p> <ul style="list-style-type: none"> • Public Clinics (owned by municipality) • Private Clinics (owned by private, fees based) <p>4.2 Total annual patient head count:</p> <ul style="list-style-type: none"> • > 5 years and older • < 5 years 	<p>30 4 20 2</p>
<p>4. Key Performance area</p>	<p>4.3 Type and number of grants and subsidies received:</p> <ul style="list-style-type: none"> • Health Clinics • Environmental Health Services <p>4.4 Number and cost of activities:</p> <p>4.4.1 Food premises</p> <ul style="list-style-type: none"> • Restaurants/Canteen • Butcheries • Street food sheds • Milking sheets 	<p>12 1 175,584 46577 222161 0 0</p>

	<ul style="list-style-type: none"> • Milk shops/depots • Bakeries/confectioneries • Food trans vehicles • Fruit and Vegetables premises • Supermarkets • No. of license applications • Food condemnation 	174 186 248 18 171
	<p>4.4.2 Accommodation and related facilities</p> <ul style="list-style-type: none"> • Old age home • Hotels • Crèche/Daycare Centres • Centre for disabled • Building plans • Guest houses 	63 23 111 180 57 50
	<p>4.4.3 Public 2 miscellaneous facilities</p> <ul style="list-style-type: none"> • Sports and recreational facilities • Mortuaries/undertakers • Taxi ranks • Vacant stands • Dry cleaners/Laundries • Hair dressers 	2 5 199 3 1091 13
	<p>4.4.4 Samples</p> <ul style="list-style-type: none"> • Raw milk • Pasteurized milk • Drinking water • Food samples / swabs 	15 39 96 685-R80 124 0
	<p>4.4.5 Water and sanitation</p> <ul style="list-style-type: none"> • Water treatment plant • Refuse disposal sites • Uncontrolled refuse dumps • Public toilet complexes • Sewage works 	10 R69 439 R134 73 396 22
	<p>4.4.6 Environmental Management</p> <ul style="list-style-type: none"> • Air pollution samples • Vehicle emissions test • Noise pollution sample 	30 62 435 132
	<p>4.4.7 General</p> <ul style="list-style-type: none"> • Complaints • Workshops • Meetings • Student capacitation 	3 240 18 0
	<p>5.1 Community awareness and development</p>	
	<p>5.1.1 Environmental Health Services</p> <ul style="list-style-type: none"> • Environmental awareness X 20 	1427
	<p>5.1.2 Health</p> <ul style="list-style-type: none"> • HIV/AIDS/TB awareness X 10 	6 33

<p>5. Achievements of Previous Financial Years (2006 / 2007)</p>	<p>5.2 Capital Projects</p> <p>5.2.1 Environmental Health Services</p> <ul style="list-style-type: none"> • Air monitoring machine X 1 + 2 DEAT • Concrete slab • Fridge electrical • Two door cabinet steel X 5 • Air monitoring analysers <p>5.2.2 Health Clinic</p> <ul style="list-style-type: none"> • Examination couch X 2 • 2 tier tea trolley X 1 • ENT set X 2 • Microwave X 3 • Rectangular tables X 20 • LG TV colour X1 • Fridges X 2 • Visitors chairs X 20 • Patients chairs X 30 • High-back chairs X 3 • Aqua-coolers 20litre X 2 • Mobile examination light X 2 • Hb photometer X • Building clinic Ext 6 • Desks X 11 • Upgrade Alarm system Simunye clinic <p>5.3 Operational budget</p> <ul style="list-style-type: none"> - Environmental - Clinics <p><u>Equipment for clinics</u></p> <p>6.1 Alarm system Ext 6 clinic</p> <p>6.2 Hb photometer X 5</p> <p>6.3 Auto clave</p> <p>6.4 Mobile examination lights</p> <p>6.5 Folding nose trolley</p> <p>6.6 Examination couches</p> <p>6.7 Patients chairs</p> <p>6.8 Visitors chairs</p> <p>6.9 Electrical fridges X 2</p> <p>6.10 BP machines</p> <p>6.11 Washing machine X 1</p> <p>6.12 Glucose machines</p> <p>6.13 Furniture</p> <p>6.14 Doptones</p> <p>6.15 Replacement kitchen units – Mhluzi clinic</p> <p>6.16 Bakkie with canopy</p> <p>6.17 4 drawer cabinets</p> <p>6.18 Two door cabinets</p> <p>6.19 Database patient system</p> <p>6.20 Building Ext clinic</p> <p>6.21 Trapezoid tables</p>	<p>18</p> <p><u>Costs</u></p> <p>R16 760</p> <p>R33 635</p> <p>R339 619</p> <p>R11 749</p> <p>R2 500</p> <p>R6 833</p> <p>R265 169</p> <p>R1 812</p> <p>R1 216</p> <p>R5 392</p> <p>R2 017</p> <p>R9 690</p> <p>R1 299</p> <p>R4 598</p> <p>R3 762</p> <p>R2 907</p> <p>R4 370</p> <p>R3 798</p> <p>R6 030</p> <p>R11 058</p> <p>R3 360 000</p> <p>R23 000</p> <p>R9 090</p> <p>R15 0095 25</p> <p>R10 688 218</p>
<p>6. Targets 2008/2009</p>		

		R11 300 R25 000 R400 000 R3 000
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Function	Public Services	
Sub Function	Housing Department	
Reporting level	Detail	Total
Overview	The Chief Housing Services was established in 2002. The main person responsible for the Department is the Chief Housing Services. It renders services for the MP313 community and comprises of the following:	
Description of Activity	<p><u>Housing Development</u></p> <ul style="list-style-type: none"> • Facilitation of sustainable housing development programmes. • Administrative functions of housing programmes which involved processes of administration and facilitation of housing projects. <p><u>Informal settlement</u></p> <ul style="list-style-type: none"> • Allocation of stands to evictees. • Implementation of the Prevention of Illegal Eviction from and unlawful Occupation of Land Act No 19 of 1998. • Issuing of notices to illegal occupants of Municipal land. • Providing assistance during impoundment of uncontrolled animals and security duties to Municipal properties and pay points. • Effective eviction in cooperation with the Sheriff's Office <p><u>Rental Housing</u></p> <ul style="list-style-type: none"> • Rendering administrative functions terms of Rental Act of 1999. • Maintain the municipal rental houses • Administration of municipal rental stock • Administration of lease agreements in Newtown, Tokologo, Middelburg Ext 24 & Doornkop (Mampimpane) 	
Short History of Department	The Chief: Housing Services was established in 2002. The main person responsible for the Department is the Chief: Housing Services. It renders the housing function on the MP313 municipal area.	
Tasks accomplished in Previous Years	<p>As a Municipality we are involved in pilot projects for the Mpumalanga Department of Housing and namely:</p> <p>National Database installed which is utilized in the capturing of data, and updating of existing applicants which is a continuous project.</p> <p>A mentor for Consumer Education Programme was trained together with the CDW's. A number of existing beneficiaries were trained on issues related to housing matters, especially</p>	

those consumers who qualify for assistance from the government.

Resettlement of Informal Settlers

- To provide for the facilitation of a sustainable housing development this department has allocated formal stands to:
 - i) 350 non-restituted groups who invaded the CPA's land.
 - ii) 113 Extension 6 informal settlers were moved to Newtown

Completion of outstanding houses

9 outstanding RDP houses in Mhluzi Extension 2 were almost completed.

Control of Land Invasions

- Regular monitoring in Newtown, Caravan Park (Nasaret), Doornkop, Extension 6, and other hot-spot areas to prevent illegal occupation of stands.
- Evictions were also conducted from Extension 6 to Newtown.
- Resettlement process of Doornkop Phase 1 invaders to Doornkop (Mampimpane) has not been completed. There are those who are still reluctant to move.

Environmental Management

The Chief: Health Services implements a programme whereby the Peace Officers are monitoring illegal dumping and issuing fines.

Housing Projects 2006/2007 (rolling over) Progress Reports to date

AREA	CONTRACTOR	UNITS ALLOCATED	UNITS COMPLETED
Doornkop (Mampimpane)	Mali Building Construction	300	300
Tokologo	Mabkol	320	129
Tokologo	Zamani	300	146
Tokologo & Doornkop	Midnight Star	66	53
Tokologo & Mhluzi	Mashiadipere	350	126
Kwazamokuhle Ext 7	Sunrise Construction	190	157
Middelburg Ext 24	Rahlagane Transport	250	17
Middelburg Ext 24	Thuthazonke Construction	250	69
Middelburg Ext 24	Funeka Building Electrical Eng.	150	50
Middelburg Ext 24 & Tokologo	Igeja Resource	62	53

	Tokologo		88	31	
	Mhluzi Ext 6	Umndeni Enterprise	100	96	
	Extension 24	Igeja Resource	100	-	
	Kwazamokuhle Ext 7	Balethavha Business Enterprise	300	-	
	TOTAL		<u>2748</u>	<u>1335</u>	
Tasks accomplished last year – Capital Budget	Purchased 8 X Yamaha TW 200 motorbikes				
Tasks accomplished - Capital	Purchased vehicle for housing – bakkie ISUZU Two Bulk filers				
Tasks to be accomplished according to IDP objectives	Another extension has been given to the contractors to complete projects by end of March 2009.				

Function	Public Services	
Sub Function	Library Department	
Reporting level	Detail	Total
Overview	The main aim of the Library is to render two types of services namely (A) the Technical Service and (B) the Public Service. The latter service is vital important.	
Description of Activity	<p>Public Services rendered in the library are the following:</p> <ul style="list-style-type: none"> • Invitations of schools especially from the rural areas to orientate them to the Library and teach them how to retrieve information since these library facilities are not available in their areas. • Provision of information on book material and non-book material (CD-Rom, audio books etc.) to the users. • Provision of computerized information on Internet, Encarta and Britannica. • Provisions of inter library loan on PALS if the library material is not available in the library. The book on demand can be located on libraries within Mpumalanga jurisdiction. • Rendering door to door service for the old age home namely Kosmos, Vergeet-my-nie, St'Jospehs and SAVF. • The services are highly appreciated. • Rendering recreational service for children during school holidays (story-telling, videos, puppet shows etc.) 	
Analysis of the Function	<p>Number and cost of personnel</p> <ul style="list-style-type: none"> • Management (level 0-3) • Professionally qualified and mid management (level 3-6) • Library Assistant Gr.1(Level 7-12) • Senior Library Assistant • Non-professional – semi skilled (level 13 to 16) • Temporary staff • Contract staff 	<p>1 1 17 2 2 5 0</p>
Achievements	<ul style="list-style-type: none"> • Furniture and books has been purchasd for a new library at Mhluzi Ext7. • The Ext7 Library is now operating fully. • Doornkop Library has been extended and completed. • Books have been purchased, furniture received from Province. Library is awaiting official opening. • Senior librarian has been appointed. • Toilets have been built at Reitkuil Library for easy access by the users. • Fax machines have been installed for Kwaza, Mhluzi and Nasaret libraries. • A study area has been established using the offices on the first floor at the main library. • The Reference Section has been improved, giving it a new look and a user-friendly environment to library users. • A new library system called KOHA has been installed so that services are rendered on-line. These include circulation, inter-library loans and library catalogue. 	

	<ul style="list-style-type: none"> • A new circulation desk has been purchased for convenient library service. • Kwazamokuhle library has been fenced for security purposes. 	
Target	<ul style="list-style-type: none"> • To help schools with the functioning of their libraries and to increase awareness in reading. • To obtain property for Pullenshope library. • To purchase a mobile library to render services to rural areas e.g. Doornkop etc. • To establish a Community Library at Naledi Village and Chromeville. This is in line with the IDP process. • To be fully automated by the end of this current financial year. 	

DIRECTORATE: CORPORATE SERVICES

PURPOSE

The Directorate is aimed at providing for the management, leadership & administration of the institution and to strengthen corporate capacity underpinned by a value based and client focused performance culture through continuous refinement of corporate policies, structures and systems in compliance with legislation and best practice and championing “Batho Pele” principles and service delivery.

The Directorate is divided into four (4) departments:

- Legal & Administration
- Information Technology
- Human Resources
- Property Valuations

Function	Corporate Services	
Sub Function	Legal & Administration	

Reporting level	Detail	Total
Overview	<p>The Department of the Legal & Administration provides support services to the mayoral offices and all of the other departments within the institution. The main focus areas includes amongst other ensuring accountable, efficient and transparent governance as well as the provision of an efficient and effective services to other departments, the public and other external stakeholders, the management of records of the organization, marketing events, community development and marketing of municipal activities and services.</p> <p>The department consists of the following sections, secretarial, records, a legal and properties section, events management and marketing.</p>	
Description of Activity	<p>The function of the Legal & Administration within the municipality includes the following:</p> <ul style="list-style-type: none"> • The management of all incoming post and dispensation to relevant departments. • The compilation of Council, Mayoral, Portfolio Committees and Ward Committee agenda as well as the minutes thereof. • Rendering secretariat services to the aforementioned committees and council meetings. • Rendering of an overall professional legal service. • Ensuring compliance with relevant legislation and related matters. • Implementing and facilitating processing to ensure the passing, execution, implementing and safeguarding of resolutions. • Attending to all property transactions including the sale of erven that are sold by Council from time to time, leasing of properties from the Council, leasing of equipment by Council, service level agreement,. Etc. • Disposal of properties in accordance with applicable government policies. • Rendering of contract management function. • Revision of existing municipal by-laws and compilation of new by-laws. • Conducting activities relating to the overall procurement function of municipality such as the compilation of tenders, etc. • Attending to disciplinary hearings. • Administration of community halls. • Approval of applications for marches and public gatherings. • Co-operation with all spheres of government working with all other departments and relevant stakeholders to ensure timeously reporting. • Provision of publicity for Council events. • Marketing of Council activities and services Management of Council newsletters. • Co-ordination of events such as Festivals, ceremonial functions, cultural occasions, campaigns, etc. • Providing assistance to the national and provincial offices for any occasions, campaigns, etc. • Administration of the municipal information desk. • Management of customer suggestions and complaints system. • Access control administration and the maintenance of a photo library. 	
	<p>The strategic objectives of this functions are to:</p> <ul style="list-style-type: none"> • The compilation of agendas for Portfolio, Mayoral and Council 	

	<p>meetings.</p> <ul style="list-style-type: none"> • The prompt execution of resolution taken. • Compilation of a manual in terms of the access to the Information Act. • The development of an electronic postal system with the assistance of the GIS department. • Ensure public awareness of council activities, events and services. • Providing a mechanism through which the general public may submit their concerns and compliments and reacting thereto. • Creating a strong sense of community through festivities and ceremonial occasions. • Continuously monitoring customer satisfaction by way of suggestion/complaints/compliments mechanism. • Ensure the provision of effective assistance to the community by referring them through to the correct and relevant department for enquiries. • Marketing of council incentives for possible investments. 	
Analysis of the Function	<p>Number of all personnel Number of incoming post received</p> <p><u>Number of agendas compiled :</u></p> <p>Council meeting agendas Mayoral Committee meeting agendas Portfolio Committee meeting agendas Ward Committee meeting agendas Community meetings Naming & Renaming Committee Ethics Committee Number of Ward Committees established Applications for public gatherings Number of community hall bookings IDP Forum Meetings IDP Review Meetings LED Forums Bids – Specifications</p> <ul style="list-style-type: none"> • Evaluation • Adjudication 	<p>39 6355</p> <p>16 38 12 84 58 0 1 23 9 902 1 25 4 32 38 28</p>
	<p>Instructions given to attorneys:</p> <p>Litigation Collections Property Transfers Criminal Non-litigations</p> <p>TOTAL INSTRUCTIONS GIVEN TO ATTORNEYS</p> <p>Contracts concluded By-Laws adopted and promulgated Policies adopted</p> <p>Tenders advertised Tenders awarded Residential Erven sold Business Erven sold Industrial Erven sold Phasing out properties registered Church Erven sold Number of disciplinary hearings held: Hearings</p>	<p>35 762 221 2 5 991</p> <hr/> <p>38 4 3</p> <p>71 53 180 11 14 3 4 38</p>

	Appeals TOTAL DISCIPLINARY HEARINGS HELD Expired Contracts Contracts Renewed Contracts Cancelled Town Planning objections Hearings held	<u>5</u> 43 <hr/> 19 14 16 6
(Events & Marketing)	<ul style="list-style-type: none"> • Slots with the Greater Middelburg FM • Publication of Council meetings • Suggestion boxes at traffic generating points • Advertisement of Council activities, e.g. joint effort with SAP against corruption 	As required As required As required As required

Function	Corporate Services	
Sub Function	Information Technology Services	
Reporting level	Detail	Total
Overview	<p>The Chief Information Technology Services is the head of the department at the municipality.</p> <p>Vision:</p> <p>To be an efficiently optimized Information Management, Systems and Technology support centre for entire municipality</p> <p>Mission:</p> <p>To enhance service delivery through maximizing of the IMST resources in compliance with the government Information Technology House of Values which are: Security, Interoperability, Reducing duplication, Economies of Scale and Black Economic Empowerment Enablement</p>	
Description of Activity	<p>The services rendered by the Information Technology Services department are as follows:</p> <ul style="list-style-type: none"> • Installation of computers, printers and other peripherals. • Update the network security in terms of security policy which includes updating antivirus software, patches and firewall. • Backup of all network information in order to ensure business continuity in case of disaster. • Administer network accounts for all the users (add new users, remove accounts, reset passwords etc). • Maintenance of computer hardware and other related peripherals. • Ensure that computer network connectivity is always up and running which includes the wireless network to remote pay points, clinics and libraries. • Render support on the application systems running on Council network which includes the IMIS Integrator which contain documents management, Geographic Information Services such as sewer, storm water pipes, water meters, electrical meters, sewerages, stands, street names and other related services. • Investigate and analyze the needs of the users and develop or assist departments in acquiring their application software's. • Procure computer hardware, printers and scanners in the form of quotations or tenders for all departments. • Perform regular checks of assets (software, computers etc using Track IT system). • The information/documents on the website are updated accordingly e.g. <ul style="list-style-type: none"> ○ Annual documents (Annual Reports, Budget, SDBIP, IDP). ○ Tenders, Vacancies, Legal Notices, Request for quotes from departments which are R30 000 and above according to Supply Chain policy. ○ Speeches and Statements. <p>The strategic objections of this function are to :</p> <ul style="list-style-type: none"> • To manage all Information Management, Systems and technology resources of the Municipality. • To develop and maintain a fully integrated infrastructure system. • To improve service delivery through e-Governance 	

	<ul style="list-style-type: none"> • To establish sound Information Management, Systems and Technology and architecture planning. • To provide a functional Geographic Information System • Ensure Telecommunication Infrastructure is available at all times 	
Key Issues for 2007/2008	<p>Key Issues for 2007/2008</p> <ul style="list-style-type: none"> • Implemented business continuity solution through the procurement of a Storage Area Network (SAN) which was deployed in the secondary location and linked via fiber connection and Cibecs Solution which backup data of the different workstations. • A 42U rack was procured in order to house the servers. • The HP proliant ML350G5 server was acquired and was used by the library services for the library system. • SQL applications were centralized in a single server procured for efficient management. • Due to challenges experienced with viruses the IT Services acquired and deployed McAfee Antivirus on its dedicated server which is more advance in terms of security and has proven to be reliable on the network. • All the dial-up modems were moved and VPN solution through the firewall was implemented. In addition to control access on the network Cisco ACS appliance was acquired. • Surf control was upgraded to Websense which is the application used to monitor internet usage as well as web filter. This enables the organization to have faster internet access. The policy is now enforced which creates awareness to users without formal training on issues of security. • Computers and printers as well as related peripherals which were obsolete were written off and disposed from the organization following council procedures. • The first phase of the aerial photographs which were flown by AOC were received which are in colour on the scale of 1:8000 for towns and 1:20 000 on farms. • The Telephone Directory System was launched on the 04th of March 2008 where Employees can search for other telephone extensions on the intranet using their first names. • All the documents that are scanned from Records (Town Secretary) on the IMIS Integrator are continuously linked to their relevant ERF number for reference purposes. • The GIS web has been installed. • GFI Fax maker was acquired and will be implemented with MS Exchange. <ul style="list-style-type: none"> • The design and layout of the Municipal website was changed. • Various sites which include the radio network and telephone system have been equipped with uninterrupted power supply which will minimize disruption on business operation in the event of the power failure. • The spacestream office was implemented at Doornkop as Telkom does not have infrastructure for telephones in the area. • Telkom outdoor extensions which were not operational for more than 2 years fixed by Telkom which are at Parks (Nursery), Electrical workshop and Personnel (Service Centre) • Provided year planners and leave time table for various departments. • Performed hardware audit throughout the municipality offices. • The department continued to renew its Software licenses as required by different software vendors to enable the Municipality 	

	to receive the new technology as it comes on its way.	
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Function	Corporate Services																						
Sub Function	Human Resource Management																						
Reporting	Detail	Total																					
Overview	<p>The Human Resource Department provides support services to all departments. The main focus areas includes amongst other, ensuring accountable, efficient and transparent governance as well as the provision of an effective Human resource support services to other departments, the public and external stakeholders</p> <p>The Human Resource Department renders an advisory service with regard to providing and maintaining human resources for delivery of quality services to the communities.</p>																						
Description of the activity	<p>The function of the Human Resource Department includes the following:</p> <ul style="list-style-type: none"> • Forecasting and predicting the Human Resources needs in the organization in consultation with the various departments(personnel budgeting) • Recruitment, selection and placement of staff and the administration of the employment process • Updating and maintenance of the human resource database for proper record keeping and legal compliance purposes. • Compilation, maintenance and updating the organizational diagram's of the municipality after approval by the Council. • Occupational health and safety advisory and training services to all departments. • Labour relations including arrangements for meetings of the Local Labour Forum and its sub committees disciplinary and grievance matters. • Administration of Council's Employee Assistant (EAP) programme. • Administration and arrangement of HIV/AIDS consultative meetings and campaigns in the workplace in co-operation with all departments. • The TASK Job Evaluation form for most departments are completed and according to the job evaluation committee about 83%of the post submitted by the Municipal Departments were evaluated and submitted to the SALGBC structures for auditing and moderation purposes. • The Employment Equity plan was proceeded with. The targets put by Council, namely that 75% of the administration must be composed of the designated groups at the end of June 2007 is as follows: <table border="1" data-bbox="320 1697 1007 1854"> <thead> <tr> <th></th> <th>2000</th> <th>2006</th> <th>2007</th> <th>2008</th> </tr> </thead> <tbody> <tr> <td>Level 1- 5</td> <td>28%</td> <td>62,5%</td> <td>70%</td> <td>71.4%</td> </tr> <tr> <td>Level 1- 10</td> <td>58%</td> <td>78,3%</td> <td>80,8%</td> <td>85,5%</td> </tr> <tr> <td>Level 1- 12</td> <td>66%</td> <td>82,9%</td> <td>85,4%</td> <td>89,7%</td> </tr> </tbody> </table> <p>The Employment Equity reports were submitted to the Department of Labour:</p> <ul style="list-style-type: none"> • The Skills Development Plan and implementation report was submitted to the LGSETA and funds were paid back to Council as result of it. • An independent survey on employee well being was conducted and 			2000	2006	2007	2008	Level 1- 5	28%	62,5%	70%	71.4%	Level 1- 10	58%	78,3%	80,8%	85,5%	Level 1- 12	66%	82,9%	85,4%	89,7%	
	2000	2006	2007	2008																			
Level 1- 5	28%	62,5%	70%	71.4%																			
Level 1- 10	58%	78,3%	80,8%	85,5%																			
Level 1- 12	66%	82,9%	85,4%	89,7%																			

	<p>the results were made available to management.</p> <ul style="list-style-type: none"> • Fringe benefit administration whereby employees were advised about their benefits e.g. housing, loans, pension or gratuity fund benefits, group life insurance etc. Employees, Councilors and the next of kin of employees, who passed away, were assisted in applying for the benefits. 	
Strategic Objectives	<p>This function is to: To provide Human Resources support services to the entire institution.</p>	
Key issues	<p>2007/2008</p> <ul style="list-style-type: none"> • The quantitative objectives on employment equity • Completion of the TASK Job Evaluation process 	
Analysis of the function	<p>The Human Resource Department statistical achievements during the 2007/2008 financial year was as follows:</p>	
	Number of personnel in the department	9
	Advertised posts	144
	Re-advertised post	21
	Employees appointed	79
	Employees promoted	26
	Temporary appointments	577
	Resignation	47
	Retirement	11
Deaths	11	
Dismissals	6	

Function: Sub Function:	Corporate Services Property Valuation Services
Reporting Level	Detail
Overview	The Property Valuation Services Department provides property valuation services to the Municipality including the compilation and maintenance of valuation rolls, ad-hoc valuations and advice to other departments concerning property related issues.
Description of activity	<p>The function of the Property Valuation Services Department within the municipality is administered as follows:</p> <ul style="list-style-type: none"> • Continual updating and analyzing of property related data. • Inspection and valuation of all properties within the municipal boundaries. • Compilation of a quadrennial valuation roll. • Consider and decide objections. • Attend and monitor Valuation Board Hearings. • Maintenance of valuation roll by conducting supplementary valuations and compiling a supplementary valuation roll. • Manage and decide on ad-hoc valuations. • Render advice to other departments on property related projects and issues. <p>The strategic objective of this department is to provide a cost-effective, equitable and sustainable valuation service to the municipality in order to ensure a reliable source of revenue from assessment rates.</p> <p>The key issue for 2007/2008 was to collect and analyse data and to inspect and value properties regarding the compilation of a comprehensive valuation roll in terms of the Property Rates Act.</p>
Analysis of the function	
1.	Inspection and valuation of properties for valuation roll –(± 44 000 properties)
2.	Inspection and valuation of properties for supplementary valuation roll
3.	Consider and decide objections
4.	Inspection and valuation of properties for ad-hoc requisitions
5.	Number of personnel
Short history of Department	The department has been established during the 2004/2005 financial year. The Chief: Property Valuation Services, two Senior Property Valuers and a Data Capturer have been appointed during this period, the required office equipment have been acquired and a fully operational office was established. The process of compiling a valuation roll was commenced with. One of the Senior Valuers left Council during 2006/2007 to further his career in the private sector. Two candidate valuers were appointed during the same period. An intern was also placed with the department during 2007/2008 by DPLG.
Task accomplished in previous years	<ul style="list-style-type: none"> • The establishment of a fully operational department. • Conducted 321 ad-hoc valuations and/or reports regarding properties • Determined prices for 1324 erven in Aerorand • Conducted 2660 supplementary valuations • Inspected and valued 187 properties in the newly incorporated Blinkpan Village • Commenced with the preparations for the valuation process regarding the compilation of a comprehensive valuation roll in terms of the Property Rates Act. • Determined prices for 596 erven in Middelburg Extension 18 • Inspected updated data and valued approximately 95% of properties

	<p>within the MP 313 area for the compilation of the 2008 – 2012 valuation roll, which has now been extended to 2009-2013.</p>
<p>Tasks accomplished last year – Capital and Operating</p>	<ul style="list-style-type: none"> • Conducted 148 ad-hoc valuations and/or reports regarding properties • Conducted 1454 supplementary valuations. • Inspected, updated data and provisionally valued approximately 95% of the properties within the MP313 area for the compilation of the valuation roll.
<p>Tasks to be accomplished in current budget</p>	<ul style="list-style-type: none"> • Conduct ad-hoc valuations as required. • Conduct supplementary valuations as required. • Complete the valuation of properties for the compilation of a comprehensive valuation roll in terms of the Property Rates Act by 16 January 2009. • Consider and decide objections regarding the above-mentioned valuation roll.
<p>Tasks to be accomplished according to IDP objectives</p>	<ul style="list-style-type: none"> • Compile a comprehensive, fair and uniform quadrennial valuation roll. • Maintain the valuation roll by causing supplementary valuations. • Conduct valuations on immovable property for other municipal purposes including alienation of land, acquisition and expropriation, rental and replacement value.

FINANCE

PURPOSE

The purpose of this Department is to be a flagship on efficient, effective & economic financial management to sustain a sound financial position through ensuring that the affairs of the municipality are managed in such a manner that financial resources are generated and utilized optimally to ensure sustainable service delivery.

The department is comprised of the following three (3) divisions:

- Budget Office and Financial Planning
- Treasury Office
- Supply Chain Management

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General Information

ENQUIRIES

Building Plans	:	(013)	249 7179
Electricity	:	(013)	249 7223/31
Water & Sewerage	:	(013)	249 7168
Consumers	:	(013)	249 7156

PAYPOINTS

Chromeville	Telephone	:	(013)	241 2928
Hendrina	Telephone	:	(013)	293 0000
	Facsimile	:	(013)	293 0388
Komati	Telephone	:	(013)	295 3102
Kwazamokuhle	Telephone	:	(013)	294 1212
Mhluzi	Telephone	:	(013)	242 1030
Mhluzi Ext. 5	Telephone	:	(013)	241 7222
Nasaret	Telephone	:	(013)	246 1177
Pullenshope	Telephone	:	(013)	296 1630
Rietkuil	Telephone	:	(013)	297 1075
Van Calder	Telephone	:	(013)	243 2400

Introduction

The 2007/2008 Medium Term Budget focused on three key areas on the way to fiscal stability and economic vitality. These areas were:

- To expand economic development.
- Improve quality of life.
- Greater accountability and efficiency in the government of the municipality.

Based on these principles and to align with the national and provincial governments' growth strategies the key service delivery targets for the 2007/2008 financial year were:

- ♦ Continue to build new roads in urban areas.
- ♦ Continue with the maintenance of roads in the urban and rural areas.
- ♦ Further improvement of the quality of electricity supply.
- ♦ Continue with park development along the Mpanama River.
- ♦ Create more industrial stands
- ♦ Creation of rural villages.
- ♦ Servicing of Rockdale.
- ♦ Servicing of stands in Aerorand and Extension 18.
- ♦ Development of Multi-Purpose Community Centre.
- ♦ Upgrade of existing sport facilities.
- ♦ Ensure sufficient and stable water and electricity supply.
- ♦ Improve traffic flow through Middelburg/Mhluzi.
- ♦ Improve disaster management.

Throughout the financial year the municipality strove to utilise all its financial and administrative capacity to achieve its mandate to deliver on these priorities.

