

Mkhambathini Municipality

ANNUAL REPORT 2008/2009



**BY THE YEAR 2020 MKHAMBATHINI WILL BE A
SUSTAINABLE DEVELOPMENTAL MUNICIPALITY WITH
IMPROVED QUALITY OF LIFE FOR ITS ENTIRE PEOPLE IN
AREAS OF BASIC SERVICES, SOCIAL, ECONOMIC AND
ENVIRONMENTAL DEVELOPMENT**

Compiled by

Office of the Municipal Manager

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MAYORS TEAM



Back Row (left to right)

**Cllr SP Goqo; Cllr Cllr M R Nthuli; Cllr M K Mkhize ; Cllr B Zondi; Cllr T A Gwala;
Cllr S Tovenrath; Cllr S Wanda; Cllr F J Ngubane; Cllr M E Ngcongco**

Front Row (Left to right)

**Cllr F P Msomi; Cllr M Nene; Cllr T E Maphumulo (Honourable Mayor); Cllr E
Ngongo (Deputy Mayor) ; Cllr T Z Maphumulo (Speaker)**

Chapter 1: Introduction and Overview

1.1 Mayoral Foreword

Honourable Speaker
Honourable Members of Council
Executive Committee
Municipal Manager
Municipal Officials
All protocols observed



Cllr T E Maphumulo
Honourable Mayor

It is indeed an honour and privilege for the Honourable Mayor of Mkhambathini Local Municipality in presenting this Annual Report of the 2008/2009 financial year.

The Annual Report is the transparent account of the Municipality's achievements and shortfalls in spending or delivery that may exist under the period of review and it is a matter of public knowledge that we come from different political persuasions, but there is one thing that is common and that is the, effective, efficient and accessible service delivery to the people within the borders of Mkhambathini Local Municipality.

The Report is published in terms of the requirements of the Municipal Finance Management Act 56 of 2003; Circular No.11 which requires a municipality to report on all aspects of performance providing a true, honest and accurate account of goals set by the Council and our success or otherwise in achieving these goals.

"As the Mayor, I will make sure that I serve every party in the Council as well as every resident." Together we must work towards building the strongest municipality that will invite investors, business and labour movements to help create jobs and alleviate poverty.

We will continue to ensure our requisites in terms of the Constitution 108 of 1996 and other relevant Local Government legislation is utilized adequately and positively to create fairness, equity, reliability and consistency in improving consultation and involvement of our communities, political structures, internal structures, government sectors, and other interested organisations in the core business as a Local Municipality.

I would conclude, by saying that Mkhambathini Local Municipality will continue to strive administratively towards excellence and the mark of perfection in all areas of our administration and continue to support our political structure by co-ordinating, implementing and bringing about fruitful results.

1.2 Municipal Manager's Statement



Mr. D. A Pillay
Municipal Manager

As the Accounting Officer, I am privileged to have this opportunity in presenting the Annual Report of Mkhambathini Local Municipality for the 2008/ 2009 financial year.

The 2008/2009 financial year was a very eventful and productive year, in which a great deal of progress was made. Services were improved and a number of demanding challenges were overcome. However, this Municipality is aware of the fact that challenges still remain and strives to continuously improve on service delivery.

The Council has made tremendous strides towards achieving its objectives in all six key performance areas, namely:

- Basic service delivery and infrastructure development
- Municipal financial viability and management
- Municipal transformation and development
- Local economic development
- Good governance and public participation, and
- Spatial Rationale

This report records the progress made by Mkhambathini Local Municipality in fulfilling its objectives as reflected in the IDP, the Budget and the Service Delivery and Budget Implementation Plan. The year 2008/2009 was particularly significant for Mkhambathini Local Municipality. Considerable improvement and progress has been achieved in the services, functions and activities of the Municipality, including:

- (a) Review of the organizational structures of the Municipality to better position it for efficient and effective service delivery.
- (b) Improved integrated planning and budgetary control.
- (c) Improved financial and non-financial performance.
- (d) Meeting of statutory reporting frameworks.
- (e) Improving internal controls, both financial and non-financial, resulting in the receipt of an unqualified audit report from the Auditor-General's Office

We table this report in the spirit of Batho Pele, putting our people and communities first, and this report bears our testimony to our commitment for setting platforms to achieving more desired outcomes for the years ahead.