The financial strategy recognises that the development and implementation of various financial planning reforms (such as GAMAP/GRAP/ GAAP) will fundamentally challenge the municipality in terms of its financial planning for future financial years.

The need for an integrated approach when appropriating resources has become essential for sustainable outcomes, especially taking into account the size and diverse challenges the municipality faces.

It is therefore critical that the results of the past financial year be placed on the firm partnership with our communities to achieve the high level of service delivery. This

means that all have honoured their part of the social contract by paying for services which ensure that the municipality remains viable and sustainable.

Background

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Practices (GAMAP) prescribed by the Minister of Finance in terms of the General Notices 991 and 992 of 2005.

Accounting policies for material transaction errors or conditions not covered by the above GRAP and or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies are based on the South African Standards of Generally Accepted Accounting Practices (SA GAAP).

The Minister of Finance has, in terms of Government Notice 552 of 2007 as per Government Gazette 30013 of 29 June 2007 exempted compliance with certain of the above-mentioned Standards and aspects or parts of these Standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual financial statements.

Review of Operating Results

1. General

The operating results achieved for the past financial year are extremely favourable as per the Statement of Financial Performance with a surplus for the year that amounts to R114,8-million measured against the budgeted surplus of R97,8-million.

Various transactions which were previously accounted for under appropriations and suspense accounts are now either recognised as revenue or as expenditure. The appropriation of the surplus is accounted for in the Statement of Changes in Net Assets. Should these transactions be taken into consideration the net actual budget surplus for the year is R7,3-million which represents a budget deviation of 1,34% of total operating expenditure.

The following is a reconciliation of the surplus for the year to the actual budgeted surplus:

FINANCIAL REPORT

▪	Surplus/(deficit) for the year	R	114 865 017
▪	Other appropriations as recognised in the Statement of Changes in Net Assets:		
-	Less Contributions : Capital Replacement Reserve	R	(98 941 056)
	Transfer CRR to acquire PPE	R	4 294 355
	Revenue from coal reserves	R	22 967 214
	Sale of erven	R	28 909 007
	Main service contributions	R	7 994 897
	Interest received : External investments	R	34 775 583
-	Plus Capitalisation Reserve	R	13 294 113
-	Plus Government Grant Reserve	R	12 835 446
-	Less Contribution to Insurance Reserve	R	(1 300 362)
	Sub-Total	R	40 753 158
-	Less Donated contributions utilised for PPE	R	(8 972 355)
-	Less Government grants utilized for PPE	R	(24 126 548)
	Actual operating surplus	R	7 654 255
	Budgeted operating surplus	R	360 637
	Favourable deviation	R	7 293 618

The favourable budget deviation mainly relates to savings in employee related costs and general expenditure of R16-million whilst an amount of R8,5-million was contributed to provisions.

Appendix E is a summary of all budget variances with explanations for variances of more than 10% while the detail operating results per department are shown in Appendix D.

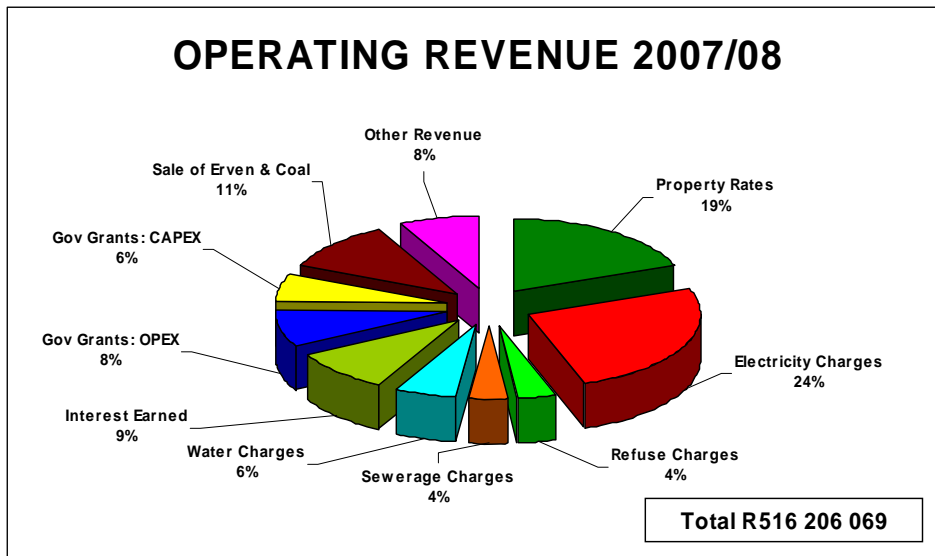
2. Operating Revenue

Operating revenue for the year is R516,2-million (2007: R505,9-million) which reflects an increase of 2%. Included in operating revenue is operating government grants to the amount of R41,9-million and capital grants and donated PPE to the amount of R33,3-million (2007: R16,2-million).

Service charges jointly comprise 38,62% of total revenue and property rates 19,20%. The sale of electricity remains the largest source of income and contributes 25,5% to total revenue.

Interest earned has increased with 58,2% from R26,9-million to R46,2-million which can mainly be attributed to surplus cash invested.

The following graph indicates a break down of the largest categories of revenue:



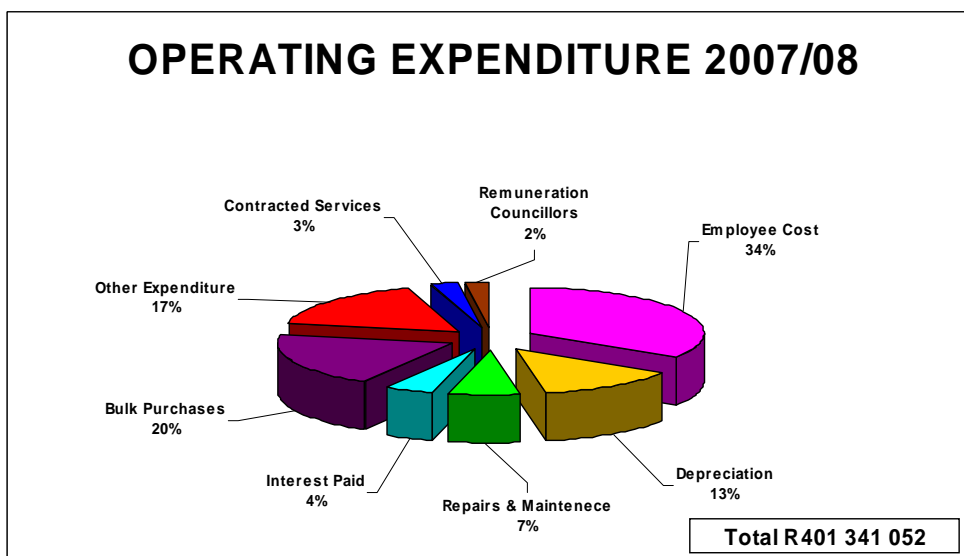
3. Operating Expenditure

The operating expenditure for the year is R401,3-million (2007: R358,4-million) which is 11,9% higher than the 2006/2007 financial year.

The main contributing expenditures are employee related cost at 36,5% and bulk purchases at 19,9%.

Repair and maintenance increase by 25% to R27,2-million (R2007: R21,7-million) and comprise 6,8% of total expenses and 4,4% of the carrying value of its fixed assets.

The graph below indicates the break down per main expenditure group:



4. Debtors

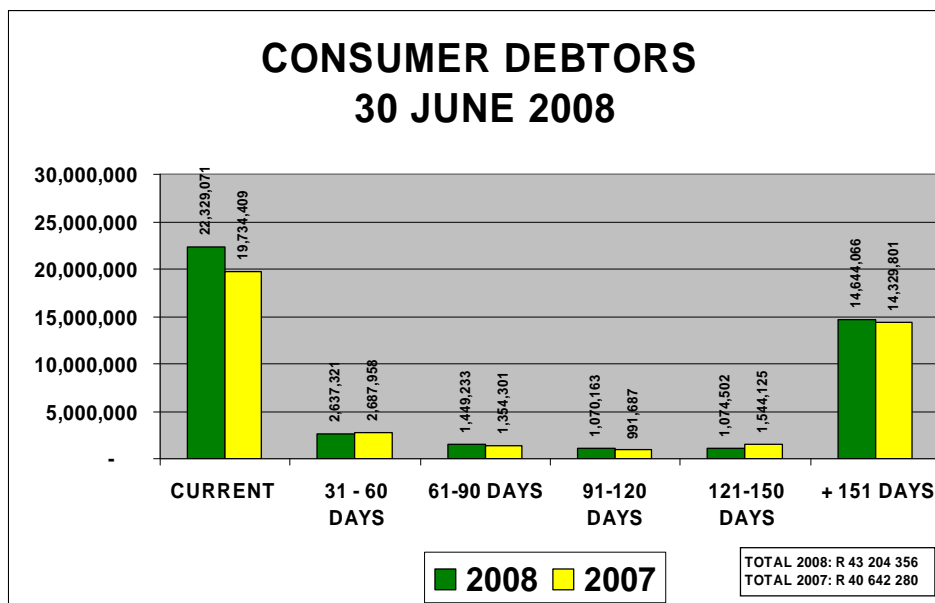
The long term receivables showed a decrease of R5,2-million to R25,6-million (2007: R30,8-million). This decrease can mainly be ascribed to the phasing out of previous estate accounts of R5,2-million.

Other debtors increased in total with R7,3-million to R20,2-million (2007: R12,9-million). The main increase is accruals for external interest of R6,4-million on investments only to be paid out on maturity date and the 2007/2008 health subsidy which was not paid by the Health Department on year-end.

Consumer debtors increased in total with R2,6-million to R43,2-million (2007: R40,6-million), whilst the provision for bad debt increased to R16,4-million (2007: R16,1-million) as a result of provisions made during the financial year. The main increase according to the age analysis grouping is current debtors with R2,6-million. The bulk of outstanding consumer debt pertains to property rates totaling 39,5% in 2008 (2007: 36,4%).

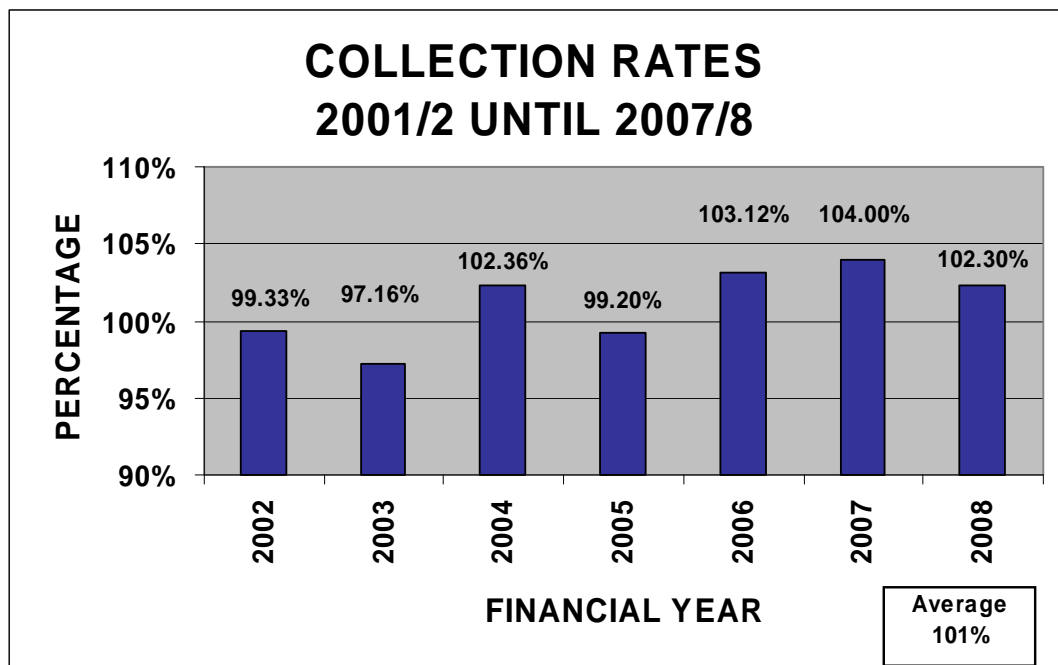
During the year bad debts to the amount of R0,7-million (2007: R0,6-million) were written off.

The increase in consumer debt per ageing analysis is graphically presented as follows:



A collection rate calculated on the total levies for a period compared to the total payments received during the same period is used to measure revenue recovery. The implementation of the credit control policy and continuous strict actions taken in terms of this policy resulting in a collection rate of 102,30% (2007: 104,00%) for the 2007/2008 financial year. The collection period amounted to a very healthy 32 days (2007: 31 days) with a debtors turnover rate of 8,86% (2007: 8,79%) which remain within acceptable norms.

The collection rates are graphically presented as follows:



5. Capital Expenditure and Financing

Actual capital expenditure incurred during the year in respect of property, plant and equipment amounted to R119-million (2007: R83-million).

Although the capital expenditure incurred is only 46,14% of the adjustment budget when comparing the expenditure to the budget, the finance source of capital projects plays an important role. This is summarised in the following table:

Finance Source	Adjustment Budget	Actual	Actual % of Adjustment Budget
	R	R	%
Capital Replacement Reserve	142 646 567	67 758 352	47,50
External Funding	38 562 555	17 542 332	45,49
Municipal Infrastructure Grant	20 901 442	12 717 500	60,85
Integrated National Electricity Programme	11 537 012	10 439 455	90,49
Nkangala District Municipality	35 586 978	8 951 086	25,15
Other	8 750 000	1 617 346	18,48
Total	257 984 554	119 026 071	46,14

FINANCIAL REPORT

The actual roll overs from the 2007/2008 capital budget are as follows:

Capital Replacement Reserve	R74 721 405
Government grants	R 1 521 770

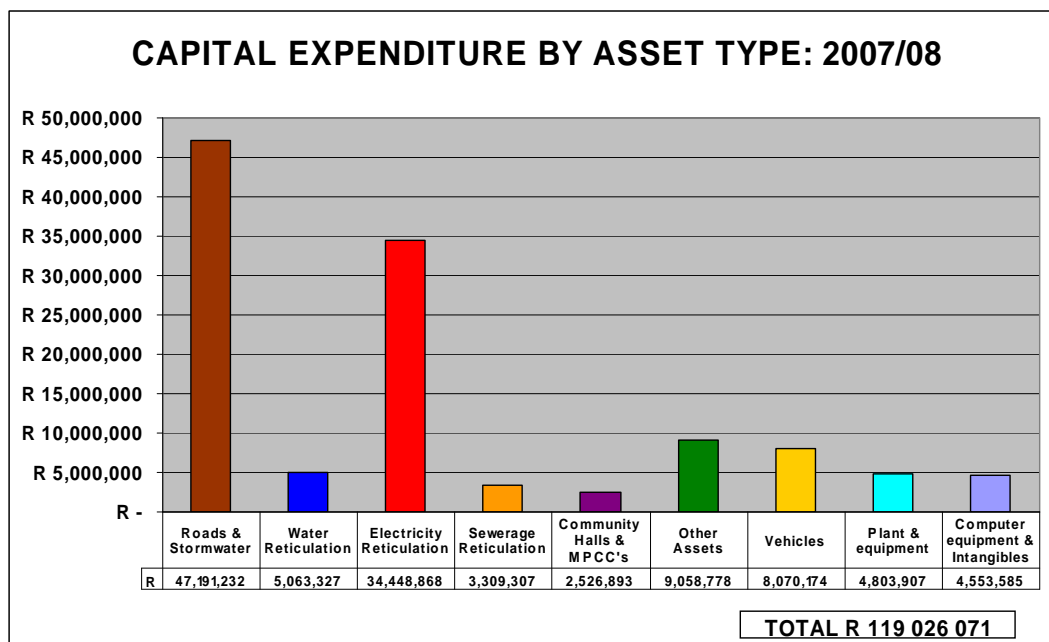
External loans

R18 894 400

Total: R95 137 515

These roll over projects clearly affect the performance of the past financial year. Included in the roll over is the proposed banquet hall at a budgetary cost of R35-million which constitutes 36,8%.

The following is a graphical presentation of actual capital expenditure according to asset type:



6. Debt Management

For the financial year under review a new external loan facility of R35-million was taken up to supplement the financing of property, plant and equipment resulting that borrowings increase with 18% to R134,4-million (2007: R113,4-million).

Long term loans consist of annuity loans and bear interest at rates between 9,62% and 14,40% per annum. During the year under review loans totaling R14-million were redeemed whilst total long term debt only constitutes 26,5% (2007: 22,42%) of total revenue. Capital cost on external loans is at 7,7% of operating expenditure which is within acceptable norms.

The pressure on capital expenditure is expected to remain high over the medium term. The approved capital expenditure over the next three years amounts to R613,7-million and external borrowing is expected to reach roughly R204-million in 2010.

FINANCIAL REPORT

Cash and short term investments increase by an 18,8% to R444,1-million (2007: R373,9-million) over the past financial year. The cash investments reflects the cash backing of reserves and unspent conditional grants.

7. Other Important Accounting Ratios

The operating capital ratio is a useful indicator when determining the ability to find operating expenditure. The ratio measures the extent to which the current liabilities are covered by the current assets. A larger coverage means a lower risk since short

term debt can be paid out of short term assets. The following table shows the calculation of the operating capital ratio:

	2006/2007	2007/2008
Current assets	168 474 336	139 082 246
Current liabilities	83 019 932	92 606 139
Net operating capital	85 454 404	46 476 107
Operating capital ratio	2,03 : 1	1,50 : 1

The solvability ratio is total assets to total liabilities and it shows the municipality's ability to meet its obligations in the long term. A ratio of less than one is an indication of insolvency. The following table shows the calculation of the solvency ratio:

	2006/2007	2007/2008
Total assets	551 332 234	618 097 932
Total liabilities	226 502 920	260 523 148
Solvability ratio	2,43 : 1	2,37 : 1

8. **Credit Rating**

The credit rating is based on the annual financial statements for the year ending 30 June 2007 and the following rating was awarded:

Short term	A1- High certainty of timely payment liquidity factors are strong and supported by good fundamental protection factors.
Long term	A- High credit quality protection factors are good. However, risk factors are more variable and greater in periods of economic stress.

Acknowledgement

During the year under review my department and I received valuable support and guidance from the Executive Mayor and Members of her Committee, Municipal Manager, the other Executive Managers and Heads of Departments. Their invaluable co-operation is dearly appreciated.

All the officials in my department who provided me with loyal assistance and expressed exceptional competency without which I would not have been able to produce this report.

To all I wish to express my sincere appreciation.

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

1. OBJECTIVE

The objective of the annual financial statements is to be a source of information on the financial position, performance and changes in financial status of the Steve Tshwete Local Municipality and demonstrates accountability useful to a wide range of users in making economic or political decisions.

2. BASIS OF PRESENTATION

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

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notices 991 and 992 of 2005.

These standards are summarised as follows:

GRAP 1	Presentation of financial statements.
GRAP 2	Cash flow statements.
GRAP 3	Accounting policies, changes in accounting estimates and errors.
GAMAP 4	Effects of changes in foreign exchange rates.
GAMAP 6	Consolidated financial statements and accounting for controlled entities.
GAMAP 9	Revenue.
GAMAP 7	Accounting for investments in associates.
GAMAP 8	Financial reporting of interests in joint ventures.
GAMAP 12	Inventories.
GAMAP 17	Property, plant and equipment.
GAMAP 19	Provisions, contingent liabilities and contingent assets.

GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these standards related to the municipality's separate financial statements.

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above-mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual statements. An application for deviating from Gazette 30013 of 29 June 2007 to fully comply with IAS 19/AC 116, IAS 17/AC105 and IAS 38/AC129 for the 2007/2008 financial year was granted by National Treasury.

These accounting policies are consistent with those of the previous financial year.

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

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

3. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

4. GOING CONCERN ASSUMPTION

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

5. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund.

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

Monies standing to the credit of the Housing Development Fund are used to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Proceeds from housing development fund schemes which include rental income and sale of houses are recognised as revenue in the statement of financial performance and a corresponding transfer is made to the Fund.

Expenditure allowed in terms of the Housing Act is expensed in the Statement of Financial Performance and a corresponding transfer is made to and from the Fund.

6. RESERVES

6.1 Capital Replacement Reserve (CRR)

The purpose of the CRR is to set aside cash to provide infrastructure and other items of property, plant and equipment from internal sources. All cash received from the Council's coal reserves is being transferred to the CRR account. All surplus cash on the sale of erven are also transferred to the CRR to set aside cash for future property developments.

The cash is transferred to a designated CRR account and can only be used to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

6.2 Capitalisation Reserve

The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from the Capitalisation Reserve to the accumulated surplus/(deficit).

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

When an item of property, plant and equipment is disposed of, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

6.3 Government Grant Reserve

When items of property, plant and equipment are purchased from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

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

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment funded from government grants.

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

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

6.4 Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from donations and public contributions is disposed of, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

6.5 Self-Insurance Reserve

A Self-Insurance Reserve has been established and, subject to external insurance where, deemed necessary, covers claims that may occur.

Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets.

The balance of the Self-Insurance Reserve is determined based on surpluses accumulated since inception. These surpluses arose from the differences between premiums charged against claims paid and various administrative expenditure incurred.

The Self-Insurance Reserve is maintained to provide for non-claimable losses as well as for motor vehicle claims until aggregated excess payment to the amount of R200 000 per annum is reached.

The Self-Insurance Reserve for electricity is mainly used for theft of distribution networks and cables, which are uncovered items in terms of the insurance contract of Council.

Contributions to and from the reserve are transferred via the Statement of Changes in Net Assets. The total amount of insurance premiums paid to external insurers are regarded as expense and is shown in the Statement of Financial Performance. Repair and replacement costs not covered by external insurance are financed from the insurance reserve. This cost is regarded as an expense and is reflected in the Insurance Reserve.

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

The balance of the Self-Insurance Reserve is fully cash backed and invested in fixed and negotiable deposits.

7. PROPERTY, PLANT & EQUIPMENT

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at cost. Property, plant and equipment is stated at historical cost, less accumulated depreciation and impairment losses. Such assets are financed either by external loans, capital replacement reserve, government grants and contributions and donations.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Any trade discounts and rebates are deducted in arriving at the purchase price.

Directly attributable costs include the following:

- Cost of site preparation.
- Initial delivery and handling costs.
- Installation cost.
- Professional fees.
- Estimated cost of dismantling the asset.

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

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Where an item of property, plant and equipment is acquired at no cost, it is initially recognised at its fair value as at the date of acquisition.

Incomplete construction work is stated at historical cost and depreciated only when the asset is commissioned into use, and are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Residual value

The residual value of an asset is determined as the estimate amount that could currently be obtained from the disposal of the asset. The residual values of assets are reviewed at each financial year end.

Depreciation

Depreciation is calculated at historical cost, using the straight-line method over the useful lives of the asset. Assets will be depreciated according to their annual depreciation rates based on the following estimated asset lives:

<u>Infrastructure Assets</u>	<u>Years</u>
Roads, pavements, bridges and storm water	10-30
Street names, signs and parking meters	5
Water reservoirs and reticulation	15-20
Water meters	7
Car parks, bus terminals and taxi ranks	20
Electricity reticulation	15-30
Electricity meters	10
Sewerage purification and reticulation	15-20
Housing	30
Street lighting	20-25
Refuse sites	30

<u>Community Assets</u>	<u>Years</u>
Parks and gardens	10-30
Sport fields	20-30
Community halls	30
Libraries	30
Recreation facilities	20-30
Clinics	30
Fire services	30
Cemeteries	30

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

<u>Other Assets</u>	<u>Years</u>
Motor vehicles	4-7
Plant and equipment	2-15
Security measures	3-10
Buildings	30
IT equipment	3-5
Office equipment	3-7
Specialised vehicles	15-20

Land is not depreciated as it is regarded as having an infinite life.

The useful life or depreciation method for items of property, plant and equipment that have been recognised was not reviewed as permitted in terms of Gazette 30013 of 29 June 2007.

Impairment

The testing for and impairing of any items of property, plant and equipment were not accounted for as permitted in terms of Gazette 30013 of 29 June 2007

Heritage assets

These are assets that are defined as culturally significant resources and are not depreciated as they are regarded as having an infinite life. However, if improvements to heritage assets are conducted and registered as sub-assets and the useful life of the improvements can be determined, the depreciation charge of the relevant property, plant and equipment category is used for the depreciation of the sub-asset which was capitalised against the heritage asset.

Disposal of property, plant and equipment

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

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

8. INTANGIBLE ASSETS

After initial recognition, an intangible asset is carried at its cost less any accumulated impairment losses and amortisation. Amortisation is charged on a straight-line basis over their useful life which is estimated to be between 3 and 5 years. The useful life of an intangible asset is the period over which that asset is expected to be available for use of by the municipality. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, but are tested for impairment annually and impaired if necessary.

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

The estimated useful life and amortisation methods are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

Intangible assets are recognised at cost. Cost is defined as the amount of cash or cash equivalents paid or the fair value of the other considerations given to acquire the asset at the time of its acquisition or construction. Only cost incurred on computer software and websites that meet the definition of an intangible asset are recognised as permitted in terms of Gazette 30013 of 29 June 2007. All other cost incurred on intangible assets during the exemption period has been expensed.

9. INVESTMENT PROPERTY

Investment property as property (land or a building or part of a building or both) held to earn rentals or capital appreciation is stated at cost. Where an investment property is acquired at no cost, or for a nominal cost, its cost is recognised at its fair value as at the date of acquisition.

Depreciation is calculated on cost, using the straight-line method over the useful life of the property.

The process for identifying investment property had not been finalised and items that may meet the definition was accounted for in terms of GAMAP 17 under property, plant and equipment as permitted in terms of Gazette 30013 of 29 June 2007.

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL INSTRUMENTS

There are four categories of financial instruments: fair value through profit or loss (which includes trading), loans and receivables, held-to-maturity and available for sale. All financial assets that are within the scope of IAS 39 are classified into one of the four categories.

Financial instruments include cash and bank balance, investments, trade receivables and borrowings. The municipality classifies its financial assets as loans and receivables. Financial instruments are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities in excess of 12 months. These are classified as non-current assets.

Loans and receivables are classified as “trade and other receivables” in the Statement of Financial Position.

Loans and receivables are recognised initially at cost which represents fair value. After initial recognition financial assets are measured at amortised cost using the effective interest rate.

Accounts receivable

Trade and other receivables are recognised initially at cost which represents fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor and default or delinquency in payments of all debt outstanding for more than 150 days are considered indicators that the trade receivables are impaired. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

When an under recovery occurs during the year an additional contribution for impairment is made from the accumulated surplus at year end.

Bad debts are written off during the year in which they are identified as irrecoverable.

Financial liabilities

Financial liabilities are recognised initially at cost which represents fair value. After initial recognition financial liabilities are measured at amortised cost using the effective interest rate.

Gains and losses

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

Investments held-to-maturity

Subsequent to initial recognition, held-to-maturity assets are measured at amortised cost calculated using the effective interest method.

Investments which include listed government bonds, unlisted municipal bonds, fixed deposits and short term deposits invested in registered banks are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified.

Surplus funds are invested in terms of Council's Investment Policy. Investments are only made with financial institutions registered in terms of the Deposit Taking Institutions Act of 1990 with an A1 or similar rating institution for safe investment purposes.

The investment period should be such that it will not be necessary to borrow funds against the investments at a penalty interest rate to meet commitments.

<p style="text-align: center;">ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008</p>
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Leases

Property, plant and equipment subjected to finance lease agreements are capitalised at their cost equivalent and the corresponding liabilities are raised.

The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life.

Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments or receipts are recognised as an expense or revenue on a straight-line basis over the lease period.

11. **INVENTORY**

The cost of inventories comprises of all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Consumable stores, raw materials, work in progress, unused water, and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities.

Redundant and slow-moving stock are identified and written down with regard to their estimated economic or realisable values and sold by public auction. Consumables are written down with regard to age, condition and utility.

Unsold properties are valued at the lower of cost and net realisable value on a specific identification cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Water and purified effluent are valued at purified cost insofar as it is stored (controlled) in reservoirs and distribution networks at year end.

The process to identify immovable capital assets as inventory/stock are not finalised yet and were accounted for in terms of GAMAP 17 as permitted in terms of Gazette 30013 of 29 June 2007.

<p style="text-align: center;">ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008</p>
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12. **TRADE CREDITORS**

Trade creditors are recognised initially at cost price as permitted in terms of Gazette 30013 of 29 June 2007.

13. **REVENUE RECOGNITION**

Revenue shall be measured at the fair value of the consideration received or receivable. No settlement discount is applicable.

Rendering of service

When the outcome of a transaction can be estimated reliably relating to the rendering of a service, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date.

The outcome of the transaction can be measured reliably when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or services potential associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The cost incurred for the transaction and the cost to complete the transaction can be measured reliably.

This principle also applies to tariffs or charges.

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

Sale of goods

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

- The municipality has transferred to the purchaser the significant risks and rewards of ownership of goods;
- The municipality retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;

<p style="text-align: center;">ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008</p>
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- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Finance income from sold housing by way of instalment sales agreements is recognised on a time proportion basis.

Revenue from the sale of erven is recognised when all conditions associated with the deed of sale have been met.

Rates, including collection charges and penalty interest

Revenue from rates including collection charges and penalty interest, shall be recognised when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- There has been compliance with the relevant legal requirements.

The Steve Tshwete Local Municipality uses a differentiated site value assessment rate system. According to this assessment rates are levied on the land value of properties and rebates are granted according to the usage of a particular property.

Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income

Assessment rates income is recognised once a rates account has been issued to ratepayers. Adjustments or interim rates are recognised once the municipal valuer has valued the change to properties.

Service charges

Flat rate service charges and consumption-based service charges shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read.

Revenue from the sale of electricity prepaid meter credit is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

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

Fines

Revenue from the issuing of fines is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Revenue from fines is recognised when payment is received and the revenue from the issuing of summonses is recognised when collected.

Government Grants

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

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

Other grants and donations received

Other grants and donations shall be recognised as revenue when:

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

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.