1.3 Overview of the Mkhambathini Local Municipality

Mkhambathini Local Municipality was established in terms of Section 155(1) (b) of the Constitution of the Republic of South Africa (1996) following the 2000 local government elections. It is one of the seven (7) category B municipalities comprising Umgungundlovu District Municipality. It shares municipal executive and legislative authority with Umgungundlovu District Municipality.

Mkhambathini Local Municipality is situated along the southern-eastern periphery of Umgungundlovu District Municipality and adjoins Richmond and Msunduzi Local Municipalities to the west, uMshwathi Local Municipality to the north and Durban/eThekweni Metropolitan area to the east, the camperdown area is only 30 minutes away from Durban's international airport and Africa's busiest harbour.

Agricultural production centres on vegetables grown for local and hinterland fresh produce markets, maize and sugar cane (processed through a mill at Eston). The area features the second highest concentration of poultry producers in the world, supported by a network of service suppliers, as well as pig and beef farming. Tourism is centred on African experiences, with attractions such as the Tala Game Reserve, Nagle Dam and Umgeni Valley.

1.3.1 Demographic Profile

Mkhambathini Municipality is located within uMgungundlovu which is one of the fastest growing districts in the province in both demographic and economic terms. Below is a comparison of population Distribution per Local Municipality. The population is spread unevenly among the seven local municipalities with the majority being in the Msunduzi Municipality.

Table 1: Population Distribution by Local Municipality

	Black	Coloured	Indian or Asian	White	TOTAL
KZN221: uMshwathi Local Municipality	105370	571	4802	2310	113053
KZN222: uMngeni Local Municipality	61535	3497	618	19133	84783
KZN223: Mpofana Local Municipality	28721	234	861	1706	31523
KZN224: Impendle Local Municipality	38767	106	-	524	39397
KZN225: The Msunduzi Local Municipality	478449	34783	68194	35303	616729
KZN226: Mkhambathini Local Municipality	43467	6	1048	2048	46569
KZN227: Richmond Local Municipality	53555	927	1332	959	56773