Levies

Levies shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest, royalties and dividends

Revenue arising from the use of assets by others of the municipal assets yielding interest royalties and dividends shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset;

Royalties shall be recognised as they are earned in accordance with the substance of the relevant agreement; and

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Collection charges are recognised when such amounts are incurred.

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

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

Revenue is initially recognised at cost as permitted in terms of Gazette 30013 of 29 June 2007.

14. **PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation, as a result of past events, that is probable to cause an outflow of resources embodying economic benefits required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

15. **CONTINGENT ASSETS**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality. Contingent assets are not recognised as assets.

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

16. CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

17. CONDITIONAL GRANTS AND RECEIPTS

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

18. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term investments that are held with registered banking institutions with maturities of 32 days or daily calls.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

19. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS**

20. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

21. FRUITLESS AND WASTEFUL EXPENDITURE

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

22. COMPARATIVE INFORMATION

Budgeted amounts have been included in the annual financial statements for the current financial year only. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

23. RETIREMENT BENEFITS

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Joint Municipal Pension Fund
- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

**ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.

(ii) Post employment medical care benefits

The municipality provides post employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost, of these benefits is accrued over the period of employment.

Post employment medical care benefits are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

24. **BORROWING COSTS**

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

25. **CONSUMER DEPOSITS**

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

26. **EVENTS AFTER BALANCE SHEET DATE**

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note to the financial statements.

<p style="text-align: center;">ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008</p>
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27. **VALUE ADDED TAX**

The municipality accounts for Value Added Tax on the cash basis.

28. **TAXATION**

The Steve Tshwete Local Municipality are exempted from tax in terms of Section 10(1)cB(i)(ff) of the Income Tax Act.

STATEMENT OF FINANCIAL POSITION

as at
30 JUNE 2008

		30-06-2008	30-06-2007
	Note	R	R
<i>NET ASSETS & LIABILITIES</i>			
Net Assets		906 688 169	800 581 663
Housing development fund	1	7 069 400	6 291 568
Accumulated surplus/(deficit)	2	899 618 769	794 290 095
Non-current liabilities		167 917 009	143 482 987
Long-term liabilities	3	118 850 678	100 556 054
Finance lease obligations	4	360 311	341 652
Post employment benefits	5	47 177 000	41 103 000
Non-current provisions	6	1 529 019	1 482 281
<i>Current liabilities</i>		92 606 139	83 019 932
Consumer deposits	7	19 797 804	17 463 744
Provisions	8	1 008 848	468 564
Creditors	9	44 768 406	47 516 925
Unspent conditional grants and receipts	10	11 112 769	4 414 595
Current portion of long term liabilities	3	15 578 263	12 890 670
Current portion of finance lease obligations	4	322 049	265 434
Total Net Assets and Liabilities		1 167 211 316	1 027 084 582
<i>ASSETS</i>			
<i>Non-current assets</i>			
Property, plant & equipment	11	616 742 212	549 657 780
Intangible assets	12	1 355 720	1 674 454
Investments	13	12 741 653	11 612 479
Long-term receivables	14	1 289 485	1 665 533
<i>Current assets</i>		535 082 246	462 474 336
Short term investments	13	396 000 000	294 000 000
Deferred leases	15	185 740	168 431
Inventory	16	34 866 965	34 465 306
Consumer debtors	17	26 778 979	24 591 669
Other debtors	18	17 552 398	11 813 906
Current portion of long-term loans	14	24 324 199	29 183 886
Bank balances and cash	19	35 373 965	68 251 138
Total Assets		1 167 211 316	1 027 084 582



F J NAUDÉ (Dipl. IAC; F.I.M.F.O.)
EXECUTIVE MANAGER FINANCE



W D FOUCHE (B.A.; I.T.C.)
MUNICIPAL MANAGER

STATEMENT OF FINANCIAL PERFORMANCE

**for the year ended
30 June 2008**

BUDGET		ACTUAL	
2007	2008	2008	2007
R	R	R	R
REVENUE			
		<i>Note</i>	
86 816 047	98 250 390	Property rates 20	99 143 999
		Service charges:	87 679 521
113 359 780	130 903 231	Electricity 21	121 399 833
16 742 915	18 168 511	Refuse Removal 21	16 789 529
17 472 539	19 130 743	Sewerage 21	17 606 858
32 509 951	30 995 739	Water 21	34 646 560
1 497 193	1 602 617	Rental of facilities and equipment	1 705 266
16 800 000	29 500 000	Interest earned – external investments 22	46 261 299
2 613 564	2 089 399	Interest earned – outstanding debtors 22	2 112 732
3 782 000	2 662 304	Fines	3 638 936
2 920 500	3 559 200	Licenses and permits	4 240 758
4 150 000	4 400 000	Income for agency services	5 544 491
38 504 000	45 775 185	Government grants and subsidies received - operating 23	41 893 680
15 331 200	32 448 454	Government grants and subsidies received - capital 23	24 126 548
18 820 000	35 586 978	Public contributions, donated and contributed property, plant and equipment 24	9 149 384
103 066 491	57 520 663	Other revenue 25	78 605 059
250 000	250 000	Gain on disposal of property, plant and equipment	393 132
474 636 180	512 843 414	Total Revenue	516 206 069
			505 955 208
EXPENDITURE			
		<i>Note</i>	
125 727 816	143 698 055	Employee related costs 26	137 386 709
10 061 280	9 838 320	Remuneration of councillors 27	121 965 642
2 833 680	2 904 330	Bad debts	9 452 422
350 000	130 000	Collection costs	2 833 680
52 868 662	53 259 526	Depreciation	49 263
23 441 540	28 858 353	Repairs and maintenance	52 021 327
15 227 591	16 709 085	Interest paid 28	47 482 193
		Bulk purchases	27 244 763
65 228 390	77 906 034	Electricity 29	17 160 253
3 055 000	3 739 720	Water 29	77 601 486
10 239 630	11 196 405	Contracted services	2 271 056
1 971 063	1 787 000	Grants and subsidies paid 30	9 774 987
64 532 145	63 992 490	General expenses (including abnormal expenses) 31	8 857 622
-	-	Loss on disposal of property, plant and equipment	1 606 806
1 424 349	1 016 808	Contributions to/(from) provisions 32	54 265 066
376 961 146	415 036 126	Total Expenditure	91 219
			3 679 725
97 675 034	97 807 288	Surplus/(deficit) for the year	401 341 052
-	-	Appropriations for the year	358 431 935
97 675 034	97 807 288	NET SURPLUS/(DEFICIT) FOR THE YEAR	114 865 017
		30	147 523 273

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 30 June 2008

		Housing Development Fund R	Capital Replacement Reserve R	Capitalisation Reserve R	Government Grant Reserve R	Donation & Public Contribution Reserve R	Self Insurance Reserve R	Revaluation Reserve R	Accumulated Surplus/ (Deficit) R	Total R
	Note	1	33	34	35	36	37		38	
2007										
Opening balance		6 419 539	210 051 408	112 180 739	48 416 628	105 737 628	1 631 765	-	176 559 264	660 996 971
Correction of error (note 29)		-	-	3 492 889	39 074	482 006	-	-	774 518	4 788 487
Correction of error (note 29)		-	-	-	-	-	-	-	-	-
Changes in accounting policy (note 36)		-	-	-	-	-	-	-	1 790 819	1 790 819
Changes in accounting policy (note 36)		-	-	-	-	-	-	-	-	-
Changes in accounting policy (note 36)		-	-	-	-	-	-	-	-	-
Restated balance		6 419 539	210 051 408	115 673 628	48 455 702	106 219 634	1 631 765	-	179 124 601	667 576 277
Net surplus for the year		-	-	-	-	-	-	-	147 523 273	147 523 273
Appropriations		-	-	-	-	-	-	-	(26 258 074)	(26 258 074)
Other income/expenditure		(145 280)	(1 734 328)	-	-	-	159 509	-	81 606	(1 638 493)
Transfer to CRR		-	136 013 386	-	-	-	-	-	(136 013 386)	-
Property, plant and equipment purchased		-	(54 080 290)	-	-	-	-	-	54 080 290	-
Capital grants used to purchase PPE		-	-	-	12 655 945	-	-	-	(12 655 945)	-
Donated/contributed PPE		-	-	-	-	8 037 183	-	-	(3 808 628)	4 228 555
Contributions to insurance reserve		-	-	-	-	-	909 169	-	(909 169)	-
Insurance claims processed		-	-	-	-	-	(763 941)	-	-	(763 941)
Transfer to Housing Development Fund		17 309	-	-	-	-	-	-	-	17 309
Asset disposals		-	-	(974 649)	-	(135 681)	-	-	1 110 330	-
Offsetting of depreciation		-	-	(14 801 079)	(3 744 381)	(8 420 742)	-	-	26 966 202	-
Balance at 30 June 2007		6 291 568	290 250 176	99 897 900	57 367 266	105 700 394	1 936 502	-	229 241 100	790 684 906
2008										
Correction of error (note 29)	39	-	-	-	-	-	-	-	(1 614 268)	(1 614 268)
Changes in accounting policy	40	-	-	-	-	-	-	-	98 076	98 076
Changes in accounting estimate	41	-	-	-	-	-	-	-	11 412 950	11 412 950
Restated balance		6 291 568	290 250 176	99 897 900	57 367 266	105 700 394	1 936 502	-	239 137 858	800 581 665
Net surplus for the year		-	-	-	-	-	-	-	114 865 017	114 865 017
Appropriations		-	-	-	-	-	-	-	133 015	133 015
Other income/expenditure		761 032	(8 809 161)	-	-	-	(19 167)	-	(730 285)	(8 797 579)
Transfer to CRR		-	98 118 857	-	-	-	-	-	(98 118 857)	-
Property, plant and equipment purchased		-	(67 625 337)	-	-	-	(233 416)	-	67 858 753	-
Capital grants used to purchase PPE		-	-	-	24 135 409	-	-	-	(24 135 409)	-
Donated/contributed PPE		-	-	-	-	9 096 514	-	-	(9 096 514)	-
Contributions to insurance reserve		-	-	-	-	-	1 300 362	-	(1 300 362)	-
Insurance claims processed		-	-	-	-	-	(110 746)	-	-	(110 746)
Transfer to Housing Development Fund		16 799	-	-	-	-	-	-	-	16 799
Asset disposals		-	-	(154 476)	(35)	(2 315)	-	-	156 826	-
Offsetting of depreciation		-	-	(13 202 229)	(4 306 934)	(8 528 512)	-	-	26 037 675	-
Balance at 30 June 2008		7 069 399	311 934 535	86 541 195	77 195 706	106 266 081	2 873 535	-	314 807 717	906 688 169

CASH FLOW STATEMENT
for the year ended
30 JUNE 2008

		2008	2007
	Note	R	R
<i>CASH FLOW FROM OPERATING ACTIVITIES</i>			
Cash received from ratepayers, government and others		466 354 688	473 303 427
Cash paid to suppliers and employees		(337 310 811)	(294 376 509)
<i>Cash generated from / (utilised in) operations</i>	42	129 043 877	178 926 918
Interest received		48 374 031	28 663 522
Interest paid		(17 160 253)	(15 236 357)
<i>Net cash from operating activities</i>		160 257 655	192 354 083
<i>CASH FLOW FROM INVESTMENT ACTIVITIES</i>			
Purchase of property, plant and equipment		(119 026 072)	(83 000 141)
Proceeds on disposal of property, plant and equipment		393 132	1 499
(Increase)/decrease in non-current loans		5 235 735	5 624 348
(Increase)/decrease in investments		(103 129 174)	(103 129 174)
<i>Net cash from investment activities</i>		(216 526 379)	(180 503 468)
<i>CASH FLOW FROM FINANCING ACTIVITIES</i>			
Increase/(decrease) in long term loans		21 057 491	(11 678 767)
Increase/(decrease) in deposits		2 334 060	2 446 334
<i>Net cash from financing activities</i>		23 391 551	(9 232 433)
Increase/(decrease) in cash and cash equivalents	43	(32 877 173)	2 618 182
Cash and cash equivalents at beginning of the year		68 251 138	65 632 955
Cash and cash equivalents at end of the year		35 373 965	68 251 138

NOTES to the Financial Statements

for the year ended 30 June 2008

	30 June 2008	30 June 2007
	R	R
1. HOUSING DEVELOPMENT FUND	7 069 400	6 291 568
Balance at beginning of the year	6 291 569	6 419 540
Contributions	16 799	17 309
Income	947 015	124 382
Operating expenditure	(185 983)	(269 663)

	30 June 2008	30 June 2007
	R	R
2. ACCUMULATED SURPLUS/(DEFICIT)		
Accumulated surplus/(deficit)	314 807 717	239 137 858
Capital replacement reserve	311 934 535	290 250 176
Capitalisation reserve	86 541 195	99 897 900
Government grant reserve	77 195 706	57 367 266
Donations & public contribution reserve	106 266 081	105 700 394
Self-insurance reserve	2 873 535	1 936 502
Total accumulated surplus/(deficit)	899 618 769	794 290 096

Refer to note 38, 39, 40 and 41 for more detail.

	30 June 2008	30 June 2007
	R	R
3. NON-CURRENT LIABILITIES		
LONG TERM LIABILITIES		
Annuity loans	134 428 941	113 446 724
Sub-Total	134 428 941	113 446 724
Less: Current portion transferred to current liabilities	(15 578 263)	(12 890 670)
Annuity loans	(15 578 263)	(12 890 670)
Total External Loans	118 850 678	100 556 054

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

R12 741 653 (2007: R11 612 479) has been invested specifically as **security** for the repayment of long term liabilities.

See note 11 for more detail.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
4. FINANCE LEASE OBLIGATIONS		
Minimum lease payments due		
- within one year	404 752	357 935
- in second to fifth year inclusive	425 127	382 855
	<u>829 879</u>	<u>740 790</u>
Less: future finance charges	(147 520)	(133 704)
Present value of minimum lease payments	<u>682 360</u>	<u>607 086</u>
Present value of minimum lease payments due		
- within one year	322 049	265 434
- in second to fifth year inclusive	360 311	341 652
	<u>682 360</u>	<u>607 086</u>
Non-current liabilities	360 311	341 652
Current liabilities	<u>322 049</u>	<u>265 434</u>
	<u>682 360</u>	<u>607 086</u>

	30 June 2008	30 June 2007
	R	R
5. POST EMPLOYMENT BENEFITS		
Accrued liability beginning of year	41 103 000	
Services cost	2 015 000	
Interest cost	3 230 000	
Contribution payments	(1 472 000)	
Actuarial (gain)/loss	2 301 000	
Accrued liability at end of year	<u>47 177 000</u>	<u>41 103 000</u>
PAST SERVICE (ACCRUED) LIABILITY		
Main assumptions		
Discount rate	10,25%	8,00%
Health care cost inflation	9,25%	7,00%
Accrued liability		
Active members	20 774 000	18 583 000
CAWMS liability	26 403 000	22 520 000
Accrued liability at end of year	<u>47 177 000</u>	<u>41 103 000</u>
FUTURE SERVICE LIABILITY		
Main assumptions		
Discount rate	10,25%	8,00%
Health care cost inflation	9,25%	7,00%
Accrued liability		
Active members	28 243 000	27 160 000
CAWMS liability	<u> </u>	<u> </u>
Accrued liability at end of year	<u>28 243 000</u>	<u>27 160 000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
6. NON-CURRENT PROVISIONS		
Provision for long services		
Balance at beginning of year	1 482 281	
Contribution to provision	1 188 686	
Expenditure incurred	(572 781)	
Transfer to current provisions	(569 167)	
Balance at end of year	1 529 019	1 482 281

	30 June 2008	30 June 2007
	R	R
7. CONSUMER DEPOSITS		
Electricity	11 665 483	10 945 436
Water	4 501 077	3 679 929
Other	3 631 244	2 838 379
Total consumer deposits	19 797 804	17 463 744

No interest is paid on deposits.

Guarantees held in lieu of electricity and water deposits

4 351 357

4 404 142

	30 June 2008	30 June 2007
	R	R
8. PROVISIONS		
Performance Bonus		
Balance at beginning of year	468 564	896 780
Contribution to provision	357 857	-
Expenditure incurred	(386 740)	(428 216)
Balance at end of year	439 681	468 564
Current portion: long services	569 167	
Total provisions	1 008 848	468 564

Performance bonuses are paid one year in arrears. The assessment of eligible employees had not taken place at the reporting date. The provision is an estimate of the amount according to the performance agreements at the reporting date.

See note 6 for more detail on long service provision.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

30 June 2008

30 June 2007

	R	R
9. CREDITORS		
Trade Creditors	21 607 041	20 430 663
Amounts received in advance:		
Consumer debtors	4 491 552	9 996 421
Sundry debtors	131 077	97 577
Other	1 810 495	1 054 967
VAT	2 811 515	2 966 381
RDP development	3 884 190	3 804 745
Other government grants	546 675	423 705
Staff leave	6 420 293	5 482 021
Retention money	3 083 568	3 127 429
Community facilities	-	133 015
Total	44 786 406	47 516 925

Creditors are recognised at cost and no interest was recognised as a result of any time value of money adjustments as permitted per gazette 30013 of 29 June 2007.

	30 June 2008	30 June 2007
	R	R
10. UNSPENT CONDITIONAL GRANTS & RECEIPTS		
Finance management grant	2 739 972	2 643 572
Municipal systems improvement grant	490 776	485 146
Municipal support grant	11 652	11 652
VUNA awards	-	-
Local government transitional grant	344 389	632 641
Cleanest town competition	900 000	-
Municipal infrastructure grant	5 528 423	9 819
Integrated national electricity programme	1 097 557	631 765
Total conditional grants and receipts	11 112 769	4 435 592

See note 23 for reconciliation of grants. These amounts are invested until utilised.

11. PROPERTY, PLANT & EQUIPMENT

11.1 Owned Assets

	Land and Buildings	Infrastructure	Community Assets	Other Assets	Housing Development Fund	Total
	R	R	R	R	R	R
Reconciliation of Carrying Value						
Carrying values at 1 July 2007	87 365 207	385 232 784	27 085 353	49 426 131	548 305	549 657 780
Cost	105 695 201	663 662 848	36 755 652	112 408 625	1 312 550	919 834 876
Cost – finance leases	-	-	-	1 159 603	-	1 159 603
Accumulated depreciation – cost	(18 329 994)	(278 430 064)	(9 670 299)	(63 519 225)	(764 245)	(370 713 827)
Accumulated depreciation – cost – finance leases	-	-	-	(622 872)	-	(622 872)
Acquisitions	2 385 368	74 579 034	1 266 787	16 198 901	-	94 430 090
Acquisitions – finance leases	-	-	-	393 064	-	393 064
Capital under construction	81 697	17 448 863	4 193 358	1 708 925	-	23 432 843
Depreciation – based on cost	(1 926 560)	(36 642 948)	(1 157 002)	(10 885 352)	(26 101)	(50 637 963)
Depreciation – based on cost – finance leases	-	-	-	(294 554)	-	(294 554)
Carrying value of disposals	-	-	-	(239 048)	-	(239 048)
Cost	-	-	-	(2 260 251)	-	(2 260 251)
Accumulated depreciation	-	-	-	2 021 203	-	2 021 204
Other movements	-	-	-	-	-	-
Carrying values at 30 June 2008	87 905 712	440 617 733	31 388 496	56 308 067	522 204	616 742 212
Cost	108 162 266	755 690 745	42 215 797	129 215 803	1 312 550	1 036 597 161
Cost – finance lease	-	-	-	393 064	-	393 064
Accumulated depreciation – cost	(20 256 554)	(315 073 012)	(10 827 301)	(73 006 246)	(790 346)	(419 953 459)
Accumulated depreciation – cost – finance leases	-	-	-	(294 554)	-	(294 554)
Reconciliation of Carrying Value						
Carrying values at 1 July 2006	88 714 344	356 202 453	21 375 859	46 736 541	574 406	513 603 603
Cost	105 295 285	601 507 703	30 608 452	104 530 580	1 312 550	843 254 570
Accumulated depreciation – cost	(16 580 941)	(245 305 250)	(9 232 593)	(57 794 039)	(738 144)	(329 650 967)
Acquisitions	743 477	54 475 773	1 002 876	11 399 691	-	67 621 817
Capital under construction	-	8 684 940	5 863 306	114 402	-	14 662 648
Depreciation – based on cost	(1 902 393)	(33 816 555)	(1 087 959)	(8 420 615)	(26 101)	(45 253 623)
Carrying value of disposals	(190 221)	(117 250)	(68 729)	(1 446 654)	-	(1 822 854)
Cost	(343 561)	(396 215)	(718 982)	(5 487 586)	-	(6 946 344)
Accumulated depreciation	153 340	278 965	650 253	4 040 932	-	5 123 490
Other movements	-	(196 577)	-	1 042 766	-	846 189
Carrying values at 30 June 2007	87 365 207	385 232 784	27 085 353	49 426 131	548 305	549 657 780
Cost	105 695 201	663 662 848	36 755 652	112 408 625	1 312 550	919 834 876
Cost – finance lease	-	-	-	1 159 603	-	1 159 603
Accumulated depreciation – cost	(18 329 994)	(278 430 064)	(9 670 299)	(63 519 225)	(764 245)	(370 713 827)
Accumulated depreciation – cost – finance leases	-	-	-	(622 872)	-	(622 872)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Refer to Appendices B and C for more detail.

The municipality has taken advantage of the transitional provisions set out in GAMAP 17. The municipality is in the process of itemizing all infrastructural and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2009. The municipality has taken advantage of the exemptions granted in gazette 30013 of 29 June 2007 and the following should be disclosed:

- The useful life or depreciation method used was not reviewed.
- Items of property, plant and equipment were not assessed for impairment and are not aware of any impairments to assets.
- Included in land and buildings are items that may meet the definition of investment property.
- Included in PPE are items that may meet the definition of inventory.

12. INTANGIBLE ASSETS

Reconciliation of carrying value

	Computer Software	Total
	R	R
Carrying values at 1 July 2007	1 674 454	1 674 454
Cost	10 173 834	10 173 834
Accumulated impairment	-	-
Accumulated depreciation – cost	(8 499 380)	(8 499 380)
Acquisitions	770 076	770 076
Amortisation	(1 088 810)	(1 088 810)
Impairment loss – recognised/reversed	-	-
Borrowing costs capitalized	-	-
Disposals	-	-
Other movements	-	-
Carrying values at 30 June 2008	1 355 720	1 355 720
Cost	10 943 910	10 943 910
Accumulated depreciation – cost	(9 588 190)	(9 588 190)

Reconciliation of carrying value

	Computer Software	Total
	R	R
Carrying values at 1 July 2006	3 496 805	3 496 805
Cost	10 700 342	10 700 342
Accumulated impairment	-	-
Accumulated depreciation – cost	(7 203 537)	(7 203 537)
Acquisitions	715 676	715 676
Amortisation	(2 228 569)	(2 228 569)
Impairment loss – recognised/reversed	-	-
Borrowing costs capitalized	-	-
Disposals	-	-
Other movements	(309 458)	(309 458)
Carrying values at 30 June 2007	1 674 454	1 674 454
Cost	10 173 834	10 173 834
Accumulated depreciation – cost	(8 499 380)	(8 499 380)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
13. FINANCIAL INSTRUMENTS		
Short Term Fixed Deposits	396 000 000	294 000 000
ABSA Bank	90 000 000	63 000 000
First National Bank	54 000 000	45 000 000
Investec Bank	72 000 000	60 000 000
Nedbank	90 000 000	63 000 000
Standard Bank	90 000 000	63 000 000
Long Term Fixed Deposits	12 741 653	11 612 479
ABSA Bank	12 741 653	11 612 479
Total Investments	<u>408 741 653</u>	<u>305 612 479</u>
Average rate of return	9,72%	7,83%
Council's valuation of investments	408 741 653	305 612 479

No investments have been written off during the year

The Absa zero bond serves as security for the Absa Annuity Loan.

Refer to Appendix A for more detail on external loans.

	30 June 2008	30 June 2007
	R	R
14. LONG TERM RECEIVABLES		
Motor car loans	16 418	190 958
Housing selling scheme loans	5 530	94 887
Sale of erven loans	25 258 573	30 549 934
Engineering services	333 164	13 640
Sub-total	25 613 684	30 849 420
Less: current portion transferred to current receivables	(24 324 199)	(29 183 887)
Motor car loans	(16 418)	(177 035)
Housing selling scheme loans	(5 530)	(19 497)
Sale of erven loans	(23 969 088)	(28 976 326)
Engineering services	(333 164)	(13 640)
Total non-current loans	<u>1 289 485</u>	<u>1 665 533</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Motor car loans

Senior personnel were previously entitled to car loans which attract interest at 8,5% per annum and which are repayable over a maximum period of five (5) years. In terms of the MFMA no new loans are granted and the existing loans will be repaid by the year 2009.

Engineering services

To encourage property owners to develop Council grants them an incentive for the payment of engineering services at prime and repayable over a maximum period of one (1) year.

Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the Housing Act. These loans attract differentiated interest rates and are repayable over twenty (20) years. No new loans are granted and existing loans will continue until repaid.

Sale of erven

Loans were given at a low interest rate of 7,5% per annum repayable over four (4) years to encourage development through the sale of vacant erven. In terms of the MFMA no new loans are granted.

	30 June 2008	30 June 2007
	R	R
15. OPERATING LEASES: LESSOR		
Opening balance	168 431	
Change in accounting policy		168 431
Movement for the year	<u>17 310</u>	
Closing balance	<u>185 740</u>	<u>168 431</u>
Minimum lease income due		
- within one year	403 691	500 884
- second to fifth year	1 001 105	1 247 510
- after five years	<u>294 715</u>	<u>452 002</u>
Total	<u>1 699 511</u>	<u>2 200 396</u>

Included in the operating lease revenue are the following significant contracts:

1. Pole Add SA – rental of street poles for the purpose of displaying of advertisements.
The contract expires on 30 September 2016.
Actual income levied 2007/2008 R75 297
Expected levy income 2008/2009 R79 062
Annual straight lining R91 106
2. Department of Public Works – rental of building to be used as a Police Station.
The contract expires on 30 November 2009.
Actual income levied 2007/2008 R86 670
Expected levy income 2008/2009 R95 336
Annual straight lining R90 105
3. Optimum Collieries – rental of land for parking purposes.
The contract expires on 30 April 2010.
Actual income levied 2007/2008 R61 561
Expected levy income 2008/2009 R70 796
Annual straight lining R45 833

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
16. INVENTORY		
Consumable stock	8 814 501	5 509 481
Unsold properties	25 987 471	28 893 521
Water at cost	64 993	62 304
Total	34 866 965	34 465 306
Stock shortages written off during the year	450 698	320 166
Stock surpluses for the year	(100 480)	(127 691)
Net stock result	350 218	192 475

17. CONSUMER DEBTORS

	Gross Balance	Provision for Bad Debt	Net Balance
	R	R	R
30 June 2008			
Service debtors:	36 036 081	12 195 267	23 840 814
Property rates	17 087 115	8 516 219	8 570 897
Electricity	9 582 947	705 187	8 877 760
Water	4 465 330	1 604 494	2 860 836
Sewerage	2 862 262	924 689	1 937 572
Refuse	2 038 427	444 678	1 593 749
Estates	450 275	-	450 275
Other	6 718 000	4 230 110	2 487 890
Total	43 204 356	16 425 377	26 778 979
Contribution to bad debt provision			2 904 330
Debt written off for the year			699 069
Property rates			258 903
Electricity			20 458
Water			54 286
Sewerage			26 980
Refuse			9 758
Other			328 684

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	Gross Balance	Provision for Bad Debt	Net Balance
	R	R	R
30 June 2007			
Service debtors:	33 573 368	12 246 329	21 327 039
Property rates	14 787 049	7 654 782	7 132 267
Electricity	9 299 497	1 059 183	8 240 314
Water	4 918 845	1 958 384	2 960 461
Sewerage	2 672 733	1 055 442	1 617 291
Refuse	1 895 243	518 537	1 376 706
Estates	769 730	-	769 730
Other	6 299 182	3 804 282	2 494 900
Total	40 642 280	16 050 611	24 591 669

Contribution to bad debt provision

2 833 680

Debt written off for the year

666 746

Property rates	411 833
Electricity	5 123
Water	27 031
Sewerage	31 257
Refuse	4 069
Other	187 433

30 June 2008

30 June 2007

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AGEING OF CONSUMER DEBTORS

Property Rates

Current (0-30 days)	6 807 168	5 673 285
31-60 days	1 128 400	909 488
61-90 days	671 959	527 955
91-120 days	504 781	413 648
121-150 days	382 161	428 572
151+ days	7 592 646	6 834 101
Sub-total	17 087 115	14 787 049

Services

Current (0-30 days)	13 517 158	12 065 039
31-60 days	1 089 411	1 318 083
61-90 days	529 375	568 905
91-120 days	305 927	376 596
121-150 days	227 035	358 416
151+ days	3 280 060	4 099 280
Sub-total	18 948 966	18 786 319

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
<i>Estates</i>		
Current (0-30 days)	-	-
31-60 days	69 906	99 430
61-90 days	17 821	79 343
91-120 days	57 957	60 495
121-150 days	304 590	530 462
151+ days	-	-
Sub-total	450 275	769 730
<i>Other</i>		
Current (0-30 days)	2 004 745	1 996 086
31-60 days	349 604	360 957
61-90 days	230 077	178 098
91-120 days	201 497	140 947
121-150 days	160 717	226 675
151+ days	3 771 360	3 396 419
Sub-total	6 718 000	6 299 182
Total consumer debtors	43 204 356	40 642 280
<i>Made up as follows:</i>		
Current (0-30 days)	22 329 071	19 734 410
31-60 days	2 637 321	2 687 958
61-90 days	1 449 233	1 354 301
91-120 days	1 070 163	991 686
121-150 days	1 074 502	1 544 125
151+ days	14 644 066	14 329 800
Total	43 204 356	40 642 280

	30 June 2008	30 June 2007
	R	R
18. OTHER DEBTORS		
Other debtors	7 835 309	6 936 905
Government capital grants	262 629	-
Sundry debtors	5 274 936	5 576 604
Deposits	221 680	214 839
Other public donations	300 000	-
Insurance	1 877 543	211 521
Provision for other debt	(2 662 699)	(1 125 963)
Health subsidy	4 443 000	-
Total Other Debtors	17 552 398	11 813 906
Debt written off for the year	293 759	735 533