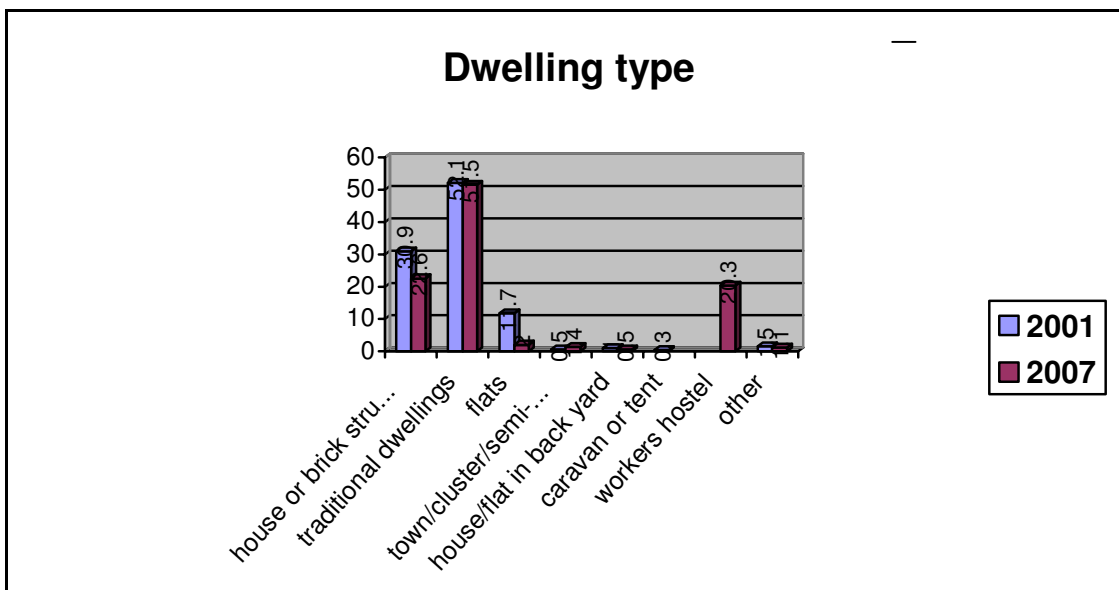
Source: Stats SA Community Survey 2007

Although Mkhambathini has the third smallest population in the district, it is one of the areas that has experienced a net population increase between the years 1996 and 2001. This is attributed to a number of factors including its strategic location in relation to Pietermaritzburg and Durban which creates opportunities for commuting between the municipal area and each of these economic centres. This emphasises the importance of rural urban linkages in addressing development at a district level and what this means at a local level.

1.3.2 Human Settlement

Housing is one of the key development issues facing Mkhambathini Municipality. This is evident from the relatively high representation of 51% of the total population who live in dwellings within traditional authority areas (as per the graph below). The importance of the figure should not be overstated as the quality of such houses varies significantly depending on the economic status of each household.

Figure1: Dwelling Type



Source: Stats SA Community Survey 2007

Despite a relatively high representation of people living in traditional structures, the level of homeless is very low in Mkhambathini Municipal Area. This is mainly suggested by a low 0.3% of the entire population living in caravans and tents. People living in houses described as other only accounts for 1.1%. These include backyard shacks, sharing and outbuildings.

1.3.3 Economic Growth Potential

The Mkhambathini Local Municipality adopted a Local Economic Development (LED) Strategy during the year under review. This Strategy is fully aligned to the LED Strategy for the uMgungundlovu District Municipality.

The main thrust of the Municipality's LED Strategy is that it needs to, as a matter of urgency, create an enabling infrastructure environment where Mkhambathini businesses can thrive and expand.

Attention needs to be given to increasing the rate of growth and survival of SMME's and the number of SMME's in an area. The following measures have been identified to achieve this goal:

- Provide incentives for investment;
- Improve business support;
- Provide information on development;
- Increase local purchasing;
- Promote public private-partnerships; and
- Assist businesses with marketing.

These measures will hopefully create a positive attitude about establishing and expanding businesses in the area.



Mkhambathini Municipality: Ward 3 Garden Project

1.3.4 Tourism and Attraction

Mkhambathini Municipality has unique destinations which combine the best of nature and agriculture environments. The diversity of facilities provides entertaining activities for the entire family. Key areas are as follows:

- Tala Valley
- Lion Park and Zoo
- African Bird of Prey Sanctuary
- Nagle Dam
- Table Mountain (natural area)
- Rosie Antique barn
- Hot air Balloon in Tala Valley
- Guahumbe Game Reserve
- Emoyeni Micro lighting
- Wingfield Nature Reserve



1.4 Executive Summary

1.4.1 Vision, Mission, Principle and Values

OUR VISION

By the year 2020 Mkhambathini will be a sustainable developmental municipality with improved quality of life for its entire people in areas of basic services, social, economic and environmental development.

Our Mission

As Mkhambathini Municipality administration we commit ourselves to:

- Upholding our leadership vision, working with integrity and in an accountable manner towards the upliftment of the people;
- Protect and enhance the interest of our clients at all times;
- Consistency perform our functions with transparency, honesty and dedication in dealing with clients ; and
- Respond promptly to the needs of our clients.