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
19. BANK BALANCES & CASH		
Cash book balance at beginning of year	68 218 457	65 600 900
Increase/(decrease) in cash book balance	(32 877 173)	2 617 557
Cash book balance at end of year	35 341 284	68 218 457
Petty cash		
Balance at beginning of year	32 681	32 056
Increase/(decrease) of petty cash		625
Balance at end of year	32 681	32 681
Total cash resources	35 373 965	68 251 138

20. *PROPERTY RATES*

	Site Valuations	Revenue 2007/2008	Revenue 2006/2007
	R	R	R
<u>Middelburg</u>			
Residential	384 370 651	84 416 654	72 904 310
Pensioners	6 452 785	1 444 044	1 521 591
Commercial	170 373 066	39 396 125	35 994 104
Exempted	61 616 667	13 752 840	6 175 935
Total	622 813 169	139 009 664	116 595 940
<u>Government</u>			
Middelburg	26 901 095	6 004 326	5 513 647
Hendrina	351 194	146 659	135 259
Pullenshope	18 750	13 140	12 060
Total	27 271 039	6 164 124	5 660 966
<u>Hendrina</u>			
Residential	13 428 922	5 513 881	5 010 441
Pensioners	216 900	95 648	94 384
Commercial	1 958 352	751 896	845 462
Exempted	118 046	49 296	45 213
Total	15 722 220	6 410 721	5 995 500

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

20. *PROPERTY RATES*

	Site Valuations	Revenue 2007/2008	Revenue 2006/2007
	R	R	R
<u>Blinkpan</u>			
Residential	1 526 100	342 028	317 694
Commercial	171 350	36 125	30 225
Total	1 697 450	378 153	347 919
<u>Komati</u>			
Residential	659 329	778 257	719 037
Pensioners	33 350	39 506	42 367
Commercial	162 066	191 367	172 331
Exempted	8 520	10 060	
Total	854 745	1 019 191	933 735
<u>Rietkuil</u>			
Residential	1 690 266	846 058	776 944
Pensioners	12 950	6 195	5 032
Commercial	551 786	276 776	254 263
Total	2 255 002	1 129 028	1 036 239
<u>Pullenshope</u>			
Residential	1 609 129	1 128 134	1 034 612
Pensioners	50 667	34 276	30 174
Commercial	470 372	329 637	302 543
Total	2 130 168	1 492 046	1 367 329
<u>Presidentsrus</u>			
Residential	2 066 580	43 903	39 936
Commercial	324 250	6 887	6 264
Total	2 390 830	50 790	46 200
<u>Kranspoort</u>			
Residential	11 279 215	135 354	98 939
Commercial	27 346	328	9 956
Total	11 306 561	135 682	108 895
Rural Areas			
	<i>Site Valuations</i>		
Commercial	13 977 055	1 080 811	903 331
	<i>Improvements</i>		
	141 840 820		
Total	155 817 875	1 080 811	903 331
Sub-Total		156 870 210	132 996 052

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Less:

Income Forgone (45 975 395) (35 517 273)

Middelburg	Residential	(44 338 948)	(34 007 612)
	Government	(1 388 913)	(1 281 022)
Hendrina	Residential	(68 261)	(64 147)
	Government	(27 365)	(25 478)
Blinkpan	Residential	(123 209)	(113 681)
Komati	Residential	(17 970)	(15 859)
Pullenshope	Residential	(6 867)	(6 035)
	Government	(2 633)	(2 412)
Rietkuil	Residential	(1 230)	(1 028)

Less: **Indigent Support**

MP313 area (11 750 816) (9 799 259)

Final Total

99 143 999 87 679 521

VALUATIONS

		2007/2008	2006/2007
Residential	Site valuation	423 396 844	400 334 442
Government	Site valuation	27 271 039	27 271 039
Commercial	Site valuation	188 015 643	196 522 884
Rural Commercial	Improvement valuation	141 840 820	141 840 820
Exempted		61 734 713	30 250 133
		842 259 059	796 219 318

30 June 2008

30 June 2007

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21. SERVICE CHARGES

Sale of electricity	(131 875 561)	(121 399 833)
Sale of water	(29 988 487)	(34 646 560)
Refuse removal	(18 283 405)	(16 789 529)
Sewerage and sanitation charges	(19 243 332)	(17 606 858)
Total service charges	(199 390 785)	(190 442 779)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
22. INTEREST EARNED		
EXTERNAL INVESTMENTS	46 261 299	26 960 138
Current account	11 560 716	7 391 414
External investments	34 700 583	19 568 724
OUTSTANDING DEBTORS	2 112 732	1 703 384
Sundry loans	6 976	55 966
Sundry debtors	285 905	242 038
Sale of erven	30 136	97 104
Services:	667 035	546 870
Electricity	196 250	188 264
Sewerage	154 692	112 322
Refuse Removal	77 595	57 572
Water	238 498	188 712
Property rates	1 122 680	761 406
Total interest earned	48 374 031	28 663 522

In terms of Council's accounting policy interest earned on external investments are allocated to the Capital Replacement Reserve.

	30 June 2008	30 June 2007
	R	R
23. GOVERNMENT GRANTS & SUBSIDIES		
<i>Operating Grants</i>	41 893 680	36 998 627
Equitable share	36 445 367	30 611 474
Provincial health subsidies	4 443 000	4 593 000
Finance management grant (FMG)	403 600	650 961
Local government transition grant (LGTF)	288 252	-
Local government capacity building grant	-	51 159
Municipal systems improvement grant (MSIG)	3 084	1 092 033
Municipal infrastructural grant (MIG)	310 377	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
23. GOVERNMENT GRANTS & SUBSIDIES		
Capital Grants	24 126 548	12 455 942
Municipal systems improvement grant (MSIG)	725 286	-
Municipal infrastructural grant (MIG)	12 717 500	10 712 630
Integrated national electrification grant (INEP)	10 439 450	993 312
Vuna awards	244 312	750 000
Total Government Grants & Subsidies	66 020 227	49 454 569

Equitable Share

This grant is an unconditionally grant and is partially utilised for the provision of indigent support through free basic services. Registered indigents receive a rebate of 100% on discounted assessment rates and a monthly subsidy of R124 (2007: R115) on the cost of other services which are funded from this grant.

Provincial Health Subsidy

Current year receipts	4 443 000	4 593 000
Conditions met – transferred to revenue	(4 443 000)	(4 593 000)
Unspent amount transferred to liabilities	-	-
(see note 10)		

The municipality renders health services on behalf of the provincial government and is refunded approximately 41,65% of total expenditure incurred. This grant has been used exclusively to fund clinical services. The conditions of this grant have been met and there was no delay or withholding of the subsidy.

Finance Management Grant

Balance unspent at beginning of year	2 643 571	2 794 532
Current year receipts	500 000	500 000
Conditions met – transferred to revenue	(403 600)	(650 961)
Unspent amount transferred to liabilities	2 739 971	2 643 571
(see note 10)		

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
23. GOVERNMENT GRANTS & SUBSIDIES		
<i>Local Government Transition Grant (LGTF)</i>		
Balance unspent at beginning of year	632 641	632 641
Conditions met – transferred to revenue	(288 252)	-
Unspent amount transferred to liabilities	344 389	632 641
(see note 10)		

This grant was used to implement new systems as provided in the Municipal Systems Act, 2000. Other than the unspent amount, the conditions of the grant were met.

<i>Local Government Capacity Building Grant</i>		
Balance unspent at beginning of year	11 653	62 812
Conditions met – transferred to revenue		(51 159)
Unspent amount transferred to liabilities	11 653	11 653
(see note 10)		

This grant was used to build in-house capacity to perform their functions and improve governance systems. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

<i>Municipal Systems Improvement Grant (MSIG)</i>		
Balance unspent at beginning of year	485 146	843 180
Current year receipts	734 000	734 000
Conditions met – transferred to revenue	(728 370)	(1 092 034)
Unspent amount transferred to liabilities	490 776	485 146
(see note 10)		

This grant was used to build in-house capacity to perform their functions and stabilise institutional and governance systems. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
23. GOVERNMENT GRANTS & SUBSIDIES		
<i>Municipal Infrastructure Grant (MIG)</i>		
Balance unspent at beginning of year	9 818	269 271
Current year receipts	18 546 481	10 474 175
Conditions met – transferred to revenue	(13 027 876)	(10 712 630)
Unspent amount transferred to liabilities	5 528 423	30 816
(see note 10)		

This grant was used to construct basic municipal infrastructure to provide basic services for the benefit of poor households. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

Integrated National Electrification Grant (INEP)

Balance unspent at beginning of year	631 765	-
Current year receipts	10 905 247	1 625 077
Conditions met – transferred to revenue	(10 439 455)	(993 312)
Unspent amount transferred to liabilities	1 097 557	631 765
(see note 10)		

This grant was used to address the electrification backlog of permanently occupied residential dwellings. The conditions of the grant were met and no funds have been withheld.

Vuna Awards

Balance unspent at beginning of year	-	750 000
Current year receipts	244 312	-
Conditions met – transferred to revenue	244 312	(750 000)
Unspent amount transferred to liabilities	-	-
(see note 10)		

This grant is observed as a contribution to the construction of a Multi-Purpose Community Centre.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
24. PUBLIC CONTRIBUTIONS, DONATED & CONTRIBUTED PROPERTY, PLANT & EQUIPMENT		
Nkangala District Municipality	8 951 086	3 388 628
National Lottery Distribution Fund	-	420 000
Other grants	198 298	213 893
Total donated property, plant & equipment	9 149 384	4 022 521

	30 June 2008	30 June 2007
	R	R
25. OTHER REVENUE		
Building plan fees	1 330 162	1 066 540
Connection fees	5 784 140	5 025 715
Entrance fees	12 793	40 059
Internal fees	-	-
Insurance claims	3 641 810	1 496 899
Community service fees	982 826	517 708
Sale of coal (coal rights)	22 967 214	23 453 246
Refund skills development (SETA)	490 106	589 226
Festival fees	-	51 356
Sundry income	1 738 548	1 463 778
Dumping site fees	651 543	638 006
Admin fees	1 611 497	1 744 889
Sale of erven	31 851 016	93 189 929
Main services contributions	7 543 404	2 975 110
Total	78 605 059	132 252 460

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
26. EMPLOYEE RELATED COSTS		
Salaries and wages	110 920 638	97 974 323
Social contributions:	28 219 676	25 676 386
Pension deductions	17 581 613	16 249 489
Medical aid funds	5 883 273	5 020 011
Group insurance	787 808	768 906
Housing subsidy	1 681 331	1 550 214
Unemployment Insurance Fund	979 909	875 560
Workmen's compensation	1 305 742	1 212 206
Less: employee cost capitalised	(1 025 505)	(965 967)
Less: employee cost to operating	(728 100)	(719 100)
Total employee related cost	137 386 709	121 965 642

	30 June 2008	30 June 2007
	R	R
27. REMUNERATION OF COUNCILLORS		
Councillor's remuneration	5 595 209	5 469 809
Pension fund	806 564	879 259
Medical aid	230 986	169 721
Housing subsidy	-	-
Travelling allowance	2 238 603	2 399 833
Cellphone allowance	482 635	475 689
UIF	61 659	58 110
Total councillor's remuneration	9 415 656	9 452 422

	30 June 2008	30 June 2007
	R	R
28. INTEREST PAID ON EXTERNAL BORROWINGS		
Annuity loan	17 023 610	15 236 357
Lease liability	136 643	-
Total	17 160 253	15 236 357

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
29. BULK PURCHASES		
Electricity	77 601 486	69 800 821
Water	<u>2 271 056</u>	<u>2 245 373</u>
Total	<u>79 872 542</u>	<u>72 046 194</u>
Electricity losses	10,46%	8,84%
Water losses	19,95%	15,76%

	30 June 2008	30 June 2007
	R	R
30. GRANTS & SUBSIDIES PAID		
Middelburg Tourist Information	95 000	90 000
Middelburg Country Club	-	24 307
Assessment rates: Various organisations	316 000	462 359
Municipal Sports Games	106 204	108 300
Animal care : SPCA	138 000	132 000
Columbus Marathon	15 000	16 000
Welfare organisation	11 652	11 224
Arts & culture organisation	3 000	-
Local Economic Development	105 000	12 000
Sport and recreation	-	7 760
Education	16 950	-
Tourism	800 000	807 314
Total	<u>1 606 806</u>	<u>1 671 264</u>

Disclosure in terms of MFMA, 2003 Section 123(b)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
31. GENERAL EXPENSES		
Advertising	1 825 057	1 628 600
Audit fees	1 443 377	1 250 581
Bank charges	611 187	417 065
Communications	2 458 257	2 243 158
Insurance	6 823 863	4 722 623
Legal fees	800 957	455 426
Travel & accommodation	7 561 969	6 800 218
Materials & supplies	13 703 661	11 159 949
Skills development & training	2 393 174	1 902 293
Transportation	1 967 100	1 490 360
Licensing	717 962	954 445
Rental fees	315 657	747 189
Consulting fees	3 418 358	3 228 551
Postage	868 456	762 778
Other	6 317 857	4 991 944
Inventory	3 038 176	8 589 786
Total	54 265 066	51 344 966

	30 June 2008	30 June 2007
	R	R
32. CONTRIBUTIONS TO/(FROM) PROVISIONS		
Employee stated benefit	6 074 000	-
Long service awards	615 905	-
Staff leave	2 841 427	3 662 416
Housing development fund	16 799	17 309
Total contributions to provisions	9 548 131	3 679 725

Staff leave is an accrual and the full staff leave obligation at year end has been raised as a current liability regardless how the obligation will be settled at a future date.

See note 9.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
33. CAPITAL REPLACEMENT RESERVE	311 934 535	290 250 176
Capital Replacement Reserve	125 166 100	99 843 249
Balance at beginning of the year	99 843 249	73 346 797
Contributions	76 719 300	64 400 905
Transfer between reserves	-	1 304 962
Expenditure	(493 670)	-
Property, plant & equipment	(50 902 779)	(39 209 415)
CRR: Land Trust Fund	65 865 398	65 859 994
Balance at beginning of the year	65 859 994	76 784 997
Contributions	2 972 754	1 011 808
Transfer between reserves	-	(10 767 190)
Expenditure	(17 000)	(284 868)
Revenue	41 538	-
Property, plant & equipment	(2 991 888)	(884 752)
CRR: Property Development	120 903 037	124 546 933
Balance at beginning of the year	124 546 933	59 919 614
Contributions	20 214 568	70 600 674
Transfer between reserves	-	9 462 228
Expenditure	(10 128 272)	(1 499 460)
Revenue	478	-
Property, plant & equipment	(13 730 670)	(13 986 123)

	30 June 2008	30 June 2007
	R	R
34. CAPITALISATION RESERVE	86 541 195	99 897 900
Balance at beginning of the year	99 897 900	115 673 628
PPE purchased	-	-
Offsetting of depreciation	(13 202 229)	(14 801 079)
Disposal	(154 476)	(974 649)
Correction of error	-	-

	30 June 2008	30 June 2007
	R	R
35. GOVERNMENT GRANT RESERVE	77 195 706	57 367 266
Balance at beginning of the year	57 367 266	48 455 702
PPE purchased	24 135 409	12 655 945
Offsetting of depreciation	(4 306 934)	(3 744 381)
Disposal	(35)	-
Correction of error	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
36. DONATIONS & PUBLIC CONTRIBUTION RESERVE	106 266 081	105 700 394
Balance at beginning of the year	105 700 394	106 219 634
Donated/contributed PPE	9 096 514	8 037 182
Offsetting of depreciation	(8 528 512)	(8 420 742)
Disposal	(2 315)	(135 681)
Correction of error	-	-

	30 June 2008	30 June 2007
	R	R
37. SELF-INSURANCE RESERVE	2 873 535	1 936 501
Insurance Reserve Electricity	964 122	894 868
Balance at beginning of the year	894 868	1 005 016
Contributions	180 000	150 000
Other income	-	39 941
Insurance claims processed	(110 746)	(300 089)
Insurance Reserve General	1 909 413	1 041 634
Balance at beginning of the year	1 041 634	626 749
Other income	1 120 362	878 737
Other expenditure	(19 167)	-
Purchase PPE	(233 416)	-
Insurance claims processed	-	(463 852)

	30 June 2008	30 June 2007
	R	R
38. ACCUMULATED SURPLUS/(DEFICIT)		
Accumulated surplus: beginning of the year	239 137 859	179 124 601
Net surplus of the year	114 865 017	147 523 273
Changes in net assets	(39 195 159)	(97 406 774)
Correction of error	-	(1 614 267)
Change in accounting policy	-	98 076
Change in accounting estimates	-	11 412 950
Accumulated surplus: end of year	<u>314 807 717</u>	<u>239 137 859</u>

Refer to note 39 and 41 for more detail.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

39. CORRECTION OF ERROR

1. In the previous set of financial statements for the year ending 30 June 2007 the figures indicated under “*Unspent Conditional Grants and Receipts*”, and “*Other Debtors*” were incorrectly stated. The operating balance for the current financial year has been adjusted as follows:

Statement of Financial Position	2007
Current liabilities	
Unspent conditional grants	
Closing balance	4 435 593
Correction	(20 998)
Restated balance	4 414 595
Refer to note 10	
Current assets	
Other debtors	
Closing balance	11 834 904
Correction	(20 998)
Restated balance	11 813 906
Refer to note 18	

This correction has a net effect of zero on the Statement of Financial Position.

2. Transactions regarding stock on hand were incorrectly stated. The following corrected had to be made:

Statement of Financial Position	2007
Inventory	
Consumable stock	
Closing balance	5 641 468
Correction	(131 986)
Restated balance	5 509 482
Refer to note 16	

3. No provision as made for long service benefits. The following correction was made:

Non-current provisions	2007
Closing balance	-
Correction	(1 482 282)
Restated balance	(1 484 282)
Refer to note 6	
Net effect on Statement of Financial Position	
Consumable stock	(131 986)
Long service provision	(1 482 282)
	(1 614 268)

The above correction of error reduced the closing balance of total net assets in the Statement of Changes in Net Assets

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

39. CORRECTION OF ERROR

4. Assets previously recognised as intangible assets transferred to property, plant and equipment.

	2007
Non-current provisions	
Intangible assets	
Opening balance : historical cost	11 416 018
Less: depreciation	<u>(9 432 106)</u>
Book value	<u>1 983 912</u>
Historical cost transferred	1 242 184
Less: depreciation	<u>(932 726)</u>
Total transferred	<u>309 458</u>
Restated book value : intangible assets	1 674 454
Property, plant and equipment	
Historical cost	918 592 691
Less: depreciation	<u>(369 781 100)</u>
Book value	<u>548 811 591</u>
Transfer from intangible assets	309 458
Finance leased assets	<u>536 731</u>
Restated book value : property, plant and equipment	<u>549 657 780</u>

Refer to notes 11 and 40.

This correction has a net effect of zero on the Statement of Financial Position.

40. CHANGES IN ACCOUNTING POLICY

1. Previously operating lease receipts were recognised as rental income on a basis of actual cash inflows in terms of the lease contracts as permitted per Government Gazette 30013 dated 29 June 2007. In Council's implementation plan for accounting standards, it is indicated that the prescriptions of IAS17/AC105 leases will be implemented for 2007/2008 financial year. As a result of the change in accounting policy the following adjustments were made:

	2007
Statement of Financial Position	
Current assets	
Deferred leases	
Opening balance	-
Correction	<u>168 431</u>
Opening balance	<u>168 431</u>
Refer to note 15	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

40. CHANGES IN ACCOUNTING POLICY

2. Previously rental of office equipment was recognised as operating rental expenditure in terms of actual cash outflows as per rental agreements. In Councils implementation plan for accounting standards it is indicated that the prescriptions of IAS17/AC105 leases will be implemented for 2007/2008 financial year. As a result of the change in accounting policy, the following adjustments were made:

Create finance leased assets and finance leased obligations	2007
Non-current assets	
Finance leased assets	1 159 603
Accumulated depreciation	(622 872)
Opening balance	536 731
Non-current liabilities	
Finance leased obligations	1 159 603
Redemption	(522 517)
Less: current portion of finance leased obligation	(265 434)
New opening balance	341 652
Net effect on Statement of Changes in Net Assets	
Deferred leases	168 431
Accumulated depreciation	(622 872)
Redemption	552 517
	98 076
Refer note 11.	

41. CHANGES IN ACCOUNTING ESTIMATES

1. In the previous set of financial statements for the year ending 30 June 2007 the figures indicated under post-employment benefits" had been overstated. The following adjustments had been made:

Statement of Financial Position	2007
Non-current liabilities	
Post-employment benefits	
Closing balance	52 515 950
Correction	(11 412 950)
Restated balance	41 103 000
Refer note 5.	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
42. CASH GENERATED FROM/(UTILISED IN) OPERATIONS		
Net surplus for the year	114 865 017	147 523 273
Adjustment for:		
Depreciation	52 260 375	49 305 046
Gain on disposal of property, plant and equipment	(393 132)	(1 499)
Contributions to bad debt	1 911 502	(2 833 680)
Interest received	(48 374 031)	(28 663 522)
Interest paid	17 160 253	15 236 357
Non-operating income	6 841 583	6 331 091
Non-operating expenditure	(8 956 383)	(650 798)
Operating surplus before working capital changes	135 315 184	186 246 268
(Increase)/decrease in inventories	(401 659)	5 567 780
(Increase)/decrease in debtors	(2 562 076)	(3 099 900)
(Increase)/decrease in other debtors	(7 275 227)	(4 384 271)
Increase/(decrease) in creditors	3 967 655	(5 402 959)
Cash generated by operations	129 043 877	178 926 918

	30 June 2008	30 June 2007
	R	R
43. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
Balance at the end of the year	68 251 138	65 632 955
Balance at the beginning of the year	35 373 965	68 251 138
Net increase/(decrease) in cash and cash equivalents	(32 877 173)	2 618 182

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
44. UTILISATION OF LONG TERM LIABILITIES RECONCILIATION		
Long term liabilities (see note 4)	(134 428 941)	(113 446 724)
Used to finance property, plant and equipment at cost	133 586 457	110 103 952
Sub-Total	(842 484)	(3 342 772)
Cash set aside for the repayment of long term liabilities (see note 11)	12 741 654	11 612 479
Cash set aside for the acquiring of property, plant & equipment	842 484	3 342 772
Cash invested for the repayment of long term liabilities	12 741 654	11 612 479

	30 June 2008	30 June 2007
	R	R
45. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
Approved and contracted for	32 069 575	21 383 600
Infrastructure	24 136 270	10 822 600
Community assets	1 630 400	9 648 000
Other assets	3 502 905	913 000
Specialised vehicles	2 800 000	-
Approved but not yet contracted for	28 068 000	29 076 413
Land and buildings	-	700 000
Infrastructure	23 195 000	11 221 013
Community assets	728 000	14 565 400
Other assets	4 145 000	890 000
Specialised vehicles	-	1 700 000
Total	60 137 575	50 460 013
This expenditure will be financed from		
External loans	18 894 400	-
Capital replacement reserve	39 721 405	48 073 090
Government grants	1 521 770	2 386 923
Total	60 137 575	50 460 013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
46. CONTINGENT ASSETS		
Nkangala District Municipality executes capital projects which will be donated to Council on completion. At balance sheet date, the following uncompleted capital projects were identified for the following asset classes:		
Water	2 782 134	-
Sewerage	4 036 811	1 270 357
Roads & Stormwater	6 700 110	4 675 847
Electricity	-	1 455 787
Town Planning & Urban Development	1 133 504	739 105
	<u>14 652 559</u>	<u>8 141 096</u>

47. CERTIFICATION BY MUNICIPAL MANAGER ON COUNCILLORS' REMUNERATION

*I, **WILHELM DIEDERICK FOUCHÉ**, municipal manager, certify that the remuneration of councillors are in accordance with the Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination of the upper limits of the salaries, allowances and benefits as promulgated by government notice no. R1227, dated 18 December 2007.*



W.D. FOUCHÉ
MUNICIPAL MANAGER

Disclosure in terms of MFMA, 2003, Section 124(1)(a).

	30 June 2008	30 June 2007
	R	R
48. DISCLOSURE ON COUNCILLORS' REMUNERATION		
Executive Mayor	515 314	499 905
Speaker	412 230	389 850
Chief Whip	380 482	368 213
Mayoral Committee Members	2 326 011	2 225 141
Councillors	5 719 960	5 911 203
UIF	61 659	58 110
Total councillor's remuneration	<u>9 415 656</u>	<u>9 452 422</u>

The Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full time. Each is provided with an office and secretarial support at the cost of Council. The Executive Mayor has use of a Council owned vehicle and driver for official duties. The Executive Mayor has a personal assistant to assist her in her duties.

Disclosure in terms of the MFMA, 2003, Section 124(1)(a).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
49. DISCLOSURE ON ARREARS BY COUNCILLORS'		
The following councillors had arrear accounts outstanding for more than 90 days as at 30 June 2008		
Councillor BB Simelane	4 297	
Account 13-2354-0X	2 519	
Account 15-9960-6X	1 778	
Councillor RM Xaba	2 130	
Account 80-3048-9X	1 129	
Account 80-3053-8X	1 001	
Councillor TM Masango	1 333	
Account 86-0748-0X		
Councillor TG Nkamba		810
Account 86-5739-7X		
Councillor L Zweni		3 869
Account 44-2686-5X		
Total	7 760	4 679

During the year the following councillors had arrear accounts outstanding for more than 90 days

	180 days	150 days
Councillor BB Simelane		
Account 13-2354-0X	2 519	2 504
Account 15-9960-6X	1 778	5 274
	120 days	
Councillor L Mahlangu		
Account 80-3048-9X	169	

Disclosure in terms of the MFMA, 2003, Section 124(1)(b)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
50. REMUNERATION OF MANAGERS		
Municipal Manager	798 556	912 869
Annual remuneration	798 556	749 818
Performance bonus	-	163 051
Executive Manager Finance	691 701	810 585
Annual remuneration	620 000	637 344
Performance bonus	71 701	173 241
Executive Manager Corporate Services	748 839	810 585
Annual remuneration	620 000	637 344
Performance bonus	128 839	83 894
Executive Manager Public Services	748 839	704 459
Annual remuneration	620 000	637 344
Performance bonus	128 839	67 115
Executive Manager Technical & Facilities	677 361	721 238
Annual remuneration	620 000	637 344
Performance bonus	57 361	173 241
Total	<u>3 665 296</u>	<u>3 959 736</u>

During the year performance bonuses were paid out in terms of Section 57 of the Municipal Systems Act.

Disclosure in terms of the MFMA, 2003, Section 124(1)(c).

	30 June 2008	30 June 2007
	R	R
51. ADDITIONAL MFMA DISCLOSURES		
<u>Section 125(1)(b)</u>		
Contribution to SALGA		
Membership fees payable	533 044	458 943
Amount paid current year	(533 044)	(458 943)
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
<u>Section 125(1)(c)</u>		
Audit Fees		
Current year audit fees	764 929	541 216
Amount paid current year	(764 929)	(541 216)
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
51. ADDITIONAL MFMA DISCLOSURES		
<u>Section 125(1)(c)</u>		
VAT		
Output Tax		
Opening balance	(2 966 381)	(2 397 347)
Closing balance	(2 811 515)	(2 966 381)
Input Tax		
Amount claimed from SARS	1 069 395	-
Amount received from SARS	(1 069 395)	-
Amount payable to SARS	7 044 378	21 061 513
Amount paid current year	<u>(7 044 378)</u>	<u>(21 061 513)</u>
Balance outstanding (to)/from SARS	<u>-</u>	<u>-</u>
Pay As You Earn (PAYE)		
Current year payroll deductions	14 831 695	13 527 467
Amount paid current year	<u>(14 831 695)</u>	<u>(13 527 467)</u>
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
Unemployment Insurance Fund (UIF)		
Current year payroll deductions	1 959 819	1 883 665
Amount paid current year	<u>(1 959 819)</u>	<u>(1 883 665)</u>
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
Medical Aid		
Current year payroll deductions	10 303 441	8 749 284
Amount paid current year	<u>(10 303 441)</u>	<u>(8 749 284)</u>
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
Pension Fund		
Current year payroll deductions	25 655 134	23 581 690
Amount paid current year	<u>(25 655 134)</u>	<u>(23 581 690)</u>
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
52. BANKING DETAILS		
The municipality has the following bank accounts:		
Current account (primary bank account)		
<i>Absa Bank : Nelspruit</i>		
Account number : 1040 000 077		
Type : cheque account		
Bank statement balance at beginning of year	82 564 423	75 372 450
Bank statement balance at end of year	<u>47 578 278</u>	<u>82 564 423</u>
Other accounts		
<i>Absa Bank : Nelspruit</i>		
Account number : 4053570755		
Type : cheque account		
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	<u>-</u>	<u>-</u>

Disclosure in terms of the MFMA, 2003, Section 125(2)(a).

	30 June 2008	30 June 2007
	R	R
53. SUMMARY OF INVESTMENTS		
The municipality has the following investments:		
<u>Short term fixed deposits</u>		
Absa Bank		
Balance at beginning of the year	63 000 000	36 000 000
Investments made	198 000 000	117 000 000
Investments matured	<u>(171 000 000)</u>	<u>(90 000 000)</u>
Balance at end of the year	<u><u>90 000 000</u></u>	<u><u>63 000 000</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	R	R
53. SUMMARY OF INVESTMENTS		
First National Bank		
Balance at beginning of the year	45 000 000	18 000 000
Investments made	189 000 000	126 000 000
Investments matured	(180 000 000)	(99 000 000)
Balance at end of the year	54 000 000	45 000 000
Investec		
Balance at beginning of the year	60 000 000	42 000 000
Investments made	152 000 000	204 000 000
Investments matured	(140 000 000)	(186 000 000)
Balance at end of the year	72 000 000	60 000 000
Nedbank		
Balance at beginning of the year	63 000 000	51 000 000
Investments made	189 000 000	126 000 000
Investments matured	(162 000 000)	(114 000 000)
Balance at end of the year	90 000 000	63 000 000
Standard Bank		
Balance at beginning of the year	63 000 000	45 000 000
Investments made	189 000 000	99 000 000
Investments matured	(162 000 000)	(81 000 000)
Balance at end of the year	90 000 000	63 000 000
<u>Long term fixed deposits</u>		
Absa Bank		
Balance at beginning of the year	11 612 479	10 483 305
Interest made	1 129 174	1 129 174
Balance at end of the year	12 741 653	11 612 479
Sub-Total	12 741 653	11 612 479
Total	408 741 653	305 612 479

Disclosure in terms of the MFMA, 2003, Section 125(2)(a).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

54. CONTINGENT LIABILITIES

The Council may still have a contractual obligation to repay 25% of the purchase prices of church erven, to an amount of R24 233, on completion of church buildings to the purchasers.

Forthwith is a list of possible liability claims where the outcome was unknown at year end:

1. **M M Selala** on behalf of Phillip Selala – this is a claim for damages in the amount of **R175 000,00** against the municipality for the loose pavement which injured the child resulting in the amputation of his three foot toes.
2. **N J & R D Mahlaba** – this is a claim for damages in the amount of **R100 000,00** whereby a nurse in the employment of the municipality incorrectly diagnosed a patient as being HIV positive.
3. **T A C Wesson** – this is a claim for the amount of **R100 000,00** for unlawful arrest in a traffic related incident.
4. **ABSA Technology Finance Solutions (Pty) Ltd** - this is a claim of **R22 000,00** as the sum owing at the date of termination of the Master Rental Agreement.
5. **Steven Mahlangu** – this is a claim for the amount of **R100 000,00** for unlawful arrest in a traffic related incident.
6. **H E Scheepers** – this is a claim for the amount of **R300 000,00** for unlawful arrest in a traffic related incident. Mr. Scheeper's attorney is awaiting outcome of criminal appeal before deciding whether to pursue with the civil claim against the municipality or not
7. **J B Mahlangu** – this is a claim for the amount of **R50 000,00** wherein the fire department vehicle negligently collided with a minibus taxi
8. **Apostolic Church in South Africa** – in this matter the church has obtained a High Court Order with costs against the municipality regarding the removal of a condition in the title deed. The municipality was served with a writ of execution and bill of costs to the amount of approximately **R10 000,00** to be paid during the next financial year
9. **Medina Meats** – in this matter the High Court has dismissed the municipality's application to evict the illegal butchery and granted costs against the Council. The bill of costs exceeds **R24 000,00** and will be taxed by the Taxing Master during August 2008
10. **MIDMALANGA** – this is a civil claim in the High Court for an approximate amount of **R1-million** or retransfer of property to the municipality. The condition of contract of sale was breached as the municipality's permission was not obtained prior to selling the property.
11. **D F Dibiloane** – a court order was obtained against the municipality for infringing the right of privacy. An unknown amount of costs is outstanding and will only be known once the bill of costs has been taxed by the court
12. **Midway Mall (Pty) Ltd** – this is a High Court case for the claim of **R5-million** for the cancellation of a deed of sale. Property was subsequently alienated to La Roca (Pty) Ltd.
13. **Lurco Investment (Pty) Ltd** – an appeal hearing against the municipality's decision not to approve the rezoning application. Mpumalanga Township Board made recommendation to uphold the appeal and to grant a High Court Costs Order against the municipality. Should the MEC for Mpumalanga Provincial Government Department of Agriculture and Land Administration agree with the recommendation, costs to the amount of **±R500 000** will be payable

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

54. CONTINGENT LIABILITIES

14. **Weaving Combined** – this is a High Court application for a Declaratory Order declaring the entire legal process followed by the municipality against the company to attach and sell Erf 2, Nasaret to be null and void. The municipality is defending the matter. Should the High Court grant the Declaratory Order, the municipality will have to pay the costs of ±R50 000,00.

	30 June 2008	30 June 2007
	R	R
55. DISCLOSURE ON ARREARS BY GOVERNMENT		
Department of Education	706 652	1 063 591
Current	169 825	106 096
Arrear	536 827	957 495
Department of Public Works (Roads)	221 369	54 062
Current	71 289	29 512
Arrear	150 080	24 550
Department of Public Works (Other)	101 912	263 659
Current	86 994	111 201
Arrear	14 918	152 458
Other government institutions	284 369	353 572
Current	194 899	143 992
Arrear	89 470	209 580
Total	1 314 302	1 734 884
Current	523 007	390 801
Arrear	791 295	1 344 083

APPENDIX A
SCHEDULE OF EXTERNAL LOANS
as at 30 June 2008

External Loans	Loan No.	Redeemable	Balance at 30 June 2007	Interest paid during the period	Received during the period	Redeemed or written off during the period	Balance at 30 June 2008	Carrying value of Property, Plant & Equipment	Other costs in accordance with the MFMA	
			R	R	R	R	R	R	R	
ANNUITY LOANS										
DBSA	@ 13,41%	LALF 15309	31-12-2009	1 937 827	238 326	700 153	1 237 674	417 347	-	
DBSA	@ 11,25%	LALF 11902	30-06-2009	63 708	6 378	30 100	33 608	238 286	-	
INCA	@ 12,80%	MIDD-00-0003	31-12-2012	21 133 353	2 624 872	2 847 727	18 285 626	15 372 660	-	
ABSA	@ 14,40%	40-5934-1607	24-11-2011	34 098 285	4 690 825	5 940 330	28 157 955	32 399 012	-	
INCA	@ 12,50%	MIDD-00-0004	30-06-2019	27 334 840	3 394 567	1 065 915	26 268 925	24 460 396	-	
SCMB	@ 9,62%	87016-348242	01-09-2015	28 878 711	2 747 657	2 306 446	26 572 265	38 191 588	-	
INCA	@ 9,59%	MIDD-00-0005	30-06-2022	-	3 320 985	35 000 000	1 127 112	33 872 888	-	
<i>Total Annuity Loans</i>				113 446 724	17 023 610	35 000 000	14 017 783	134 428 941	125 262 913	-
<i>Total External Loans</i>				113 446 724	17 023 610	35 000 000	14 017 783	134 428 941	125 262 913	-

APPENDIX B
ANALYSIS OF PROPERTY, PLANT & EQUIPMENT
as at 30 June 2008

	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value	Budget Additions 2008
	Opening Balance	Additions/Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Additions/Transfers	Disposals	Closing Balance		
	R	R	R	R	R	R	R	R	R		
INFRASTRUCTURE	664 975 398	74 579 034	17 448 863	-	757 003 295	279 194 309	36 669 049	-	315 863 358	441 139 937	186 293 754
Roads, pavements, bridges & stormwater	259 805 915	42 410 867	4 780 365	-	306 997 147	126 219 550	16 848 381	-	143 067 931	163 929 216	61 113 696
Water reservoirs & reticulation	123 974 867	4 813 631	249 696	-	129 038 194	62 152 472	6 180 148	-	68 332 620	60 705 574	22 507 654
Car parks, bus terminals & taxi ranks	4 107 245	-	-	-	4 107 245	1 722 465	195 067	-	1 917 532	2 189 713	-
Electricity reticulation	160 020 906	21 978 299	11 022 765	-	193 021 970	50 613 339	7 712 034	-	58 325 373	134 696 597	74 177 423
Sewerage purification & reticulation	75 532 371	2 267 128	1 042 179	-	78 841 678	26 200 033	3 338 352	-	29 538 385	49 303 293	19 971 326
Housing	6 234 847	-	-	-	6 234 847	2 645 629	183 541	-	2 829 170	3 405 677	-
Street lighting	21 332 302	1 264 360	183 844	-	22 780 506	3 622 653	856 301	-	4 478 954	18 301 552	3 694 055
Refuse sites	4 434 876	100 250	170 014	-	4 705 140	441 796	148 245	-	590 041	4 115 099	470 250
Other (town planning & development)	9 532 069	1 744 499	-	-	11 276 568	5 576 372	1 206 980	-	6 783 352	4 493 216	4 359 350
COMMUNITY ASSETS	36 755 652	1 266 787	4 193 358	-	42 215 797	9 670 299	1 157 002	-	10 827 301	31 388 496	39 248 708
Establishment of parks & gardens	6 942 288	161 574	170 000	-	7 273 862	2 131 310	262 975	-	2 394 285	4 879 577	1 195 400
Sports fields	7 731 701	416 624	193 845	-	8 342 170	2 938 126	330 148	-	3 268 274	5 073 896	1 119 596
Community halls	8 530 888	688 589	1 838 304	-	11 057 781	765 347	116 513	-	881 860	10 175 921	32 820 015
Libraries	3 888 841	-	-	-	3 888 841	1 820 952	129 983	-	1 950 935	1 937 906	280 000
Recreational facilities	175 106	-	-	-	175 106	57 000	6 765	-	63 765	111 341	217 450
Clinics	3 739 729	-	1 991 209	-	5 730 938	647 267	118 581	-	765 848	4 965 090	3 188 247
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-
Other (fire services & cemeteries)	5 747 099	-	-	-	5 747 099	1 310 297	192 037	-	1 502 334	4 244 765	428 000
OTHER ASSETS	201 858 723	16 229 280	580 622	2 260 251	216 408 374	77 109 354	12 022 236	2 021 203	87 110 387	129 297 987	24 347 804
Other motor vehicles	25 130 692	4 112 121	-	888 793	28 354 020	12 535 549	2 530 638	734 278	14 331 909	14 022 111	5 468 935
Plant & equipment	43 365 669	3 159 314	488 965	322 018	46 691 930	27 447 057	4 494 331	248 990	31 692 398	14 999 532	6 486 956
Plant & equipment – finance lease	100 554	-	-	-	100 554	48 601	20 111	-	68 712	31 842	-
Office equipment	6 189 639	762 564	-	118 741	6 833 462	4 674 910	446 219	118 231	5 002 898	1 830 564	1 269 262
Office equipment – finance lease	1 059 049	393 064	-	-	1 452 113	574 271	274 443	-	848 714	603 399	-
Abattoirs	72 233	-	-	-	72 233	56 562	2 245	-	58 807	13 426	-
Security measures (including fencing)	7 567 121	1 643 299	-	435	9 209 985	4 926 910	759 239	435	5 685 714	3 524 271	1 475 857
Civic land & buildings	39 210 526	639 452	7 032	-	39 857 010	11 622 539	1 302 407	-	12 924 946	26 932 064	2 196 100
Other land & buildings	66 484 675	1 745 916	74 665	-	68 305 256	6 707 455	624 153	-	7 331 608	60 973 648	4 244 244
Other (including IT)	12 678 565	3 773 550	9 960	930 264	15 531 811	8 515 500	1 568 450	919 269	9 164 681	6 367 130	3 206 450
SPECIALISED VEHICLES	17 404 706	2 748 053	1 210 000	-	21 362 759	5 362 737	1 084 230	-	6 446 967	14 915 792	6 284 788
Refuse	10 421 658	1 128 240	-	-	11 549 898	3 702 697	680 678	-	4 383 375	7 166 523	1 840 000
Fire	6 983 048	1 619 813	1 210 000	-	9 812 861	1 660 040	403 552	-	2 063 592	7 749 269	4 444 788
TOTAL	920 994 479	94 823 154	23 432 843	2 260 251	1 036 990 225	371 336 699	50 932 517	2 021 203	420 248 013	616 742 212	256 175 054

APPENDIX C

SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT

as at 30 June 2008

	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value	Budget Additions 2007
	Opening Balance	Additions/Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Additions/Transfers	Disposals	Closing Balance		
EXECUTIVE COUNCIL	R	R	R	R	R	R	R	R	R	R	R
Executive Council	4 676 757	484 404	-	122 305	5 038 856	3 093 591	510 314	102 845	3 501 060	1 537 796	846 200
FINANCE & ADMINISTRATION	116 716 838	6 588 330	74 665	848 323	122 531 510	31 783 440	4 706 853	766 513	35 723 780	86 807 730	10 350 667
Finance	5 771 176	1 373 499	20 015	195 816	6 968 874	4 210 111	598 543	187 983	4 620 671	2 348 203	982 000
Information technology	2 541 439	2 400 251	-	450 770	4 490 920	1 166 920	518 487	450 250	1 235 157	3 255 763	3 629 556
Human resources	283 661	156 156	-	3 164	436 653	179 876	29 790	3 162	206 504	230 149	164 520
Property services	98 081 499	1 662 362	54 650	138 375	99 660 136	19 730 354	2 733 243	67 880	22 395 717	77 264 419	3 782 240
Other & admin	10 039 063	996 062	-	60 198	10 974 927	6 496 179	826 790	57 238	7 265 731	3 709 196	1 792 351
PLANNING & DEVELOPMENT	6 772 127	2 336 983	-	34 390	9 074 720	3 392 536	979 230	34 371	4 337 395	4 737 325	5 909 744
Integrated Development Plan	12 316	-	-	-	12 316	4 095	2 316	-	6 411	5 905	-
Local Economic Development	126 957	1 204 881	-	4 031	1 327 807	90 185	8 919	4 030	95 074	1 232 733	1 148 804
Planning & development	6 632 854	1 132 102	-	30 359	7 734 597	3 298 256	967 995	30 341	4 235 910	3 498 687	4 760 940
ROAD TRANSPORT	259 217 055	40 997 827	3 672 437	76 086	303 811 233	128 445 134	16 652 716	71 968	145 025 882	158 785 351	59 268 263
Vehicle licensing & testing	2 754 903	820 865	-	71 587	3 504 181	1 176 332	231 306	67 470	1 340 168	2 164 013	1 245 200
Roads & stormwater	254 548 563	40 176 962	3 672 437	4 499	298 393 463	126 459 829	16 341 163	4 498	142 796 494	155 596 969	58 023 063
Roads other	1 913 589	-	-	-	1 913 589	808 973	80 247	-	889 220	1 024 369	-
HEALTH	7 430 646	157 442	2 835 435	115 436	10 308 087	3 112 982	422 737	113 603	3 422 116	6 885 971	4 009 991
Clinics	6 304 129	123 939	2 336 510	65 331	8 699 247	2 357 345	250 985	63 560	2 544 770	6 154 477	3 312 860
Health other	1 126 517	33 503	498 925	50 105	1 608 840	755 637	171 752	50 043	877 346	731 494	697 131
COMMUNITY & SOCIAL SERVICES	23 371 266	3 782 509	1 838 304	16 508	28 975 571	5 948 366	1 070 739	16 491	7 002 614	21 972 957	35 048 160
Libraries & archives	5 775 230	958 783	-	7 756	6 726 257	3 219 194	309 320	7 742	3 520 772	3 205 485	1 027 595
Community halls & facilities	9 725 321	2 597 959	1 838 304	8 752	14 152 832	1 059 870	304 270	8 749	1 355 391	12 797 441	33 300 015
Cemeteries & crematoriums	7 870 715	225 767	-	-	8 096 482	1 669 302	457 149	-	2 126 451	5 970 031	720 550
PUBLIC SAFETY	25 825 204	3 375 130	1 972 627	475 143	30 697 818	9 708 755	2 007 292	411 635	11 304 412	19 393 406	8 578 321
Fire	16 380 221	2 404 203	1 210 000	21 394	19 973 030	5 125 901	1 179 646	21 376	6 284 171	13 688 859	5 006 834
Traffic	9 444 983	970 920	762 627	453 749	10 724 788	4 582 854	827 646	390 259	5 020 241	5 704 547	3 571 487
SPORT & RECREATION	41 204 421	2 322 680	363 845	50 502	43 840 444	18 239 758	2 320 808	48 192	20 512 374	23 328 070	3 873 272
Sport & recreation	41 204 421	2 322 680	363 845	50 502	43 840 444	18 239 758	2 320 808	48 192	20 512 374	23 328 070	3 873 272
WASTE WATER MANAGEMENT	81 311 422	2 409 064	1 042 179	13 401	84 749 264	28 425 228	3 863 524	13 395	32 275 357	52 473 907	20 211 889
Sewerage	81 182 773	2 409 064	1 042 179	13 401	84 620 615	28 377 355	3 859 224	13 395	32 223 184	52 397 431	20 211 889
Public toilets	128 649	-	-	-	128 649	47 873	4 300	-	52 173	76 476	-
WASTE MANAGEMENT	20 121 492	2 044 672	170 014	27 464	22 308 714	6 761 644	1 187 122	24 848	7 923 918	14 384 796	2 785 000
Solid waste	20 121 492	2 044 672	170 014	27 464	22 308 714	6 761 644	1 187 122	24 848	7 923 918	14 384 796	2 785 000
HOUSING	9 918 649	834 744	-	73 683	10 679 710	5 526 764	390 125	73 676	5 843 213	4 836 497	867 600
Housing	9 918 649	834 744	-	73 683	10 679 710	5 526 764	390 125	73 676	5 843 213	4 836 497	867 600
WATER	130 737 733	5 320 364	249 696	28 418	136 279 375	65 062 734	6 784 485	28 218	71 819 001	64 460 374	23 840 482
Water distribution	97 717 474	4 587 021	179 697	3 529	102 480 663	43 134 167	5 389 024	3 526	48 519 665	53 960 998	22 531 070
Water storage	33 020 259	733 343	69 999	24 889	33 798 712	21 928 567	1 395 461	24 692	23 299 336	10 499 376	1 309 412
ELECTRICITY	193 690 869	24 169 005	11 213 641	378 592	228 694 923	61 835 767	10 036 572	315 448	71 556 891	157 138 032	80 585 465
Electricity distribution	174 996 865	22 904 645	11 029 797	378 592	208 552 715	59 198 752	9 283 677	315 448	68 166 981	140 385 734	76 891 410
Street lighting	18 694 004	1 264 360	183 844	-	20 142 208	2 637 015	752 895	-	3 389 910	16 752 298	3 694 055
TOTAL	920 994 478	94 823 154	23 432 843	2 260 250	1 036 977 812	371 336 699	50 932 517	2 021 203	420 248 013	616 742 212	256 175 054

APPENDIX D

DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE for the year ended 30 June 2008

2007 Actual Income	2007 Actual Expenditure	2007 Actual Surplus/ (Deficit)		2008 Actual Income	2008 Actual Expenditure	2008 Actual Surplus/ (Deficit)
<i>R</i>	<i>R</i>	<i>R</i>		<i>R</i>	<i>R</i>	<i>R</i>
18 964 624	30 439 139	(11 474 515)		22 321 488	38 408 505	(16 087 017)
18 964 624	30 439 139	(11 474 515)	<i>Executive & Council</i>	22 321 488	38 408 505	(16 087 017)
			Executive & Council			
292 362 492	85 236 535	207 125 957		265 190 327	86 967 409	178 222 918
170 229 477	34 703 920	135 525 557	<i>Finance & Admin</i>	203 708 293	38 943 761	164 764 532
4 190 050	4 154 637	35 413	Finance	4 003 425	3 980 990	22 435
1 960 916	4 172 003	(2 211 087)	Human Resources	2 040 512	4 367 359	(2 326 847)
101 433 178	20 148 580	81 284 598	Information Technology	40 663 860	16 900 059	23 763 801
14 548 871	22 057 395	(7 508 524)	Property Services	14 774 237	22 775 240	(8 001 003)
			Other Admin			
1 058 040	6 069 674	(5 011 634)		2 938 330	6 374 783	(3 436 453)
-	638 043	(638 043)	<i>Planning & Development</i>	-	548 887	(548 887)
-	664 155	(664 155)	Integrated Development Plan	1 197 341	621 223	576 118
1 058 040	4 767 476	(3 709 436)	Local Economic Development	1 740 989	5 204 673	(3 463 684)
			Planning & Development			
4 599 354	12 449 074	(7 849 720)		4 530 876	13 123 302	(8 592 426)
4 593 000	10 212 924	(5 619 924)	<i>Health</i>	4 443 000	10 668 589	(6 225 589)
6 354	2 236 150	(2 229 796)	Clinics	87 876	2 454 713	(2 366 837)
			Health Other			
1 718 643	7 393 113	(5 674 470)		1 010 779	8 486 419	(7 475 640)
93 780	3 699 382	(3 605 602)	<i>Community Services</i>	70 782	4 358 127	(4 287 345)
815 520	1 041 851	(226 331)	Libraries	325 609	1 228 485	(902 876)
809 343	2 651 880	(1 842 537)	Community Halls & Facilities	614 388	2 899 807	(2 285 419)
			Cemeteries			
776 579	4 712 286	(3 935 707)		718 107	5 009 117	(4 291 010)
776 579	4 712 286	(3 935 707)	<i>Housing</i>	718 107	5 009 117	(4 291 010)
			Housing			
3 391 809	23 939 180	(20 547 371)		3 826 879	29 112 597	(25 285 718)
176 685	10 274 680	(10 097 995)	<i>Public Safety</i>	231 849	13 607 276	(13 375 427)
3 215 124	13 664 500	(10 449 376)	Fire Services	3 595 030	15 505 321	(11 910 291)
			Traffic			

APPENDIX D

DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE for the year ended 30 June 2008

2007 Actual Income	2007 Actual Expenditure	2007 Actual Surplus/ (Deficit)		2008 Actual Income	2008 Actual Expenditure	2008 Actual Surplus/ (Deficit)
<i>R</i>	<i>R</i>	<i>R</i>		<i>R</i>	<i>R</i>	<i>R</i>
5 178 053	27 964 443	(22 786 390)		5 439 572	29 839 198	(24 399 626)
5 178 053	27 964 443	(22 786 390)	<i>Parks & Recreation</i>	5 439 572	29 839 198	(24 399 626)
50 792 655	45 231 897	5 560 758		51 715 130	49 620 531	2 094 599
27 050 748	20 304 832	6 745 916	<i>Waste Management</i>	25 373 524	21 821 695	3 551 829
-	821 023	(821 023)	Sewerage	-	930 893	(930 893)
23 741 907	24 106 042	(364 135)	Public Toilets	26 341 606	26 867 943	(526 337)
13 645 613	40 943 100	(27 297 487)		28 440 299	44 586 294	(16 145 995)
5 263 492	33 683 367	(28 419 875)	<i>Roads Transport</i>	18 506 624	35 701 910	(17 195 286)
8 345 515	6 434 086	1 911 429	Roads	9 897 069	7 951 765	1 945 304
36 606	825 647	(789 041)	Vehicle Licenses & Traffic	36 606	932 619	(896 013)
41 140 125	26 937 648	14 202 477		35 042 961	29 161 844	5 881 117
41 134 031	17 170 867	23 963 164	<i>Water</i>	35 040 272	18 640 574	16 399 698
6 094	9 766 781	(9 760 687)	Water Distribution	2 689	10 521 270	(10 518 581)
140 635 613	115 424 238	25 211 375		164 181 889	129 801 621	34 380 268
139 971 640	109 962 150	30 009 490	<i>Electricity</i>	163 500 267	124 361 654	39 138 613
663 973	5 462 088	(4 798 115)	Electricity Distribution	681 622	5 439 967	(4 758 345)
574 263 600	426 740 327	147 523 273		585 356 637	470 491 620	114 865 017
(68 308 392)	(68 308 392)	-	Sub-Total	(69 150 567)	(69 150 567)	
505 955 208	358 431 935	147 523 273	<i>Less: Inter-Departmental Charges</i>	516 206 070	401 341 053	114 865 017
			<i>Total</i>			

APPENDIX E
ACTUAL OPERATING VERSUS BUDGET
for the year ended 30 June 2008

	2008 Actual R	2008 Budget R	2008 Variance R	2008 Variance %	Explanations of significant variances greater than 10% versus budget
REVENUE					
Property rates	99 143 999	98 250 390	893 609	0,91	
Service charges : Electricity	131 875 561	130 903 231	972 330	0,74	
Refuse removal	18 283 405	18 168 511	114 894	0,63	
Sewerage	19 243 332	19 130 743	112 589	0,59	
Water	29 988 487	30 995 739	(1 007 252)	(3,25)	
Rental of facilities and equipment	1 705 266	1 602 617	102 649	6,41	
Interest earned – external investments	46 261 299	29 500 000	16 761 299	56,82	Surplus cash invested at higher interest rates than expected.
Interest earned – outstanding debtors	2 112 732	2 089 399	23 333	1,12	
Fines	3 638 936	2 662 304	976 632	36,68	More summonses issued/effective procedures introduced at court to streamline income.
Licensing & permits	4 240 758	3 559 200	681 558	19,15	Increase in licensing fees resulted in more revenue.
Revenue for agency services	5 544 491	4 400 000	1 144 491	26,01	Increase in licensing fees resulted in more revenue which realised as commission.
Government grants & subsidies – operating	41 893 680	45 775 185	(3 881 505)	(8,48)	
Government grants & subsidies – capital	24 126 548	32 448 454	(8 321 906)	(25,65)	INEP grant not fully utilised due to rolled over projects as well as first quarter MIG expenditure which did not realise as planned.
Public contributions, donated and contributed property, plant and equipment	9 149 384	35 586 978	(26 437 594)	(74,29)	Projects from NDM did not realise as budgeted for.
Other revenue	77 501 416	57 520 663	19 980 753	34,74	Higher revenue realised as a result of sale of erven.
Gains on disposal of property, plant & equipment	393 132	250 000	143 132	57,25	Higher income than expected realised from the two auctions held for the sale of redundant assets.
Total Revenue	515 102 426	512 843 414	2 259 012	0,44	

APPENDIX E
ACTUAL OPERATING VERSUS BUDGET
for the year ended 30 June 2008

	2008 Actual R	2008 Budget R	2008 Variance R	2008 Variance %	Explanations of significant variances greater than 10% versus budget
EXPENDITURE					
Employee related costs	137 386 709	143 698 055	(6 311 346)	(4,39)	
Remuneration of councillors	9 415 656	9 838 320	(422 664)	(4,30)	
Bad debts	2 904 330	2 904 330	-	-	
Collection costs	49 263	130 000	(80 737)	(62,11)	Legal costs are recovered from defaulters handed over for legal action or collection of arrears.
Depreciation	52 021 327	53 259 526	(1 238 199)	(2,32)	
Repairs & maintenance	27 244 763	28 858 353	(1 613 590)	(5,59)	
Interest of external borrowings	17 160 253	16 709 085	451 168	2,70	
Bulk purchases : Electricity	77 601 486	77 906 034	(304 548)	(0,39)	
Water	2 271 056	3 739 720	(1 468 664)	(39,27)	Limited water consumption at Hendrina/Kwaza as a result of water restrictions. Thus saving of expenditure.
Contracted services	9 774 987	11 196 405	(1 421 418)	(12,70)	Savings realised on the costs of security and cleaning services and services : private contracts.
Grants & subsidies paid	1 606 806	1 787 000	(180 194)	(10,08)	In terms of Councils policy, grants can only be paid to registered umbrella organisations. Not all the organisations which were budgeted for, managed to register. This resulted in less grants and subsidies paid.
General expenses	54 265 066	63 992 490	(9 727 424)	(15,20)	Savings realised on inventory of saleable land, town planning costs, consulting fees, transport allowances, purification materials, inventory items, ward committees, skills development, MIG business plan, meter inspections and bursaries to personnel.
Loss on disposal of property, plant & equipment	91 219	-	91 219	100,00	Damaged and redundant items written off through the annual auction.
Contributions to/(transfers from) provisions	9 548 131	1 016 808	8 531 323	839,03	Additional contribution for post employment, medical aid benefits made in accordance with actuarial assessment.
Total Expenditure	401 341 052	415 036 126	(13 695 074)	(3,30)	
NET SURPLUS/(DEFICIT) FOR THE YEAR	113 761 374	97 807 288	15 954 086	16,31	

APPENDIX F
ACTUAL CAPITAL VERSUS BUDGET
Acquisition of Property, Plant and Equipment
for the year ended 30 June 2008

	2008 Actual R	2008 Under Construction R	2008 Total Additions R	2008 Budget R	2008 Variance R	2008 Variance %	Explanations of significant variances greater than 5% versus budget
EXECUTIVE & COUNCIL	632 619	-	632 619	1 496 200	(863 581)	(57,72)	
Executive & Council	632 619	-	632 619	1 496 200	(863 581)	(57,72)	Purchasing of executive support vehicle rolled over to 2008/2009.
FINANCE & ADMINISTRATION	7 018 271	74 665	7 092 936	10 855 667	(3 762 731)	(34,66)	
Finance	1 376 495	20 015	1 396 510	982 000	414 510	42,21	Computer equipment from IT department transferred. MSIG funding utilised for capital expenditure.
Information Technology	2 827 196	-	2 827 196	4 134 556	(1 307 360)	(31,62)	Project for radio communication rolled over to 2008/2009. Computer assets purchased on behalf of other departments.
Human Resources	156 156	-	156 156	164 520	(8 364)	(5,08)	Saving on finger print readers for computerised clocking system.
Property Services	1 662 362	54 650	1 717 012	3 782 240	(2 065 228)	(54,60)	Projects for erecting a MPCC at Doornkop, pounding storage building and upgrading entrance at service centre rolled over to 2008/2009.
Other & Admin	996 062	-	996 062	1 792 351	(796 289)	(44,43)	Projects to purchase a new telephone system and erect new town entrance boards rolled over to 2008/2009.
PLANNING & DEVELOPMENT	2 336 983	-	2 336 983	5 909 744	(3 572 761)	(60,46)	
Local Economic Development	1 204 881	-	1 204 881	1 148 804	56 077	4,88	
Town Planning	1 132 102	-	1 132 102	4 760 940	(3 628 838)	(76,22)	Township establishment projects from own funds rolled over to 2008/2009. NDM funded projects did not realise.
ROAD TRANSPORT	40 997 827	3 672 437	44 670 264	59 268 263	(14 597 999)	(24,63)	
Vehicle Licensing & Testing	820 865	-	820 865	1 245 200	(424 335)	(34,08)	Project to purchase wheel alignment equipment rolled over to 2008/2009. Savings on other related testing equipment purchased.
Roads & Stormwater	40 176 962	3 672 437	43 849 399	58 023 063	(14 173 664)	(24,43)	Various roads and storm water projects funded by NDM did not realise. MIG project on tarring streets in Kwazamokuhle rolled over to 2008/2009.