Our Principle and Values

The Mkhambathini Municipality subscribes to and applies the following Batho Pele Principles in the delivery of its mandate:

1. Consult customers on their service delivery needs
2. Inform customers on the level and quality of services they are entitled to receive
3. Improve access to services
4. Treat Customers with courtesy and respect
5. Provide customers with full and accurate information about services
6. Be open and transparent with regard to the management of the Municipality
7. Deal with complaints promptly and take remedial action to improve services
8. Provide value for money services

Legislative Mandates

The primary legislative mandate of the municipality systems from chapter 7, section 151 (2) of the Constitution of the Republic of South Africa, which states that –

The municipality must strive within its administrative and financial capacity, to meet the objects of local government which are to:

- Provide democratic and accountable government for local communities
Ensure sustainable provision of services to communities;
- Promote a safe and healthy environment; and to
- Encourage communities to become involved in local government matters.

The constitution also requires municipalities to structure and manage their administrations, budgeting and planning processes in such a manner as to:

- Prioritize the basic needs of the communities;
- Promote the social and economic development; and
- Participate in national and provincial development programmes.

These constitutional stipulations are also reinforced in section 73(1) of the Local Government: Municipal Systems Act No. 117 of 1998.

The constitution is further supported by the following Acts which were created solely for the furtherance of the municipalities' constitutional mandate:

- Local Government: Municipal Structures Act No. 117 of 1998
- Local Government: Municipal Systems Act No. 32 of 2000
- Local Government: Municipal Finance Management Act No. 56 of 2003
- Local Government: Municipal Property Rates Act No. 6 of 2004
- Division of Revenue Act
Development Facilitation Act

Section 84(1) Powers and Functions not yet provided

- Child Care Facilities
- Electricity Reticulation
- Water and Sanitation
- Municipal airport and Parking
- Municipal health services
- Municipal Public Transport and Pounds
- Pontoons and Ferries
- Beaches and amusement facilities
- Billboards and the display of advertisements in public places
- Markets, Municipal Abattoirs
- Environmental Health

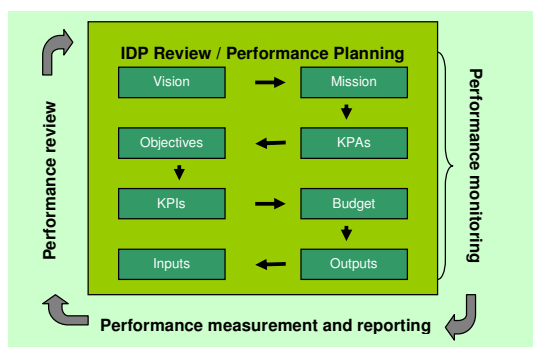
Chapter 2: Performance Highlights

2.1 Services provided by Mkhambathini Municipality

The main responsibilities of Departments during 2007/08 are reflected below:

Office of the Municipal Manager

- Provide strategic direction in pursuance of mandates
- IDP review and implementation
- Internal Audit/External Audit
- Implementation of special mayoral projects
- Legal compliance
- Service delivery improvement
- Municipal Electoral Management
- Sound Labour Relations
- Public participation
- Anti-corruption Strategy
- Performance Management
- Powers and functions of an Accounting Officer



Department of Technical Services

- Access to water
- Access to sanitation
- Access to electricity
- Roads and storm water management
- Waste management
- Sustainable human settlement
- Land use management
- Provision of public facilities
- Development Planning
- Building Control

In liaison with
the District



Department of Financial Services

- Implementation of the MFMA
- Budgeting and Reporting
- Income Control
- Expenditure Control
- Supply Chain Management
- MPRA
- Municipal Property Rates
- Asset Management

All managers are measured on the 3 Es

1. **Economical:** Cost-benefit analysis completed each quarter for the most expensive outputs
2. **Efficient:** Initiatives introduced to increase productivity and combat fruitless expenditure
3. **Effective:** 100% of scorecard objectives achieved within budget by 30 June 2008