APPENDIX F
ACTUAL CAPITAL VERSUS BUDGET
Acquisition of Property, Plant and Equipment
for the year ended 30 June 2008

	2008 Actual R	2008 Under Construction R	2008 Total Additions R	2008 Budget R	2008 Variance R	2008 Variance %	Explanations of significant variances greater than 5% versus budget
HEALTH	216 617	2 835 435	3 052 052	4 134 491	(1 082 439)	(26,18)	
Clinics	183 114	2 336 510	2 519 624	3 437 360	(917 736)	(26,70)	Project for building clinic and MPCC in Tokologo rolled over to 2008/2009.
Health Other	33 503	498 925	532 428	697 131	(164 703)	(23,63)	Purchase of various air pollution equipment rolled over to 2008/2009.
COMMUNITY & SOCIAL SERVICES	3 873 725	1 838 304	5 712 029	35 048 160	(29 336 132)	(83,70)	
Libraries & Archives	1 049 998	-	1 049 998	1 027 595	22 403	2,18	Upgrade garage for Pullenshope library rolled over to 2008/2009. Finance leased equipment not budgeted for, saving on computer software.
Community Halls & Facilities	2 597 959	1 838 304	4 436 263	33 300 015	(28 863 752)	(86,68)	Erection of new banquet hall rolled over to 2008/2009.
Cemeteries & Crematoriums	225 768	-	225 768	720 550	(494 782)	(68,67)	Develop cemeteries rural rolled over to 2008/2009.
PUBLIC SAFETY	3 375 130	1 972 627	5 347 757	9 108 321	(3 760 564)	(41,29)	
Fire	2 404 203	1 210 000	3 614 203	5 536 834	(1 922 631)	(34,72)	Project for purchasing of fire engine rolled over to 2008/2009.
Traffic	970 927	762 627	1 733 554	3 571 487	(1 837 933)	(51,46)	Various projects for traffic lights, purchasing motor cycles and speed equipment rolled over to 2008/2009.
SPORT & RECREATION	2 364 209	363 845	2 728 054	3 873 272	(1 145 218)	(29,57)	
Sport & Recreation	2 364 209	363 845	2 728 054	3 873 272	(1 145 218)	(29,57)	Project for refurbishment of Hendrina/Kwaza sport and Kees Taljaard swimming pool, development of park erven rolled over to 2008/2009. Savings on various projects.
WASTE WATER MANAGEMENT	2 409 064	1 042 179	3 451 243	20 211 889	(16 760 646)	(82,92)	
Sewerage	2 409 064	1 042 179	3 451 243	20 211 889	(16 760 646)	(82,92)	Various sewer projects funded by NDM did not realise. Upgrading Boskrans, outfall sewer, biological toilets and reticulation of sewer in rural areas rolled over to 2008/2009.

APPENDIX F
ACTUAL CAPITAL VERSUS BUDGET
Acquisition of Property, Plant and Equipment
for the year ended 30 June 2008

	2008 Actual R	2008 Under Construction R	2008 Total Additions R	2008 Budget R	2008 Variance R	2008 Variance %	Explanations of significant variances greater than 5% versus budget
WASTE MANAGEMENT	2 044 672	170 014	2 214 686	2 785 000	(570 314)	(20,48)	Savings on various projects. NPAG & NDM funded projects did not realise. Various water distribution projects rolled over 2008/2009. Replace valves in bulk supply lines project rolled over to 2008/2009. Savings on various projects. Various electricity projects rolled over to 2008/2009 due to timeframes relating to delivery of equipment. Counter funding for Kwazamokuhle did not realise. Various electrical distribution infrastructure and equipment projects rolled over to 2008/2009. High mast at Doornkop funded by MIG and various street light projects rolled over to 2008/2009.
Solid Waste	2 044 672	170 014	2 214 686	2 785 000	(570 314)	(20,48)	
HOUSING	834 744	-	834 744	867 600	(32 856)	(3,79)	
Housing	834 744	-	834 744	867 600	(32 856)	(3,79)	
WATER	5 320 364	249 696	5 570 060	23 840 482	(18 270 422)	(76,64)	
Water Distribution	4 587 021	179 697	4 766 718	22 531 070	(17 764 352)	(78,84)	
Water Storage	733 343	69 999	803 342	1 309 412	(506 070)	(38,65)	
ELECTRICITY	24 169 005	11 213 641	35 382 646	80 585 465	(45 202 819)	(56,09)	
Electricity Distribution	22 904 645	11 029 797	33 934 442	76 891 410	(42 956 968)	(55,87)	
Street Lighting	1 264 360	184 844	1 448 204	3 694 055	(2 245 851)	(60,80)	
TOTAL	95 593 229	23 432 843	119 026 072	257 984 554	(138 958 482)	(53,86)	

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
July 2007			
Public Relations	Herald	2 070,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	4 828,00	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Expo Manufacturing	2 325,60	Section 36(1)(a)(i) – emergency case.
Town Secretary	Government Printing Works	1 124,26	Section 36(1)(a)(ii) – single provider.
Town Secretary	Government Printing Works	10 519,33	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	Success Maintenance	50 000,00	Section 36(1)(a)(v) – exceptional case.
Electrical Engineering	Section Poles	30 723,00	Section 36(1)(a)(ii) – single provider.
Municipal Buildings	GJ Electrical	4 845,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Procol Engineering	2 585,52	Section 36(1)(a)(v) – exceptional case.
Public Relations	Protea Frames	580,43	Section 36(1)(a)(v) – exceptional case.
Public Relations	Raslo Sound Production	6 400,00	Section 36(1)(a)(v) – exceptional case.
Public Relations	LSS Samsung	1 185,60	Section 36(1)(a)(ii) – single provider.
Licensing	Domestic Lock & Safe	2 007,31	Section 36(1)(a)(ii) – single provider.
Traffic & Security	Middelburg Nissan	1 507,35	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Middelburg Nissan	1 404,64	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Motomid	692,54	Section 36(1)(a)(ii) – single provider.
Public Relations	Raslo Sound Production	1 600,00	Section 36(1)(a)(v) – exceptional case.
Public Relations	LSS Samsung	2 131,00	Section 36(1)(a)(ii) – single provider.
Public Relations	LSS Samsung	12 097,65	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	2 786,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Sowetan	1 304,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Sowetan	1 304,00	Section 36(1)(a)(ii) – single provider.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
Town Secretary	Sowetan	1 407,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	1 380,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	5 520,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	1 380,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	2 500,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	2 500,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	2 500,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	2 096,00	Section 36(1)(a)(ii) – single provider.
Public Relations	Herald	2 070,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	4 828,00	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Expo Manufacturing	2 325,60	Section 36(1)(a)(i) – emergency case.
August 2007			
Municipal Buildings	Sabre Glass & Aluminium	6 940,49	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Aquatronics	1 633,58	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Traffic Signal	20 639,70	Section 36(1)(a)(v) – exceptional case.
Solid Waste	Wesco Construction	822,73	Section 36(1)(a)(i) – emergency case.
Public Relations	South African Post Office	1 244,00	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	Peak Power Trading	590 976,00	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	Setec cc	10 000,00	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	ABB South Africa	6 203,88	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	Van Wettens	1 500,00	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Solly's Delta Middelburg	862,54	Section 36(1)(a)(ii) – single provider.
Licensing	Nashua	1 445,42	Section 36(1)(a)(ii) – single provider.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
August 2007			
Human Resources	BMTN Business Solution	22 458,00	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Electra Highveld	13 084,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Tools Direct	355,00	Section 36(1)(a)(v) – exceptional case.
Finance	Coin Security Group	729,60	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Sizanani Plumbers	18 980,00	Section 36(1)(a)(i) – emergency case.
Town Planning	Johan Meiring Land Surveyors	11 286,00	Section 36(1)(a)(i) – emergency case.
Fire & Rescue	Lekwa Fire Equipment	2 884,20	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Magna FS	95 203,68	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Landrover Witbank	4 108,74	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	Crane Fly Trading	26 000,00	Section 36(1)(a)(i) – emergency case.
Executive Mayor	Mc Carthy Kunene Witbank	1 014,18	Section 36(1)(a)(v) – exceptional case.
Public Relations	Herald	5 000,00	Section 36(1)(a)(v) – exceptional case.
Electrical Engineering	Ugesi Training	57 200,00	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	Knowledge Base	17 680,00	Section 36(1)(a)(ii) – single provider.
Solid Waste Disposal	Wesco Construction	1 824,00	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Alta Swanepoel & Associates	20 689,32	Section 36(1)(a)(v) – exceptional case.
Health	River Queen Trading	2 578,00	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Electra Highveld	5 067,00	Section 36(1)(a)(i) – emergency case.
Health	Herald	1 105,80	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Duplex Liquid Meter	12 465,00	Section 36(1)(a)(i) – emergency case.
Fire & Rescue	Midvaal Engineering	1 000,00	Section 36(1)(a)(i) – emergency case.
Finance	Repair Com	3 819,00	Section 36(1)(a)(ii) – single provider.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
Supply Chain Unit - Stores	Electro Field Services	2 290,00	Section 36(1)(a)(i) – emergency case.
Supply Chain Unit - Stores	Conlog	24 000,00	Section 36(1)(a)(ii) – single provider.
September 2007			
Civil Engineering	Electra Highveld	2 525,10	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Procol Engineering	3 148,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Sudchemie	77 250,00	Section 36(1)(a)(i) – emergency case.
Licensing	Vari Print System	20 588,40	Section 36(1)(a)(i) – emergency case.
Health	Sanumed Health Care	5 046,21	Section 36(1)(a)(ii) – single provider.
Health	Sanumed Health Care	5 046,21	Section 36(1)(a)(ii) – single provider.
Health	Best Care Medical Supplies	4 068,24	Section 36(1)(a)(ii) – single provider.
Health	Hemocue SA (Pty) Ltd	1 480,47	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Motomid	6 023,81	Section 36(1)(a)(ii) – single provider.
Solid Waste	Middelburg Airbrakes	17 918,61	Section 36(1)(a)(i) – emergency case.
Solid Waste	Wesco Construction	456,00	Section 36(1)(a)(i) – emergency case.
Solid Waste	Midvaal Engineering	6 599,47	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Rheochem	38 330,00	Section 36(1)(a)(i) – emergency case.
Fire & Rescue	Marce Fft	9 211,45	Section 36(1)(a)(v) – exceptional case.
Fire & Rescue	Marce Fft	24 759,19	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Nsueweni Trading	37 863,75	Section 36(1)(a)(i) – emergency case.
Town Secretary	Mpumalanga Mirror	19 574,84	Section 36(1)(a)(i) – emergency case.
Public Relations	Pearl Coral 4	11 400,00	Section 36(1)(a)(i) – emergency case.
Public Relations	OH Frewin	66 969,30	Section 36(1)(a)(v) – exceptional case.
Public Relations	LSS Samsung	2 223,00	Section 36(1)(a)(v) – exceptional case.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
September 2007			
Civil Engineering	Rheochem	38 330,00	Section 36(1)(a)(i) – emergency case.
Town Secretary	University Western Cape	2 900,00	Section 36(1)(a)(ii) – single provider.
Finance	Lexis Nexis	3 091,56	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Barloworld Toyota	1 356,87	Section 36(1)(a)(ii) – single provider.
Solid Waste	Build Again Project 410	57 000,00	Section 36(1)(a)(i) – emergency case.
Fire & Rescue	Digicore Fleet Management	225 147,72	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Barloworld Toyota	1 269,83	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	4 485,00	Section 36(1)(a)(ii) – single provider.
Public Relations	Herald	2 156,00	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Midvaal Engineering	4 223,67	Section 36(1)(a)(v) – exceptional case.
October 2007			
Licensing	Prodiba	6 693,03	Section 36(1)(a)(i) – emergency case.
Solid Waste	Midvaal Engineering	2 643,80	Section 36(1)(a)(i) – emergency case.
Solid Waste	Middelburg Airbrakes	768,10	Section 36(1)(a)(i) – emergency case.
Solid Waste	Wesco Construction	1 039,80	Section 36(1)(a)(i) – emergency case.
Solid Waste	Middelburg Brake & Clutch	14 014,81	Section 36(1)(a)(i) – emergency case.
Fire & Rescue	WAP Middelburg	942,78	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Middelburg Airbrakes	6 510,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Government Printing	657,46	Section 36(1)(a)(i) – emergency case.
Technical & Facilities	Xerox	2 511,00	Section 36(1)(a)(i) – emergency case.
Finance	Coin Security Group	3 226,20	Section 36(1)(a)(i) – emergency case.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
October 2007			
Solid Waste	Middelburg Nissan	761,00	Section 36(1)(a)(i) – emergency case.
Parks & Recreation	Bell Equipment SA (Pty) Ltd	1 842,20	Section 36(1)(a)(i) – emergency case.
Parks & Recreation	Barlworld Equipment	2 383,48	Section 36(1)(a)(i) – emergency case.
Parks & Recreation	Bell Equipment SA (Pty) Ltd	649,91	Section 36(1)(a)(i) – emergency case.
Parks & Recreation	Barloworld Toyota	1 213,93	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	Middelburg Power Supplier	644,00	Section 36(1)(a)(i) – emergency case.
Information Technology	Open Spatial Solutions	9 296,00	Section 36(1)(a)(v) – exceptional case.
Fire & Rescue	Fire Raiders	2 000,00	Section 36(1)(a)(v) – exceptional case.
Solid Waste	Wesco Construction	640,00	Section 36(1)(a)(i) – emergency case.
Solid Waste	Hoëveld Radiators	809,00	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Middelburg Nissan	13 656,15	Section 36(1)(a)(ii) – single provider.
Public Relations	LSS Samsung	11 137,80	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Power Pump Engineering	33 328,00	Section 36(1)(a)(i) – emergency case.
Solid Waste	Solly's Delta Middelburg	1 500,22	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Middelburg Nissan	402,42	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Midvaal Engineering	1 368,00	Section 36(1)(a)(i) – emergency case.
Solid Waste	Middelburg Nissan	425,22	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Mc Carthy Kunene Witbank	3 000,00	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	Verotest	39 755,93	Section 36(1)(a)(v) – exceptional case.
Solid Waste	Solly's Delta Middelburg	4 000,00	Section 36(1)(a)(v) – exceptional case.
Fire & Rescue	Supplycor cc	81 780,41	Section 36(1)(a)(v) – exceptional case.

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October 2007			
Civil Engineering	JMPL System	4 760,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Siemens	11 026,40	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Midvaal Engineering	1 350,48	Section 36(1)(a)(i) – emergency case.
Town Secretary	Shakaina Wood cc	78 660,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Nsueweni Trading	16 830,00	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Middelburg Nissan	609,00	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Huber Technology	17 000,00	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Autento	2 400,00	Section 36(1)(a)(i) – emergency case.
Town Secretary	Herald	1 573,20	Section 36(1)(a)(v) – exceptional case.
Town Secretary	Herald	3 067,76	Section 36(1)(a)(v) – exceptional case.
Town Secretary	Herald	1 101,24	Section 36(1)(a)(v) – exceptional case.
Electrical Engineering	Scorpion Security	54 600,00	Section 36(1)(a)(i) – emergency case.
Finance	Note Counter SA	4 500,00	Section 36(1)(a)(ii) – single provider.
Finance	Cirrus Techvue	3 762,00	Section 36(1)(a)(v) – exceptional case.
Fire & Rescue	Lekwa Fire Equipment	3 850,00	Section 36(1)(a)(v) – exceptional case.
Solid Waste	Build Again Projects	57 000,00	Section 36(1)(a)(v) – exceptional case.
Fire & Rescue	Weber Hydraulic Africa	29 848,34	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	Surgetek	18 852,00	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Sudchemie	77 250,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Sudchemie	38 625,00	Section 36(1)(a)(i) – emergency case.

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November 2007			
Traffic & Security	Bavarian Motor Cycles	1 363,06	Section 36(1)(a)(ii) – single provider.
Human Resources	Skycom (Pty) Ltd	18 807,00	Section 36(1)(a)(v) – exceptional case.
Public Relations	LSS Samsung	5 180,00	Section 36(1)(a)(v) – exceptional case.
Finance	Digicore Fleet Management	1 115,15	Section 36(1)(a)(v) – exceptional case.
Finance	Midveld Stationery	1 316,70	Section 36(1)(a)(v) – exceptional case.
Finance	Contour Technologies Pty	79 800,00	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	High Pressure Systems	11 979,07	Section 36(1)(a)(i) – emergency case.
Fire & Rescue	CJ Labuschagne	4 295,00	Section 36(1)(a)(v) – exceptional case.
Fire & Rescue	Barlows Toyota Middelburg	1 890,11	Section 36(1)(a)(i) – emergency case.
Solid Waste	Eastvaal Auto & Tractor	1 033,09	Section 36(1)(a)(ii) – single provider.
Solid Waste	Midvaal Engineering	17 180,81	Section 36(1)(a)(v) – exceptional case.
Parks & Recreation	Secunda Turf	4 200,00	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Secunda Turf	1 373,05	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Motomid	3 000,00	Section 36(1)(a)(v) – exceptional case.
Town Secretary	Mpumalanga Mirror	6 692,26	Section 36(1)(a)(v) – exceptional case.
Information Technology	Opel Spatial Solution	65 387,84	Section 36(1)(a)(ii) – single provider.
Town Secretary	Sowetan	2 371,20	Section 36(1)(a)(v) – exceptional case.
Parks & Recreation	Green Sands	8 310,00	Section 36(1)(a)(ii) – single provider.
Traffic & Security	Middelburg Nissan	3 284,27	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	GRS Thebe Medical	7 332,00	Section 36(1)(a)(ii) – single provider.
Traffic & Security	Middelburg Nissan	456,00	Section 36(1)(a)(v) – exceptional case.

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November 2007			
Electrical Engineering	ABB South Africa	5 453,00	Section 36(1)(a)(v) – exceptional case.
LED	Impala Glass & Omheining	13 137,84	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Rescue Rod	13 650,00	Section 36(1)(a)(i) – emergency case.
Town Secretary	Herald	9 108,00	Section 36(1)(a)(v) – exceptional case.
Town Secretary	Herald	9 856,00	Section 36(1)(a)(v) – exceptional case.
Town Secretary	Herald	10 041,00	Section 36(1)(a)(v) – exceptional case.
Fire & Rescue	Motomid	2 398,59	Section 36(1)(a)(ii) – single provider.
Finance	Marius Britz	980,00	Section 36(1)(a)(ii) – single provider.
Finance	Contour Technologies	1 050,00	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	MM Anderson	8 658,00	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	MM Anderson	8 658,00	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	Makamanhlapo Construction	15 583,80	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	Ugesi Training	8 000,00	Section 36(1)(a)(i) – emergency case.
Solid Waste	Wesco Construction	600,00	Section 36(1)(a)(i) – emergency case.
Solid Waste	Highveld Radiators	790,00	Section 36(1)(a)(i) – emergency case.
Parks & Recreation	Bell Equipment	706,91	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Middelburg Nissan	1 097,16	Section 36(1)(a)(ii) – single provider.
Solid Waste	De Graaf	360,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Yeltech Witbank	5 498,00	Section 36(1)(a)(i) – emergency case.
Traffic & Security	FG Uniforms	28 178,80	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Automotor Traffic Signal	63 520,80	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Barloworld Toyota Middelburg	3 947,65	Section 36(1)(a)(ii) – single provider.

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November 2007			
Finance	Lethotech Sales Pretoria	8 703,03	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Power Pump Engineering	17 425,00	Section 36(1)(a)(i) – emergency case.
Parks & Recreation	Middelburg Nissan	532,95	Section 36(1)(a)(i) – emergency case.
Parks & Recreation	Welgro	845,80	Section 36(1)(a)(i) – emergency case.
Solid Waste	Propshaft & Gearbox Centre	2 003,00	Section 36(1)(a)(i) – emergency case.
Town Secretary	Herald	8 418,00	Section 36(1)(a)(i) – emergency case.
Information Technology	TGIS	49 432,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	MI Masombuka	1 560,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Digicore	2 208,72	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Digicore	2 060,15	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	Digicore	5 000,00	Section 36(1)(a)(i) – emergency case.
Executive Mayor	Mpumalanga Mirror	6 692,26	Section 36(1)(a)(i) – emergency case.
Parks & Recreation	Aquatronics	17 540,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Retrospective Trading	7 500,00	Section 36(1)(a)(i) – emergency case.
Parks & Recreation	Eastvaal Auto & Tractor	846,45	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Automotor Traffic Signal	7 204,80	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Middelburg Nissan	1 179,60	Section 36(1)(a)(v) – exceptional case.
Town Secretary	Herald	2 495,00	Section 36(1)(a)(i) – emergency case.
Town Secretary	Middelburg Car Radio	980,10	Section 36(1)(a)(i) – emergency case.
Town Secretary	Herald	7 383,00	Section 36(1)(a)(i) – emergency case.
Finance	Cirrus Techvue	1 140,00	Section 36(1)(a)(v) – exceptional case.
Solid Waste	Big Time Sealing	410,40	Section 36(1)(a)(i) – emergency case.

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December 2007			
Information Technology	Digicore Management	8 871,38	Section 36(1)(a)(ii) – single provider.
Information Technology	TGIS	7 464,72	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Middelburg Boerdery	4 253,47	Section 36(1)(a)(v) – exceptional case.
Public Relations	LSS Samsung	20 428,80	Section 36(1)(a)(v) – exceptional case.
Electrical Engineering	Verotest	38 426,88	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	Ugesi Training	8 550,00	Section 36(1)(a)(v) – exceptional case.
Electrical Engineering	Global Cleaning Services	7 800,00	Section 36(1)(a)(i) – emergency case.
Solid Waste	Sizonke Auto Components	4 924,80	Section 36(1)(a)(i) – emergency case.
Finance	Middelburg Masiteng Meter Reading	10 200,00	Section 36(1)(a)(v) – exceptional case.
Electrical Engineering	Electra	541,50	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Truvelo Manufacturer	4 675,64	Section 36(1)(a)(ii) – single provider.
Traffic & Security	Truvelo Manufacturer	3 233,65	Section 36(1)(a)(ii) – single provider.
Traffic & Security	Truvelo Manufacturer	5 937,67	Section 36(1)(a)(ii) – single provider.
Traffic & Security	Zanezi Electronics	18 661,80	Section 36(1)(a)(i) – emergency case.
Fire & Rescue	Middelburg Air Brakes	4 401,35	Section 36(1)(a)(i) – emergency case.
Finance	Fidelity Cash Management	2 644,80	Section 36(1)(a)(ii) – single provider.
Traffic & Security	Automotor Traffic Signal	15 067,38	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Zanezi Electronics	5 065,70	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Mpumalanga Dumo Projects	15 614,36	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Middelburg Nissan	1 453,80	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Procol Engineering	8 037,00	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Hazard Bonako	49 899,95	Section 36(1)(a)(i) – emergency case.

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December 2007			
Civil Engineering	Afrilab	9 848,46	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Afrilab	10 424,16	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Motomid	606,70	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Thermadyne	576,92	Section 36(1)(a)(v) – exceptional case.
Parks & Recreation	Solly's Delta Middelburg	2 116,03	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Aquatronics	199 294,80	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	Setec	15 390,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Power Pump Engineering	44 295,00	Section 36(1)(a)(i) – emergency case.
Information Technology	Onsoft	19 516,80	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Mc Carthy Kunene Witbank	3 173,74	Section 36(1)(a)(i) – emergency case.
Fire & Rescue	Mc Carthy Kunene Witbank	916,45	Section 36(1)(a)(i) – emergency case.
Municipal Buildings	Nijinka Botes	9 120,00	Section 36(1)(a)(v) – exceptional case.
Fire & Rescue	Electra Highveld	1 197,00	Section 36(1)(a)(i) – emergency case.
Finance	Contour Technologies	2 052,00	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Global Transformer Services	3 763,71	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Power Pump Engineering	31 942,00	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	Peak Power Trading	418 152,00	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	Verotest	5 000,00	Section 36(1)(a)(v) – exceptional case.

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January 2008			
Town Secretary	Herald	3 351,60	Section 36(1)(a)(v) – exceptional case.
Parks & Recreation	Barlows Equipment	9 653,17	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Eastvaal Auto & Tractor	1 169,72	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Barlows Equipment	4 780,19	Section 36(1)(a)(ii) – single provider.
Solid Waste	Komatsu SA	1 177,19	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Eastvaal Auto & Tractor	890,46	Section 36(1)(a)(ii) – single provider.
Information Technology	Micromation Systems	24 339,00	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	Makamanhlapo Construction	14 227,20	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	Ugesi Training	5 016,00	Section 36(1)(a)(v) – exceptional case.
Electrical Engineering	Solly's Delta	500,00	Section 36(1)(a)(v) – exceptional case.
Fire & Rescue	Middelburg Airbrakes	6 740,23	Section 36(1)(a)(i) – emergency case.
Parks & Recreation	Middelburg Nissan	1 319,00	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	4 851,00	Section 36(1)(a)(v) – exceptional case.
Public Relations	Herald	4 480,00	Section 36(1)(a)(v) – exceptional case.
Public Relations	Herald	1 637,00	Section 36(1)(a)(v) – exceptional case.
Information Technology	Dax Data	4 629,54	Section 36(1)(a)(v) – exceptional case.
Licensing	Mid Alarms	15 500,00	Section 36(1)(a)(v) – exceptional case.
Library	Early Readers	82 147,87	Section 36(1)(a)(ii) – single provider.
Solid Waste	Build Again Project 410	114 000,00	Section 36(1)(a)(i) – emergency case.
Town Secretary	Zintombi Zimele Construction	13 965,00	Section 36(1)(a)(i) – emergency case.
Solid Waste	Midvaal Engineering	3 085,11	Section 36(1)(a)(v) – exceptional case.

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January 2008			
Parks & Recreation	Thermadyne	1 062,29	Section 36(1)(a)(v) – exceptional case.
Parks & Recreation	Kutana Hydraulics	426,26	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Manair (Pty) Ltd	5 388,00	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Zanezi Electronics	41 040,00	Section 36(1)(a)(ii) – single provider.
Solid Waste	Isazi Engineering	5 312,40	Section 36(1)(a)(v) – exceptional case.
Solid Waste	Isazi Engineering	1 368,00	Section 36(1)(a)(v) – exceptional case.
Public Relations	Mpumalanga Mirror	10 640,73	Section 36(1)(a)(ii) – single provider.
Public Relations	Herald News	5 508,00	Section 36(1)(a)(v) – exceptional case.
Licensing	Prodiba	8 930,23	Section 36(1)(a)(ii) – single provider.
Library	Zintombi Zimele Construction	75 126,00	Section 36(1)(a)(v) – exceptional case.
Parks & Recreation	Coastal Hire	1 200,00	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	Middelburg Power Supplies	423 000,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Aquatronics	2 722,50	Section 36(1)(a)(i) – emergency case.
Housing	Mechanibike	2 188,00	Section 36(1)(a)(ii) – single provider.
Housing	Mechanibike	3 449,64	Section 36(1)(a)(ii) – single provider.
Housing	Mechanibike	2 082,00	Section 36(1)(a)(ii) – single provider.
Housing	Mechanibike	2 228,70	Section 36(1)(a)(ii) – single provider.
Licensing	Coin Security Group	3 306,00	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Boat Clinic	1 450,00	Section 36(1)(a)(i) – emergency case.
Fire & Rescue	Motomid	1 281,48	Section 36(1)(a)(v) – exceptional case.
Public Relations	LSS Samsung	20 428,80	Section 36(1)(a)(ii) – single provider.

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January 2008			
Public Relations	LSS Samsung	34 108,00	Section 36(1)(a)(ii) – single provider.
February 2008			
Library	Early Readers cc	82 147,87	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	Grizzl Engineering	3 192,00	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Electra Highveld	7 324,85	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	OH Frewin Printers	2 508,00	Section 36(1)(a)(i) – emergency case.
Library	World Books	17 645,00	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Electra Highveld	475,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	listru-Serve	6 380,00	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Electra Highveld	5 066,50	Section 36(1)(a)(i) – emergency case.
Public Relations	Mpumalanga Mirror	3 546,92	Section 36(1)(a)(v) – exceptional case.
Town Secretary	Herald	7 299,40	Section 36(1)(a)(v) – exceptional case.
Information Technology	TGIS	2 109,00	Section 36(1)(a)(ii) – single provider.
Housing	Mechanibike	1 256,28	Section 36(1)(a)(i) – emergency case.
Health	Hemocue SA (Pty) Ltd	5 529,02	Section 36(1)(a)(ii) – single provider.
Town Secretary	Government Printing Works	3 748,49	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	1 793,45	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Solly's Delta	1 203,87	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Lexis Nexis Butterworths	5 640,42	Section 36(1)(a)(i) – emergency case.
Town Secretary	Sowetan	2 800,00	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Power Pump Engineering	35 175,00	Section 36(1)(a)(i) – emergency case.

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February 2008			
Civil Engineering	Power Pump Engineering	38 370,00	Section 36(1)(a)(i) – emergency case.
Finance	Contour Technologies	385 622,00	Section 36(1)(a)(ii) – single provider.
Public Relations	LSS Samsung	2 736,00	Section 36(1)(a)(v) – exceptional case.
Parks & Recreation	Lambson's	2 416,80	Section 36(1)(a)(i) – emergency case.
Health	Hemocue SA (Pty) Ltd	4 663,47	Section 36(1)(a)(ii) – single provider.
Parks & Recreation	Plant Operandi	910,90	Section 36(1)(a)(i) – emergency case.
Public Relations	LSS Samsung	9 975,00	Section 36(1)(a)(i) – emergency case.
Housing	Mechanibike	3 706,94	Section 36(1)(a)(i) – emergency case.
Licensing	Government Printing Works	9 108,60	Section 36(1)(a)(ii) – single provider.
Traffic & Security	Automotor Traffic Signals	34 082,58	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Setec cc	8 173,80	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Nsueweni Trading	15 389,49	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Nsueweni Trading	46 072,60	Section 36(1)(a)(i) – emergency case.
Public Relations	Herald	1 400,00	Section 36(1)(a)(v) – exceptional case.
March 2008			
Public Relations	Herald	1 400,00	Section 36(1)(a)(v) – exceptional case.
Town Secretary	Optiplan	8 521,50	Section 36(1)(a)(ii) – single provider.
Town Secretary	Government Printing Works	2 248,00	Section 36(1)(a)(ii) – single provider.
Fire & Rescue	Fire Raiders	7 781,87	Section 36(1)(a)(v) – exceptional case.
Finance	Optiplan	1 659,95	Section 36(1)(a)(ii) – single provider.
Finance	Payday Software System	33 055,06	Section 36(1)(a)(ii) – single provider.
Town Secretary	Citizen	5 700,00	Section 36(1)(a)(v) – exceptional case.

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March 2008			
Traffic & Security	Solly's Delta	2 902,76	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Brightstar Security Services	6 705,95	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Brightstar Security Services	98 047,31	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Siemens	19 790,80	Section 36(1)(a)(i) – emergency case.
Civil Engineering	DLM	15 658,00	Section 36(1)(a)(ii) – single provider.
Civil Engineering	Silica Quartz	5 386,25	Section 36(1)(a)(i) – emergency case.
Civil Engineering	PJ Technologies cc	7 810,00	Section 36(1)(a)(ii) – single provider.
Public Relations	LSS Samsung	7 387,20	Section 36(1)(a)(i) – emergency case.
Traffic & Security	FG Uniforms	11 438,70	Section 36(1)(a)(i) – emergency case.
Licensing	Mindmuzik Media (Pty) Ltd	9 903,46	Section 36(1)(a)(i) – emergency case.
Library	World Books	13 819,00	Section 36(1)(a)(iii) – special arts.
Civil Engineering	JMPL System & Consulting	18 550,00	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Nsueweni Trading	46 158,60	Section 36(1)(a)(i) – emergency case.
Civil Engineering	Sebenzani Trading 94	31 141,95	Section 36(1)(a)(i) – emergency case.
Information Technology	Panasonic Business Systems	1 024,86	Section 36(1)(a)(ii) – single provider.
Finance	Consolidated African Tech	41 975,94	Section 36(1)(a)(ii) – single provider.
Electrical Engineering	Nu-Lec Africa (Pty) Ltd	5 000,00	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Automotor Traffic Signal	63 520,00	Section 36(1)(a)(ii) – single provider.
Public Relations	LSS Samsung	5 358,00	Section 36(1)(a)(i) – emergency case.
Town Secretary	Zintombi Zimele Security	13 965,00	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Mid Alarms	9 285,00	Section 36(1)(a)(v) – exceptional case.

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March 2008			
Electrical Engineering	Solly's Delta	2 593,57	Section 36(1)(a)(v) – exceptional case.
Electrical Engineering	ESC High Voltage Gear	6 589,20	Section 36(1)(a)(i) – emergency case.
Licensing	Department of Roads & Transport	24 312,70	Section 36(1)(a)(ii) – single provider.
Solid Waste	Middelburg Air Brakes	11 472,87	Section 36(1)(a)(i) – emergency case.
Solid Waste	Middelburg Air Brakes	11 472,87	Section 36(1)(a)(i) – emergency case.
Solid Waste	Wesco Construction	1 267,78	Section 36(1)(a)(i) – emergency case.
Solid Waste	De Graaf Under Car	1 625,00	Section 36(1)(a)(i) – emergency case.
Library	Maskew Miller Longman	3 154,30	Section 36(1)(a)(ii) – single provider.
Solid Waste	Propshaft & Gearbox	704,52	Section 36(1)(a)(i) – emergency case.
Town Secretary	Government Printing Works	328,73	Section 36(1)(a)(ii) – single provider.
Town Secretary	Lexis Nexis Butterworths	4 823,10	Section 36(1)(a)(ii) – single provider.
Town Secretary	Herald	12 520,00	Section 36(1)(a)(v) – exceptional case.
Property Valuation	Marius Britz	10 437,50	Section 36(1)(a)(v) – exceptional case.
Fire & Rescue	Barloworld Toyota Middelburg	1 625 364,00	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Middelbug Nissan	5 672,09	Section 36(1)(a)(v) – exceptional case.
Traffic & Security	Spray Air and Power	3 693,60	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Road Fix International	105 336,00	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Middelbug Nissan	3 865,77	Section 36(1)(a)(v) – exceptional case.
Electrical Engineering	Elman Houtwerke	2 562,00	Section 36(1)(a)(i) – emergency case.
Electrical Engineering	Nsueweni Trading	41 365,41	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Middelbug Nissan	1 264,34	Section 36(1)(a)(v) – exceptional case.

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Department	Supplier	Amount (VAT incl.) R	Reason for deviation
March 2008			
Information Technology	Marius Britz	1 250,00	Section 36(1)(a)(v) – exceptional case.
Civil Engineering	Kwezi V3 Engineering	11 000,00	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Tidas Training and Instruction	9 063,00	Section 36(1)(a)(v) – exceptional case.
Solid Waste	Steiner Hygiene	3 032,40	Section 36(1)(a)(ii) – single provider.
Solid Waste	Middelburg Air Brakes	1 018,36	Section 36(1)(a)(i) – emergency case.
Health	Ikebana Appliances Services	763,80	Section 36(1)(a)(i) – emergency case.
Traffic & Security	Zanezi Electronics	61 560,00	Section 36(1)(a)(v) – exceptional case.
Solid Waste	Build Again Project 410	14 250,00	Section 36(1)(a)(i) – emergency case.
Solid Waste	Build Again Project 410	57 000,00	Section 36(1)(a)(i) – emergency case.
April 2008			
Civil Engineering	NKP Consulting Engineering	41 633,45	Section 36(1)(a)(i) - emergency case.
Town secretary	Herald	4 608,00	Section 36(1)(a)(v) - exceptional case.
Human Resources	Digicore Fleet Management	9 690,00	Section 36(1)(a)(ii) - single provider.
Information Technology	Solotrix Logistics	830,00	Section 36(1)(a)(i) - emergency case.
Town Secretary	Herald	1 090,98	Section 36(1)(a)(v) - exceptional case.
Town Secretary	Government Printing Works	854,43	Section 36 (1)(a)(v) - exceptional case .
Town Secretary	Mpumalanga Mirror	3 546,92	Section 36(1)(a)(i) - emergency case.
Electrical Engineering	DA Ncongwane Attorneys	31 873,96	Section 36 (1)(a)(v) - exceptional case.
Information Technology	Open Spatial Solution	1 140,00	Section 36(1)(a)(ii) - single provider.
Health	Eastdene Fabric World	2 017,30	Section 36(1)(a)(ii) - single provider.
Health	Eastdene Fabric World	4 981,55	Section 36(1)(a)(ii) - single provider.
Health	Eastdene Fabric World	2 009,10	Section 36(1)(a)(ii) - single provider.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
April 2008			
Municipal Manager	Sowetan	2 166,00	Section 36(1)(a)(i) - emergency case.
Traffic & Security	Brightstar Security	7 645,00	Section 36(1)(a)(v) - exceptional case.
Traffic & Security	Brightstar Security	6 705,95	Section 36(1)(a)(v) - exceptional case.
Civil Engineering	Instru-Serve cc	5 706,00	Section 36(1)(a)(i) - emergency case.
Town Secretary	Canon	990,00	Section 36(1)(a)(v) - exceptional case.
Electrical Engineering	Sectional Poles	20 000,00	Section 36(1)(a)(ii) - single provider.
Traffic & Security	Brightstar Security	98 047,31	Section 36(1)(a)(v) - exceptional case.
Municipal Buildings	Setec cc	13 075,00	Section 36(1)(a)(ii) - single provider.
Electrical Engineering	Verotest (Pty) Ltd	62 705,02	Section 36(1)(a)(i) - emergency case.
Town Secretary	Mc Carthy Kunene Witbank	1 321,00	Section 36(1)(a)(v) - exceptional case.
Civil Engineering	Broom Engineering	9 036,00	Section 36(1)(a)(i) - emergency case.
Traffic & Security	Middelburg Nissan	894,09	Section 36(1)(a)(v) - exceptional case.
Information Services	GLPS & Proj Engineering	6 739,68	Section 36(1)(a)(v) - exceptional case.
Parks & Recreation	Penlin Trade 107cc	3 078,00	Section 36(1)(a)(i) - emergency case.
Civil Engineering	SAME Water	6 350,00	Section 36(1)(a)(i) - emergency case.
Electrical Engineering	Quick Step Readymix	16 688,88	Section 36(1)(a)(i) - emergency case.
Public Relations	Mpumalanga Mirror	8 867,07	Section 36(1)(a)(ii) - single provider.
Finance	Combined System (Pty) Ltd	22 640,40	Section 36(1)(a)(ii) - single provider.
Library	Motomid	1 444,39	Section 36(1)(a)(ii) - single provider.
Information Technology	TGIS	50 593,20	Section 36(1)(a)(ii) - single provider.
Information Technology	Marius Britz	599,00	Section 36(1)(a)(ii) - single provider.
Traffic & Security	Middelburg Nissan	911,87	Section 36(1)(a)(ii) - single provider.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
April 2008			
Civil Engineering	Manair Pty (Ltd)	2 585,00	Section 36(1)(a)(i) - emergency case.
Civil Engineering	Nsueweni Trading	16 111,60	Section 36(1)(a)(i) - emergency case.
Parks & Recreation	Bee-Hive Trading	8 284,96	Section 36(1)(a)(i) - emergency case.
Health	Pridi Security Services	7 524,00	Section 36(1)(a)(v) - exceptional case.
Solid Waste	Middelburg Radiators	621,30	Section 36(1)(a)(i) - emergency case.
Solid Waste	Middelburg Airbrakes	2 736,00	Section 36(1)(a)(i) - emergency case.
Finance	Chubb Security	1 000,00	Section 36(1)(a)(ii) - single provider.
Finance	Chubb Security	575,00	Section 36(1)(a)(ii) - single provider.
Traffic & Security	Motomid	15 058,04	Section 36(1)(a)(ii) - single provider.
Town Secretary	Zintombi Zimele Security	14 478,00	Section 36(1)(a)(i) - emergency case.
Electrical Engineering	Midplan Vervoer	13 776,00	Section 36(1)(a)(i) - emergency case.
Finance	Pro-Video & MSM Radio	580,01	Section 36(1)(a)(v) - exceptional case.
May 2008			
Electrical Engineering	ABB South Africa	31 494,00	Section 36(1)(a)(v) - exceptional case.
Traffic & Security	Safari Ammunition Dealers	16 400,00	Section 36(1)(a)(i) - emergency case.
Town Secretary	Herald	10 226,16	Section 36(1)(a)(v) - exceptional case.
Town Secretary	Herald	5 950,80	Section 36(1)(a)(v) - exceptional case.
Fire & Rescue	Setec cc	8 173,80	Section 36(1)(a)(i) - emergency case.
Health	Ikebana Appliances	310,00	Section 36(1)(a)(ii) - single provider.
Civil Engineering	Manair Pty (Ltd)	147 500,00	Section 36(1)(a)(i) - emergency case.
Civil Engineering	Manair Pty (Ltd)	8 645,00	Section 36(1)(a)(i) - emergency case.
Human Resources	Digicore Fleet Management	3 895,40	Section 36(1)(a)(ii) - single provider.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
May 2008			
Human Resources	Digicore Fleet Management	99,00	Section 36(1)(a)(ii) - single provider.
Traffic & Security	Brightstar Security	6 705,95	Section 36(1)(a)(v) - exceptional case.
Traffic & Security	Brightstar Security	7 645,00	Section 36(1)(a)(v) - exceptional case.
Information Technology	TGIS	6 156,00	Section 36(1)(a)(ii) - single provider.
Traffic & Security	Brightstar Security	98 047,31	Section 36(1)(a)(v) - exceptional case.
Fire & Rescue	MB Sports	29 700,00	Section 36(1)(a)(v) - exceptional case.
Licensing	Department of Roads & Transport	3 445,00	Section 36(1)(a)(ii) - single provider.
Civil Engineering	Madibeng Water Services	193 365,87	Section 36(1)(a)(i) - emergency case.
Solid Waste	Isazi Engineering & Mining	4 680,84	Section 36(1)(a)(i) - emergency case.
Solid Waste	Highveld Radiators	969,00	Section 36(1)(a)(i) - emergency case.
Civil Engineering	Power Pump Engineering	6 939,00	Section 36(1)(a)(i) - emergency case.
Civil Engineering	Afrilab	6 862,00	Section 36(1)(a)(ii) - single provider.
Finance	OJ Van Rensburg	13 509,00	Section 36(1)(a)(v) - exceptional case.
Finance	OJ Van Rensburg	28 244,64	Section 36(1)(a)(v) - exceptional case.
Traffic & Security	Zanezi Electronics	6 491,62	Section 36(1)(a)(v) - exceptional case.
Traffic & Security	Zanezi Electronics	4 940,91	Section 36(1)(a)(v) - exceptional case.
Traffic & Security	Zanezi Electronics	3 962,20	Section 36(1)(a)(v) - exceptional case.
Fire & Rescue	Hi-Q Middelburg	1 350,00	Section 36(1)(a)(i) - emergency case.
Civil Engineering	Manair Pty (Ltd)	3 580,00	Section 36(1)(a)(i) - emergency case.
Civil Engineering	DLM	8 650,00	Section 36(1)(a)(ii) - single provider.
Town Secretary	Government Printing Works	2 998,00	Section 36(1)(a)(i) - emergency case.
Traffic & Security	Automotor Traffic Signal	18 205,80	Section 36(1)(a)(ii) - single provider.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
May 2008			
Traffic & Security	Automotor Traffic Signal	980,40	Section 36(1)(a)(ii) - single provider.
Traffic & Security	Middelburg Nissan	1 667,51	Section 36(1)(a)(ii) - single provider.
Traffic & Security	Safari Ammunition Dealers	1 500,00	Section 36(1)(a)(i) - emergency case.
Electrical Engineering	LA Agencies	859,97	Section 36(1)(a)(i) - emergency case.
Electrical Engineering	Run Electrical	678,30	Section 36(1)(a)(i) - emergency case.
Fire & Rescue	Fire Raiders	12 397,50	Section 36(1)(a)(i) - emergency case.
Electrical Engineering	Digicore Fleet Management	532,95	Section 36(1)(a)(v) - exceptional case.
Fire & Rescue	Mc Carthy Kunene Witbank	7 599,00	Section 36(1)(a)(v) - exceptional case.
Fire & Rescue	Van Wettens	3 819,00	Section 36(1)(a)(ii) - single provider.
Town Secretary	Herald	17 960,00	Section 36(1)(a)(v) - exceptional case.
Town Secretary	Herald	2 070,00	Section 36(1)(a)(v) - exceptional case.
Finance	OJ Van Rensburg	16 211,00	Section 36(1)(a)(v) - exceptional case.
Finance	Mid Alarms	2 460,00	Section 36(1)(a)(v) - exceptional case.
Human Resources	Mosedimosi Business Training	60 000,00	Section 36(1)(a)(v) - exceptional case.
Town Secretary	Government Printing Works	749,50	Section 36(1)(a)(i) - emergency case.
Town Secretary	Optiplan	21 489,42	Section 36(1)(a)(ii) - single provider.
Information Technology	Micromation Communication	9 895,20	Section 36(1)(a)(i) - emergency case.
Information Technology	LSS Samsung	40 305,84	Section 36(1)(a)(i) - emergency.
Public Relations	Mpumalanga Mirror	14 187,59	Section 36(1)(a)(v) - exceptional case.
Finance	Contour Technologies	342,00	Section 36(1)(a)(ii) - single provider.
Electrical Engineering	Ukwazi Engineering	3 796,20	Section 36(1)(a)(i) - emergency case.
Electrical Engineering	Ukwazi Engineering	3 841,80	Section 36(1)(a)(i) - emergency case.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
May 2008			
Electrical Engineering	Makamanhlapo Contract	5 216,07	Section 36(1)(a)(i) - emergency case.
Traffic & Security	Automotor Traffic Signal	22 674,60	Section 36(1)(a)(v) - exceptional case.
Public Relations	Herald	6 446,70	Section 36(1)(a)(v) - exceptional case.
Traffic & Security	Truvelo Manufacturers	1 409,18	Section 36(1)(a)(ii) - single provider.
Traffic & Security	Truvelo Manufacturers	5 469,02	Section 36(1)(a)(ii) - single provider.
Human Resources	Lowveld Media	28 375,17	Section 36(1)(a)(v) - exceptional case.
Information Technology	LSS Samsung	21 888,00	Section 36(1)(a)(v) - exceptional case.
Solid Waste	Tshefelo Management Serv	171,00	Section 36(1)(a)(ii) - single provider.
Civil Engineering	Same Water	32 250,00	Section 36(1)(a)(i) - emergency case.
Property Valuation	Marius Britz	10 000,00	Section 36(1)(a)(v) - exceptional case.
Parks & Recreation	Aquatronics	16 508,00	Section 36(1)(a)(i) - emergency case.
Parks & Recreation	Eatvaal Auto & Tractor	4 157,65	Section 36(1)(a)(ii) - single provider.
Electrical Engineering	Middelburg Power Supplier	2 852,00	Section 36(1)(a)(i) - emergency case.
Health	Steiner Hygiene	3 249,00	Section 36(1)(a)(i) - emergency case.
Health	Steiner Hygiene	3 249,00	Section 36(1)(a)(i) - emergency case.
Health	Steiner Hygiene	5 416,00	Section 36(1)(a)(i) - emergency case.
Traffic & Security	Brightstar Security	6 705,95	Section 36(1)(a)(v) - exceptional case.
Civil Engineering	UWP Consulting Engineering	59 280,00	Section 36(1)(a)(i) - emergency case.
June 2008			
Electrical Engineering	Pridi Security Services	28 951,44	Section 36(1)(a)(i) - emergency case.
Electrical Engineering	Galbro	9 202,00	Section 36(1)(a)(i) - emergency case.
Traffic & Security	Brightstar Security	7 645,00	Section 36(1)(a)(v) - exceptional case.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
June 2008			
Human Resources	Honda Middelburg	18 705,43	Section 36(1)(a)(ii) - single provider.
Municipal Buildings	Blue House Design	9 094,92	Section 36(1)(a)(v) - exceptional case.
Traffic & Security	Department of Roads & Transport	6 779,01	Section 36(1)(a)(ii) - single provider.
Town Secretary	ER Johnson	760,00	Section 36(1)(a)(i) - emergency case.
Information Technology	LSS Samsung	2 394,00	Section 36(1)(a)(ii) - single provider.
Information Technology	LSS Samsung	684,00	Section 36(1)(a)(ii) - single provider.
Information Technology	Mvula Technologies	2 280,00	Section 36 (1)(a)(v) - exceptional case.
Electrical Engineering	Galbro	9 202,00	Section 36(1)(a)(i) - emergency case.
Electrical Engineering	Electra Highveld	18 639,00	Section 36(1)(a)(i) - emergency case.
Electrical Engineering	ESC High Voltage Gear	12 024,72	Section 36(1)(a)(i) - emergency case.
Human Resources	Education Training & Council	10 117,20	Section 36(1)(a)(ii) - single provider.
Public Relations	Herald	2 990,00	Section 36(1)(a)(i) - emergency case.
Public Relations	Mpumalanga Mirror	3 546,92	Section 36(1)(a)(v) - exceptional case.
Town Secretary	Herald	4 245,00	Section 36(1)(a)(v) - exceptional case.
Public Relations	Herald	3 536,00	Section 36(1)(a)(v) - exceptional case.
Youth Development	Mbungiswa Transport	2 280,00	Section 36(1)(a)(i) - emergency case
Health	WAP South Africa (Pty) Ltd	637,94	Section 36(1)(a)(ii) - single provider.
Town Secretary	Herald	6 281,40	Section 36(1)(a)(i) - emergency case.
Fire & Rescue	Motomid	1 225,00	Section 36(1)(a)(ii) - single provider.
Fire & Rescue	MP Tyres	980,00	Section 36(1)(a)(i) - emergency case.
Executive Mayor	Zicalele Trading	6 000,00	Section 36(1)(a)(i) - emergency case.
Town Secretary	University of Western Cape	3 477,10	Section 36(1)(a)(ii) - single provider.

APPENDIX G
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2008

Department	Supplier	Amount (VAT incl.) R	Reason for deviation
June 2008			
Electrical Engineering	Fakkel Armature Winders	1 457,15	Section 36(1)(a)(i) - emergency case.
Traffic & Security	Middelburg Nissan	2 599,20	Section 36(1)(a)(ii) - single provider.
Traffic & Security	Zanezi Electronics	9 284,42	Section 36(1)(a)(v) - exceptional case.
Traffic & Security	Middelburg Nissan	1 313,03	Section 36(1)(a)(ii) - single provider.
Parks & Recreation	Propshaft & Gearbox Centre	6 726,00	Section 36(1)(a)(i) - emergency case.
Solid Waste	Highveld Radiators	2 116,98	Section 36(1)(a)(i) - emergency case.
Parks & Recreation	Rand Air	1 309,79	Section 36(1)(a)(v) - exceptional case.
Electrical Engineering	Hivotech Transformer Maint	1 850,00	Section 36(1)(a)(i) - emergency case.
Town Secretary	Lion Cellars	2 095,55	Section 36(1)(a)(i) - emergency case.
Traffic & Security	Brightstar Security	98 047,31	Section 36(1)(a)(v) - exceptional case.
Public Relations	PR Communications	1 732,80	Section 36(1)(a)(v) - exceptional case.
Public Relations	Mpumalanga Mirror	35 468,25	Section 36(1)(a)(v) - exceptional case.
Civil Engineering	Nsueweni Trading	48 893,74	Section 36(1)(a)(i) - emergency case.
Total		10 447 034,91	

APPENDIX H
IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES
STEVE TSHWETE LOCAL MUNICIPALITY
31 MARCH 2008

Name of municipality:	Steve Tshwete Local Municipality		Demarcation Code:	MP313MP
Name of preparer:	L Prinsloo		Date completed:	27 March 2003
Contact Details:	(013) 249 7112		Financial period:	2007/2008
Financial reporting standard & extent of exemption from standard	Milestones to be achieved to comply with exemption – reported in October 2007 <i>[include the key challenges to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[cannot extend beyond 30 June 2008]</i>
Property, plant and equipment (GRAP 17) Review of useful life of items of PPE recognised in the annual financial statements <i>[paragraphs 59 – 61, and 77]</i>	<ul style="list-style-type: none"> • To appoint a consultant to prepare a GAP analysis: <ul style="list-style-type: none"> - Investigation & recommendation regarding software and financial system to support the requirements of GRAP 17 - Determine if useful life methodology adopted is acceptable for the different classes of assets - Asses influence of repair & maintenance policy on useful life of assets - Asses if current information on assets are sufficient to review useful life (componentisation) • Compare outcomes of GAP analysis with current situation and define way forward 	<ul style="list-style-type: none"> • Tenders were advertised and closed on 14 January 2008 • Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008 • Grant funding obtained for appropriation towards Infrastructural Asset Management in 2008/09 financial year 	<p>Assistant Town Treasurer Budget & Reporting Office</p> <p>Assistant Town Treasurer Budget Office with Deputy Town Treasurer and Consultant</p>	<p><i>Appoint Consultant by 15 April 2008</i></p> <p>Complete Gap Analysis by 31 May 2008</p> <p>30 June 2008</p>

	- Is current software and systems compliant? Yes or No			
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APPENDIX H
IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES
STEVE TSHWETE LOCAL MUNICIPALITY
31 MARCH 2008

Financial reporting standard & extent of exemption from standard	Milestones to be achieved to comply with exemption – reported in October 2007 <i>[include the key challenges to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[cannot extend beyond 30 June 2008]</i>
Property, plant and equipment (GRAP 17) Review of useful life of items of PPE recognised in the annual financial statements <i>[paragraphs 59 – 61, and 77]</i>	<ul style="list-style-type: none"> - If no what amendments are required for compliant system or acquiring new Asset Management System through tender process - Do a cost analysis and secure funding • Define procedures for periodical reviews • Arrange training on procedures and standards – All stakeholders must understand their responsibility • First review of useful life for all asset classes • If useful life change calculate effect of a change in accounting estimate 	<ul style="list-style-type: none"> • Tenders specifications can only be drawn up after gap analysis has been completed and proposals made 	Consultant in collaboration with Assistant Town Treasurer Budget Office Consultant with all stakeholders Assistant Town Treasurer Budget Office with Head's of Departments (HOD's) Assistant Town Treasurer Budget Office	Amendments or acquiring of new asset system pending on analysis by 31 December 2008 Full implemented system by 30 June 2009 30 November 2008 31 January 2009 May 2009 until June 2009 for 2008/2009 financial statements July 2009 for 2008/2009 financial statements

<p>Property, plant and equipment (GRAP 17) Review of depreciation method applied to PPE recognised in the annual financial statements <i>[paragraphs 62 and 77]</i></p>	<ul style="list-style-type: none"> • To appoint a consultant to prepare a GAP analysis: <ul style="list-style-type: none"> - Simultaneous process with review of useful life - See above 	<ul style="list-style-type: none"> • See above 	<p>See above</p>	<p><i>See above</i></p>
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Financial reporting standard & extent of exemption from standard	Milestones to be achieved to comply with exemption – reported in October 2007 <i>[include the key challenges to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[cannot extend beyond 30 June 2008]</i>
Property, plant and equipment (GRAP 17) Impairment of non-cash-generating assets <i>[paragraphs 64 – 69 and 75(e)(v) – (vi)]</i>	<ul style="list-style-type: none"> • To appoint a consultant to investigate the FAR and assist with: <ul style="list-style-type: none"> - Identification of cash generating assets and non-cash generating assets 	<ul style="list-style-type: none"> • Tenders were advertised and closed on 14 January 2008 • Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008 	Assistant Town Treasurer Budget Office	<i>Appoint consultant by 15 April 2008</i>

<p>Property, plant and equipment (GRAP 17) Impairment of cash-generating assets <i>[paragraphs 63 and 75(e)(v) – (vi)]</i></p>	<ul style="list-style-type: none"> - Asses if current information in FAR are sufficient for impairment - Identification of assets that may be impaired 	<ul style="list-style-type: none"> • Tenders were advertised and closed on 14 January 2008 • Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008 	<p>Consultant</p>	<p>Assessment of FAR by 30 June 2009</p>
<p>Impairment of Assets (IAS 36/AC 128) Entire Standard</p>	<ul style="list-style-type: none"> - How to review the carrying amount of assets for impairment - How to determine the recoverable amount - When to recognise or reverse an impairment loss - Timing of impairment test - Recognizing and measuring of impairment loss - Disclosure requirements • Define procedures for Impairment tests of assets • Arrange training on procedures and standard – all stakeholders must clearly understand their role 	<ul style="list-style-type: none"> • Tenders were advertised and closed on 14 January 2008 • Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008 	<p>Assistant Town Treasurer Budget Office with Deputy Town Treasurer</p> <p>Consultant and Assistant Town Treasurer Budget Office Consultant</p>	<p>Analysis, recommendations and amendments of systems and FAR if necessary by 30 June 2008, if new asset system is required then only by 31 December 2008</p> <p>By 30 September 2008 depending on above</p> <p style="text-align: right;">By 31 October 2008</p>

APPENDIX H
IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES
STEVE TSHWETE LOCAL MUNICIPALITY
31 MARCH 2008

Financial reporting standard & extent of exemption from standard	Milestones to be achieved to comply with exemption – reported in October 2007 <i>[include the key challenges to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[cannot extend beyond 30 June 2008]</i>
Impairment of Assets (IAS 36/AC 128) Entire Standard	<ul style="list-style-type: none"> • Conduct first impairment test and recognition 		Assistant Town Treasurer Budget Office with HOD's	By 30 June 2009 for the 2008/2009 financial year
Inventories (GAMAP 12) The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17	<ul style="list-style-type: none"> • To appoint a consultant to: <ul style="list-style-type: none"> - Identify items of property ,plant and equipment that should be recognised and be disclosed as inventory - Measurement of inventory with reference to costs of land development and saleable land - Accounting treatment for cancellations of inventory specifically for saleable land (deed of sales over more than one financial year) - Write downs of inventories to net realisable value - Asses if rest of standard is applied correctly - Asses current systems and general ledger for correct treatment of inventories 	<ul style="list-style-type: none"> • Tenders were advertised and closed on 14 January 2008 • Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008. 	Assistant Town Treasurer Budget Office Consultant	<i>Appoint Consultant by 15 April 2008</i> Analyse and recommendations 31 May 2008

	<ul style="list-style-type: none">- Asses Supply Chain Management Policy for the sale of land and the influence thereof on the accounting treatment of inventories• Implement recommendations, system changes an make corrections		Assistant Town Treasurer Budget office with Deputy Town Treasurer	31 December 2008
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APPENDIX H
IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES
STEVE TSHWETE LOCAL MUNICIPALITY
31 MARCH 2008

Financial reporting standard & extent of exemption from standard	Milestones to be achieved to comply with exemption – reported in October 2007 <i>[include the key challenges to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[cannot extend beyond 30 June 2008]</i>
Inventories (GAMAP 12) The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17	<ul style="list-style-type: none"> • Arrange training on accounting treatment of inventories • Implement correct recognition of inventories 		Assistant Town Treasurer Budget Office with consultant Assistant Town Treasurer Budget Office	31 October 2008 By 30 June 2008 for the 2007/2008 financial year
Inventories (GAMAP 12) The entire standard to the extent that it relates to water stock that was not purchased by the municipality	<ul style="list-style-type: none"> • Fully compliant 	<ul style="list-style-type: none"> • Milestone achieved by implementation on 30 June 2006 AFS and onwards 		30 June 2006
Investment Property (IAS 40/AC 135) The entire standard to the extent that the property is accounted for in terms of GAMAP 17	<ul style="list-style-type: none"> • To appoint a consultant to: <ul style="list-style-type: none"> - Identify items of property, plant and equipment accounted for in terms of GAMAP 17 but meet the definition of investment property 	<ul style="list-style-type: none"> • Tenders were advertised and closed on 14 January 2008 • Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008 	Assistant Town Treasurer Budget Office	<i>Appoint Consultant by 15 April 2008</i>

<p>Investment Property (IAS 40/AC 135) Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of the standard <i>[paragraphs 79(e)(i) – (iii)]</i></p>	<ul style="list-style-type: none"> • Identify land for undetermined future use <ul style="list-style-type: none"> – Is all available land included in asset register. • Analyze the existing systems and make recommendations to account for Investment property. • Assist with recognition of Investment property and the accounting treatment thereof • Determine most beneficial measurement of recognition- fair value or cost model 	<ul style="list-style-type: none"> • Tenders were advertised and closed on 14 January 2008 • Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008. 	<p>Consultant</p>	<p>Analyze and recommendations 31 May 2008</p>
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<p>Leases (IAS 17/AC 105) Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement. <i>[SAICA circular 12/06 paragraphs 8 – 11 and paragraphs 33, 34, 50, 51 of IAS 17/AC 105)</i></p>	<ul style="list-style-type: none"> • To appoint a consultant to: <ul style="list-style-type: none"> - Asses all lease & rental agreements to classify between operating and finance lease - Compile a register of operating leases - Assist with calculation of straight-lining - Investigate influence on budget and possible changes to financial system software - Implementation and correction of accounting treatment if necessary 	<ul style="list-style-type: none"> • Tenders were advertised and closed on 14 January 2008 • Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008 	<p>Assistant Town Treasurer Budget Office</p>	<p>From May 2008 onwards to be compliant for the 2007/2008 AFS</p>
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<p>Employee Benefits (IAS 19/AC 116) Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. <i>[paragraphs 29, 48 – 119, 120A(c)-(q)]</i></p>	<ul style="list-style-type: none"> • Advantage was taken of the transitional liability to be phased in over a period of 5 years. Two fifths of total amount has been recognised. An actuarial valuation has already been obtained • To appoint a consultant to verify correct accounting treatment & disclosure requirements 	<ul style="list-style-type: none"> • Milestone already achieved for 2006/2007 AFS • Tenders were advertised and closed on 14 January 2008 • Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008 	<p>Assistant Town Treasurer Budget Office</p>	<p>30 June 2007</p> <p>30 June 2008</p>
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<p>Financial Instruments: Recognition and Measurement (IAS 39/AC 133) Initially measuring financial assets and financial liabilities at fair value. <i>[SAICA circular 09/06, paragraph 43, AG 79, AG 64 and AG 65 of IAS 39/ AC 133]</i></p>	<ul style="list-style-type: none"> To appoint a consultant for advice on procedure & system changes for correct accounting treatment & disclosure requirements 	<ul style="list-style-type: none"> Tenders were advertised and closed on 14 January 2008 Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008 	<p>Assistant Town Treasurer Budget Office</p>	<p><i>Appoint Consultant by 15 April 2008</i> More detail on implementation after advice has been received</p>
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APPENDIX H
IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPAL
STEVE TSHWETE LOCAL MUNICIPALITY
31 MARCH 2008

<p style="text-align: center;">Financial reporting standard & extent of exemption from standard</p>	<p style="text-align: center;">Milestones to be achieved to comply with exemption – reported in October 2007 <i>[include the key challenges to be overcome]</i></p>	<p style="text-align: center;">Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i></p>	<p style="text-align: center;">Person responsible</p>	<p style="text-align: center;">Estimate date of compliance <i>[cannot extend beyond 30 June 2008]</i></p>
<p>Non-current Assets held for Sale and Discontinued Operations (IFRS 5/AC142) Classification, measurement and disclosure of non-current assets held for sale. <i>[paragraphs 6 – 14, 15 – 29 (in so far as it relates to non-current assets held for sale), 38 – 42]</i></p>	<ul style="list-style-type: none"> • To appoint a consultant for advice on procedure & system changes for correct accounting treatment & disclosure requirements 	<ul style="list-style-type: none"> • Tenders were advertised and closed on 14 January 2008. • Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008 	Assistant Town Treasurer Budget Office	Appoint Consultant by 15 April 2008 More detail on implementation after advice has been received

<p>Financial Instruments: Disclosures (IFRS 7/AC 144) Entire Standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998</p>	<ul style="list-style-type: none"> To appoint a consultant for advice on procedure & system changes for correct accounting treatment & disclosure requirements 	<ul style="list-style-type: none"> Tenders were advertised and closed on 14 January 2008. Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008 	<p>Assistant Town Treasurer Budget Office</p>	<p><i>Appoint Consultant by 15 April 2008</i> More detail on implementation after advice has been received</p>
<p>Construction Contracts (IAS 11/AC 109) Entire Standard</p>	<ul style="list-style-type: none"> To appoint a consultant for advice on procedure & system changes for correct accounting treatment & disclosure requirements 	<ul style="list-style-type: none"> 	<p>Assistant Town Treasurer Budget Office</p>	<p><i>Appoint Consultant by 15 April 2008</i> More detail on implementation after advice has been received</p>

APPENDIX H
IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES
STEVE TSHWETE LOCAL MUNICIPALITY
31 MARCH 2008

Financial reporting standard & extent of exemption from standard	Milestones to be achieved to comply with exemption – reported in October 2007 <i>[include the key challenges to be overcome]</i>	Amendment to milestone and or achievement of milestone <i>[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]</i>	Person responsible	Estimate date of compliance <i>[cannot extend beyond 30 June 2008]</i>
Business Combinations (IFRS 3/AC 140) Entire Standard	<ul style="list-style-type: none"> To appoint a consultant for advice on procedure & system changes for correct accounting treatment & disclosure requirements 	<ul style="list-style-type: none"> Tenders were advertised and closed on 14 January 2008 Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008. 	Assistant Town Treasurer Budget Office	<i>Appoint Consultant by 15 April 2008</i> More detail on implementation after advice has been received

<p>Accounting for Government Grants and disclosure of Government Assistance (IAS 20/AC 134) Entire Standard excluding paragraph 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9</p>	<ul style="list-style-type: none"> To appoint a consultant to investigate the current accounting treatment of Government Grants and to suggest any changes required to comply with the full standard 	<ul style="list-style-type: none"> Tenders were advertised and closed on 14 January 2008 Evaluation still in process due to the time constraints with budget process. To be submitted to Bid Evaluation and Bid Adjudication Committee by 11 April 2008 	<p>Assistant Town Treasurer Budget Office</p>	<p><i>Appoint Consultant by 15 April 2008</i> More detail on implementation after advice has been received</p>
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REPORT

OF THE

AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE STEVE TSHWETE LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Steve Tshwete Local Municipality (municipality) which comprise the statement of financial position as at 30 June 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages [xx] to [xx].

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 2 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
- appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. Paragraph 11 *et seq.* of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 2.

Opinion

10. In my opinion the financial statements present fairly, in all material respects, the financial position of the Steve Tshwete Local Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 2 and in the manner required by the MFMA and DoRA.

OTHER MATTERS

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

Matters of governance

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

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.		✓
• The audit committee operates in accordance with approved, written terms of reference.	✓	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.		✓

Matter of governance	Yes	No
Internal audit		
<ul style="list-style-type: none"> The municipality had an internal audit function in operation throughout the financial year. 	✓	
<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 		✓
<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. 		✓
Other matters of governance		
<ul style="list-style-type: none"> The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA. 	✓	
<ul style="list-style-type: none"> The annual performance report was submitted to the auditor for consideration prior to the date of the auditor's report. 	✓	
<ul style="list-style-type: none"> The financial statements submitted for audit were not subject to any material amendments resulting from the audit. 	✓	
<ul style="list-style-type: none"> No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management. 	✓	
<ul style="list-style-type: none"> The prior year's external audit recommendations have been substantially implemented. 	✓	
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)		
<ul style="list-style-type: none"> The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007. 	✓	
<ul style="list-style-type: none"> The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP. 	✓	
<ul style="list-style-type: none"> The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008. 	✓	

Unaudited supplementary schedules

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

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

13. I was engaged to review the performance information.

Responsibility of the accounting officer for the performance information

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

Responsibility of the Auditor-General

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

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

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

APPRECIATION

18. The assistance rendered by the staff of the municipality during the audit is sincerely appreciated.

Auditor General
Nelspruit

30 November 2008



A U D I T O R - G E N E R A L

**Comments of Senior Officials
and Particulars of
Corrective Action
to be taken in response
to issues in the report
of the Auditor General**

COMMENTS OF SENIOR OFFICIALS AND PARTICULARS OF CORRECTIVE ACTION TO BE TAKEN IN RESPONSE TO ISSUES IN THE REPORTS OF THE AUDITOR-GENERAL

1.1 Report on the Financial Statements

1.1.1 Paragraph 1: *Introduction*

Comments

To be noted.

1.1.2 Paragraph 2: *Responsibility of the accounting officer for the financial statements*

Comments

To be noted.

1.1.3 Paragraph 3, 4, 5, 6, 7 and 8: *Responsibility of the Auditor-General*

Comments

The total audit approach by the Auditor-General is explained under these paragraphs. The Auditor-General considered the audit evidence provided sufficient and appropriate for his audit opinion.

1.1.4 Paragraph 9: *Basis of Accounting*

Comments

To be noted.

1.1.5 Paragraph 10: *Opinion*

Comments

This reflects that there is complied with prescribed accounting practices and legislation and that with regard to the Annual Financial Statements as at 30 June 2008 the Council received a clear audit.

1.2 Other Matters

1.2.1 Paragraph 11: *Matters of Governance*

The key governance responsibilities listed not complied with are the following:

1.2.1.1 Audit Committee

The Audit Committee did not operate the full financial year.

Comments

The Council shares the Audit Committee with the Nkangala District Municipality and the other five (5) local municipalities in the Nkangala region as permitted by Section 166(6) of the MFMA. The Committee was only appointed late in 2007 and only started functioning in January 2008.

- The Audit Committee did not substantially fulfill its responsibilities for the year as set out in Section 166(2) of the MFMA.

Comments

Although all reports as are required were submitted to the Audit Committee, it did not provide the Council with the required advice and opinion throughout the financial year.

- The internal audit function did not operate in terms of an approved internal audit plan.

Comments

The internal audit plan is based on prioritised risks from the Council's annually reviewed risk register. The risks were only workshopped on 29 January 2008 and the audit plan for 2007/2008 subsequently drawn up and approved in April 2008.

- The internal audit function did not substantially fulfill its responsibilities for the year as set out in Section 165 (2) of the MFMA.

Comments

Although the internal audit plan for 2007/2008 was worked through by 30 June 2008, the internal audit function, up to end March 2008, could not attend to any new issues. It is essential that in future the Council's risks be prioritised and an internal audit plan compiled before a financial year commences.

1.2.2 Paragraph 12: *Unaudited Supplementary Schedules*

Comments

The supplementary information being referred to is contained in Appendixes E, F, G and H to the Annual Financial Statements and contains, for completeness sake, a comparison of actual transactions to what was budgeted and detail of variances that might have occurred.

1.3 **Other reporting responsibilities**

1.3.1 **Report on Performance Information**

1.3.1.1 **Paragraph 14: *Responsibility of the accounting officer for the performance information***

Comments

To be noted.

1.3.1.2 **Paragraphs 15, 16 and 17: *Responsibility of the Auditor-General***

Comments

It needs to be noted that the evidence presented was sufficient and appropriate and there were no significant findings by the Auditor-General.

1.4 **Appreciation**

Comments

The appreciation by the Auditor-General as per paragraph 18 must be noted.

2. It is recommended that the Report by the Auditor-General be considered and accepted as a clean audit report in all aspects.

Assessment of Arrears
in respect of
Municipal Taxes and
Service Charges

**ASSESSMENT OF ARREARS
IN RESPECT OF
MUNICIPAL TAXES AND SERVICE CHARGES**

The Council's total consumer debtors as at 30 June 2008 is as follows:

CONSUMER DEBTORS

	Gross Balance	Provision for Bad Debt	Net Balance
	R	R	R
Service debtors:	36 036 081	12 195 267	23 840 814
Property rates	17 087 115	8 516 219	8 570 897
Electricity	9 582 947	705 187	8 877 760
Water	4 465 330	1 604 494	2 860 836
Sewerage	2 862 262	924 689	1 937 572
Refuse	2 038 427	444 678	1 593 749
Estates	450 275	-	450 275
Other	6 718 000	4 230 110	2 487 890
Total	43 204 356	16 425 377	26 778 979

AGEING OF CONSUMER DEBTORS

	2008 R	2007 R
Property Rates		
Current (0-30 days)	6 807 168	5 673 285
31-60 days	1 128 400	909 488
61-90 days	671 959	527 955
91-120 days	504 781	413 648
121-150 days	382 161	428 572
151+ days	7 592 646	6 834 101
Sub-total	17 087 115	14 787 049
Services		
Current (0-30 days)	13 517 158	12 065 039
31-60 days	1 089 411	1 318 083
61-90 days	529 375	568 905
91-120 days	305 927	376 596
121-150 days	227 035	358 416
151+ days	3 280 060	4 099 280
Sub-total	18 948 966	18 786 319
Estates		
Current (0-30 days)	-	-
31-60 days	69 906	99 430
61-90 days	17 821	79 343
91-120 days	57 957	60 495
121-150 days	304 590	530 462
151+ days	-	-
Sub-total	450 275	769 730

Other

Current (0-30 days)	2 004 745	1 996 086
31-60 days	349 604	360 957
61-90 days	230 077	178 098
91-120 days	201 497	140 947
121-150 days	160 717	226 675
151+ days	3 771 360	3 396 419
Sub-total	6 718 000	6 299 182
Total consumer debtors	43 204 356	40 642 280
<i>Made up as follows:</i>		
Current (0-30 days)	22 329 071	19 734 410
31-60 days	2 637 321	2 687 958
61-90 days	1 449 233	1 354 301
91-120 days	1 070 163	991 686
121-150 days	1 074 502	1 544 125
151+ days	14 644 066	14 329 800
Total	43 204 356	40 642 280

From the above the following can be deduced:

1. That the Council's total consumer debts amounts to R43 204 356 which is R2,6-million more than at 30 June 2007. The main increase according to the age analysis is current debtors which represents 51,6% of outstanding debt.
2. That provision of R16,4-million was made for doubtful debt.
3. The account balances of accounts receivable represents the fair value as calculated at 30 June 2008.
4. The Council's average payment rate for the past financial year remained above 98% (2008: 108%). The high collection rates are indicative of strong credit control measures implemented by Council. The collection period amounts to a very healthy 32 days (2007: 23 days) with a debtors turnover rate of 8,86% (2007: 8,79%) which is in line with accepted norms.

**Assessment of the
Municipality's
Performance against
Objectives for Revenue
Collection from each
Revenue Source in the Municipality's
Approved Budget for
the 2007/2008
Financial Year**

**ASSESSMENT OF THE MUNICIPALITY'S PERFORMANCE
AGAINST OBJECTIVES FOR REVENUE COLLECTION
FROM EACH REVENUE SOURCE AND FOR EACH VOTE IN THE
MUNICIPALITY'S APPROVED BUDGET FOR THE 2007/2008 FINANCIAL YEAR**

The Council's actual revenue in comparison to the objectives as provided for in the relevant budget is as follows:

BUDGET			ACTUAL	
2007 R	2008 R		2008 R	2007 R
REVENUE BY SOURCE 30 JUNE 2008				
86 816 047	98 250 390	Property rates	99 143 999	87 679 521
		Service charges:		
113 359 780	130 903 231	Electricity	131 875 561	121 399 833
16 742 915	18 168 511	Refuse removal	18 283 405	16 789 529
17 472 539	19 130 743	Sewerage	19 243 332	17 606 858
32 509 951	30 995 739	Water	29 988 487	34 646 560
1 497 193	1 602 617	Rental of facilities and equipment	1 705 266	1 840 584
16 800 000	29 500 000	Interest earned – external investments	46 261 299	26 960 138
2 613 564	2 089 399	Interest earned – outstanding debtors	2 112 732	1 703 384
3 782 000	2 662 304	Fines	3 638 936	3 345 607
2 920 500	3 559 200	Licenses and permits	4 240 758	3 228 248
4 150 000	4 400 000	Income for agency services	5 544 491	5 023 898
38 504 000	45 775 185	Government grants and subsidies received – operating	41 893 680	36 998 627
15 331 200	32 448 454	Government grants and subsidies received – capital	24 126 548	12 455 942
18 820 000	35 586 978	Public contributions, donated and contributed property, plant and equipment	9 149 384	4 022 521
103 066 491	57 520 663	Other revenue	78 605 059	132 252 460
250 000	250 000	Gain on disposal of property, plant and equipment	393 132	1 499
474 636 180	512 843 414	Total Revenue	516 206 069	505 955 208

From the above the following can be deduced:

3. For the 2007/2008 financial year additional revenue of R3,3-million realised over and above that which was budgeted for.
4. This was mainly achieved due to higher interest earned on external investments of R16,8-million as a result of Council's favourable cash flow position and revenue from the sale of erven.
5. Public contributions from donated and contributed property, plant and equipment is R8,3-million less than budgeted for mainly as a result of less assets capitalised on year end from the Nkangala District Municipality.
6. In the case of capital grants from government capital expenditure on the first quarter of the MIG allocation did not realise as expected.
7. Revenue received from service charges were more or less the same as budgeted for and reflects a favourable deviation of 0,37%.

Municipal Performance Report

Steve Tshwete Local Municipality

Key Performance Indicators: 2007/2008

Progress on the 2007/2008 Key Performance Indicators as at 31 March 2008
(3rd Quarter of the financial year)

Resource Management Perspective

KPI	Input Indicator	Output Indicator	Outcome Indicator	Baseline Indicator	Target	Actual Performance up to 31 March 2008	Reasons for underperformance/ variance	Corrective Measures
Percentage of debtors to revenue ratio maintained at below 15% (NKPI)	Debt collection using the Credit Control Policy	Debtors to revenue ratio maintained at 3% below 15%	Improved financial rating of Municipality	11% Ratio and uncollectible debts of 19% of Debtors' books	Reducing uncollectible outstanding debts by June 2008	Debtors to revenue ratio 6,71% Uncollectible 6,8% of debtors	Bad debts written off to date R1 487 470	Lists of bad debts presented for consideration to be written off
	Write off unrecoverable bad debt							
Percentage by which the staff complement is maintained above 85%	Filling in of posts within 3 months of them becoming vacant	Staff levels maintained at 5% above 85%	Maintenance of the standard of service delivery	Staff levels are above 85% of the official staff complement	Maintain a staff complement of above 85% on an ongoing basis	8 out of 92 posts vacant = 91,3% complement	No under performance	
Percentage of the municipal budget actually spent on implementing the skills development plan(NKPI)	Allocate adequate funds to ensure the implementation of the Skills Development Plan	0.15% of the municipal budget actually spent on implementing the skills development plan	Improved service delivery	0.12% is actually spent on implementing the skills development plan	Organize an appropriate number of training session or workshop to provide skills to employees by June 2008			
	Organize and run programmers on skills development with employees		Better skilled and performing employees					
			Community satisfied with service delivery					

NKPI = National Key Performance Indicator

* = Objective (new) not in IDP

Number of people from employment equity target groups employed in the three highest levels of management in compliance with the approved employment equity plan(NKPI)	Ensure specifics in compliance with the Employment Equity Act are included in advertisements for employment positions	Number of people(16 out of 25) employed in the three highest levels of management in compliance with the Employment Equity Act	Employment in the three highest levels of employment reflect the composition of the population in the country	Employment in the 3 highest levels of management does not reflect(16 out of 25) the composition of the population as expected by the Employment Equity Act and is	Biased appointment of staff in favour of employment target groups in the three highest levels of management when filling vacancies on an ongoing basis			
Number of Multi-Purpose Community Service Centres created	Provision of adequate funds for the phase 1 creation of the MPCCs	Completed phase 1 of the two MPCCs at Doornkop and Mhluzi	Communities have access to a variety of services	Limited access to services due to distant community facilities	Completion of phase 1 of two MPCCs at Doornkop and Mhluzi respectively by June 2008			

Service Delivery Perspective

KPI	Input Indicator	Output Indicator	Outcome Indicator	Baseline Indicator	Target	Actual Performance up to 31 March 2008	Reasons for underperformance/ variance	Corrective Measures
Percentage of households earning less than R1 100 per month with access to all Council's Free Basic Services (NKPI)	Application forms on free basic services made freely available at all municipal offices, paypoints and with Ward Councilors	78% of all households earning less than R1 100 per month are participating in Council's Free Basic Services Programme	Relief to poverty stricken households as a result of access to free basic services	78% of the 12809 households have access and are participating in Council's Free Basic Services Program	Ensuring that 10 000 households earning less than R1 100 per month continue to have access and are participating in Council's Free Basic Services Program by June 2008	Total number of indigents at end March 12690 (99,07%)	No under performance	
	Utilizing slots on local Radio Stations to market the services to the community							
Percentage of households having access to a basic level of water (NKPI)	Investigate alternative ways of providing water in the rural areas	91,5% Households have access to basic level of drinking water	Every citizen has access to a supply of sufficient water	All households in the urban areas receive piped drinking water	Ensuring access to a basic level of drinking water to 300 additional households in the municipality by June 2008			
	Drill boreholes on farms where the need exists							
	Provide piped water in new developments							

NKPI = National Key Performance Indicator

* = Objective (new) not in IDP

Percentage of households having access to a basic level of electricity (NKPI)	Allocate adequate funds to ensure improvement of the electricity supply throughout the Municipality	37,8% of the budget is spent on the improvement of electricity supply	...% of the budget was spent on improving electricity supply	Adequate and uninterrupted flow of electricity throughout the Municipality	Spending 37,8% of the budget to ensure an improved and uninterrupted supply of electricity in the Municipality by June 2008			
Percentage of households having access to a basic level of solid waste removal (NKPI)	Adequate refuse collection vehicles and personnel	Refuse collection per week per household in the urban areas	Citizens enjoy an environment that is not harmful to their health or well being	Refuse removal done at least once per household per week	Ensuring that refuse removal is done at least once per household per week on an ongoing basis			
Percentage of households having access to a basic level of sanitation (NKPI)	Adequate funds allocated for the provision of toilet facilities in rural areas	100 Households in the rural areas provided with toilet facilities	Households enjoy an environment that is not harmful to their lives or well being and a respected and protected dignity	1 714 households in the rural areas do not have proper sanitation	Provision of toilet facilities to 100 households in the rural areas by June 2008			

NKPI = National Key Performance Indicator

* = Objective (new) not in IDP

KPI	Input Indicator	Output Indicator	Outcome Indicator	Baseline Indicator	Target	Actual Performance up to 31 March 2008	Reasons for underperformance/ variance	Corrective Measures
Number of kilometers of roads constructed, repaired or upgraded in existing and new developments	Adequate funds for road works in urban and rural areas	..km of roads constructed, repaired, upgraded in urban and rural areas	Short traveling distances and safe streets between areas in the urban areas	No baseline	Tarring of 6,2km gravel streets by June 2008			
Number of metres or km of storm water drainage pipes laid in the urban areas	Adequate funds for the laying of a storm water drainage system	2 700m stormwater drainage pipes; 750m channels; 2.2km subsurface drainage along streets in the urban areas	No threat from uncontrolled storm water during heavy rains	Lack of several km of storm water drainage pipes along streets in the urban areas	Laying of 2700m of stormwater drainage pipes; 750m channels; 2.2km subsurface drainage along streets in the urban areas by June 2008			
Number of sports fields developed or maintained and upgraded	Funds made available for the provision and maintenance of sport and recreational facilities	At least 1 sports fields developed	Adequately supplied, satisfied and sport participating community	Inadequate sports facilities throughout the municipality	Providing at least 1 graded soccer field in the rural areas by June 2008			

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Key Performance Indicators 2007/2008

Number of new parks, open spaces and recreational facilities developed, repaired or maintained	Funds made available for parks and playing equipment	3 New parks and open spaces developed	Highly satisfied community which utilizes the facilities	Inadequate number of parks and open spaces for the community in the urban areas	Opening up of 3 new parks and open spaces in the urban areas by June 2008			
		Budgeted amount spent fully on recreational facilities		Inadequate recreational facilities in the urban areas	Providing adequate recreational facilities in the urban areas by June 2008			
Number of areas where land for the development of new cemeteries has been acquired	Adequate funds made available for the acquiring of land for the development of new cemeteries	1 Area where land has been acquired for the development of a new cemetery	Satisfied and relieved community	No land is available for the development of new cemeteries	Acquiring land for the development of 1 new cemetery by June 2008			

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Development Impact Perspective

KPI	Input Indicator	Output Indicator	Outcome Indicator	Baseline Indicator	Target	Actual Performance up to 31 March 2008	Reasons for underperformance/ variance	Corrective Measures
Number of new business ventures attributable to the municipality's LED initiatives	Special incentives on purchase price of business/industrial sites by investors	10 new businesses or industries established	Availability of work opportunities and reduction of poverty levels for local residents	A limited number of investors are establishing businesses/industries	Attracting 10 new investors to establish businesses and industries by June 2008			
Number of new jobs created through the municipality's LED initiatives including capital projects(NKPI)	Provide for adequate funds in the budget	At least 4 000 man days employment opportunities to be created through capital projects	Reduced unemployment and poverty levels	Inadequate job opportunities available	Creation of \pm 4 000 man days employment opportunities(temporary)by June 2008			
Number of job opportunities created as a result of the Extended Public Works Programme	Providing funds for labour intensive projects Identification of labour intensive project	500 Citizens who are employed in labour intensive projects	Reduced unemployment and poverty levels	Limited number of work opportunities within the municipality	Creation of 500 job opportunities through the EPWP projects funded by NDM by June 2008			

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Key Performance Indicators 2007/2008

Number of industrial stands created	Allocation of adequate funds for the creation of industrial stands	8 Industrial stands created	Economic development with resultant reduction in unemployment & poverty levels	Inadequate number of industrial stands available for purchase by investors	8 Industrial stands created by June 2008			
Number of HIV/AIDS awareness campaigns/workshop held	Adequate funds in the budget for organizing and conducting awareness campaigns	6 Reports on campaigns or workshops	All the citizens in the municipal area have access to health care services	6 Awareness campaigns or workshops on HIV/AIDS were conducted	Conduct 6 HIV/ AIDS awareness campaigns or workshops by June 2008			
Number of workplace health programs implemented or supported	Adequate funds on the budget for the implementation of workplace health programs	3 Workplace health programs implemented.	All citizens in the municipal area have access to health care services	Workplace health programs implemented/ supported	3 Workplace health programs implemented by June 2008			
Percentage by which traffic collisions are reduced at high risk areas	Posting of traffic officers at all high risk areas	15% Reduction in the number of traffic collisions at high risk areas	No threat to safety of road/street users due to traffic collisions	1486 Traffic collisions occurred in the high risk areas in the last financial year	15% Reduction in the number of traffic collisions occurring in high risk areas by June 2008			
	Additional traffic calming measures constructed at high risk places							

KPI	Input Indicator	Output Indicator	Outcome Indicator	Baseline Indicator	Target	Actual Performance up to 31 March 2008	Reasons for underperformance/ variance	Corrective Measures
Percentage of the capital budget actually spent on capital projects identified for a particular financial year in terms of the IDP (NKPI)	Monitor and ensure expenditure of capital budget on capital projects as identified in the IDP	80% of Capital budget spent on capital projects as identified in the IDP	High level of satisfaction by residents on the manner in which the municipality delivers projects as identified in the IDP	80% of the capital budget is actually spent on the delivery of IDP capital projects	Ensuring that 80% of the capital budget is actually spent on IDP capital projects by June 2008	100% of the capital budget is derived from the IDP	No under performance	
Number of available residential sites for purchase by community	Funds allocated for the servicing of new stands for purchase by the community	335 Serviced stands provided	Residents have access to serviced stands for the building of houses	Insufficient residential sites available for purchase by the community	Servicing of 335 residential sites for purchase by the community by June 2008			
Number of additional church sites provided for purchase by church community	Funds set aside for the servicing of church sites	5 Additional church sites serviced	Satisfied church community	Insufficient church sites available for purchase by the church community	Servicing of 5 church sites for purchase by June 2008			
Number of rural villages created	Allocation of adequate funds for the creation of a rural village	1 Additional rural village created	Citizens have access to adequate housing	1 Rural village created	1 Additional rural village created by June 2008			

NKPI = National Key Performance Indicator

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Key Performance Indicators 2007/2008

Number of additional sites created and serviced for low cost housing	Laying of infrastructure for low cost housing development	1 126 Residential sites for low cost housing created and serviced	Available serviced sites for low cost housing allocations /subsidies	Inadequate serviced sites for low cost housing development	Creation and servicing of 1 126 sites for low cost housing by June 2008			
Percentage increase in the number of people visiting to make use of library facilities	Visiting schools for marketing libraries	20% Increase in the number of people using library facilities	An educated and informed community	5 109 People visited and made use of library facilities	20% Increase in the number of people using library facilities by June 2008			
	Publish in Masakhane News							
	Utilising local Radio Station(GMFM)							
Number of samples taken on air pollution and potable water and milk quality	Provision of adequate funds to enable sampling to take place	108 samples on air 200 samples on milk 250 samples on water	Ensuring that citizens have access to a healthy environment	108 samples on air 155 samples on milk 187 samples on water by June 2008	108 air samples 200 milk samples 250 water samples by June 2008			

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Governance Perspective

KPI	Input Indicator	Output Indicator	Outcome Indicator	Baseline Indicator	Target	Actual Performance up to 31 March 2008	Reasons for underperformance/ variance	Corrective Measures
Percentage of voting age population who believe that they are given the necessary information and opportunity to participate in matters of local government in their area	Conducting a survey to determine voter beliefs regarding opportunity to participate in matters of local government	% of voting age population who believe that they are given the necessary information and opportunity to participate in matters of local government in their area	A well informed and participating community in local government matters	No baseline (Voters 85755)	Ensuring that.....% of voting age population believe that they are given the necessary information and opportunity to participate in matters of local government in their area by June 2008			
Number of functional and effective ward committees	Drafting and distribution of meeting agendas	24 Ward Committees holding meetings	Community participation	Insufficient and irregular consultation between politicians and the community	Ensuring that 24 Ward Committees are functional and effective by June 2008			
	Distribution of invitations for Ward and for Ward Committee meetings							

NKPI = National Key Performance Indicator

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	Typing of ward committee or ward minutes							
Number of inputs from previously disadvantaged individuals coming through suggestion boxes or call-ins or written letters	Communication strategy developed and implemented Suggestion boxes posted at strategic places.	300 inputs received through suggestion boxes or call - ins from previously disadvantaged individuals	Participation by previously disadvantaged individuals from the community on community matters	375 inputs received from previously disadvantaged individuals through suggestion boxes or call-ins	300 inputs made by previously disadvantaged individuals by June 2008			