Department of Administration and Corporate Services

- Human resource management
- Information communications technology



- General Administration
- Secretarial services to committees
- Document management(Archives)
- Library services
- Motor licensing
- Learners License

Department of Community Services

- Core functions
 - Local economic growth
 - HIV/AIDS
 - GDYC(Gender, Disability, Youth & Early Child Development)
 - Tourism
 - Arts & Culture
 - Sports & Recreation
 - Pauper Burial
 - Waste Removal
 - Disaster Management
 - Management of Indigent Register



- Non-core functions
 - Promote literacy
 - Improve the standard of health
 - Improve social security
 - Reduce crime
 - Promote land reform
 - Environmental health

CHAPTER 3: Human Resource and Organisational Management

3.1 Functional and organisational structure

3.1.1 Organogram

Refer to Annexure A

3.1.2 Political Structures

MKHAMBATHINI MUNICIPAL COUNCIL

MEMBERS OF EXECUTIVE COUNCIL	
Cllr. T.E.Maphumulo	Honourable Mayor
Cllr.E Ngcongco	Deputy Mayor
Cllr.T.Z Maphumulo	Speaker
Cllr.F.P Msomi	Exco Member

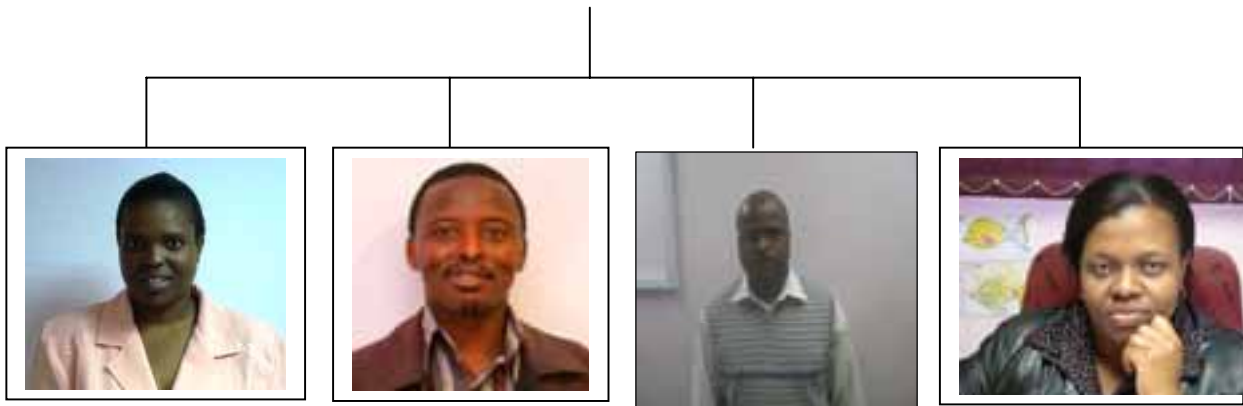
COUNCILLORS	
Cllr.T.A Gwala	Ward Councillor
Cllr.F.J. Ngubane	PR Councillor
Cllr.S.P Gogo	Ward Councillor
Cllr.M.Nene	Ward Councillor
Cllr.M.E.Ngcongco	PR Councillor
Cllr.E Ngcongco	Ward Councillor
Cllr.M.R.Ntuli	Ward Councillor
Cllr.M.K.Mkhize	PR Councillor
Cllr.B.Zondi	PR Councillor
Cllr.S.Tovenrath	PR Councillor

COMMITTEES	
Political Liaison Committee	Finance Committee
Economic Development and Planning Committee	Local Labour Forum
Audit Committee	Human Resource Committee
Executive Committee	Housing Committee

3.1.3 Administration and Management Committee



Mr DA Pillay
Municipal Manager



Ms N J Mnguni,
Manager:
Community Services

Mr N N Khuzwayo,
Manager:
Technical Services

Mr S Magcaba,
Manager:
Financial Services

Mrs G B Mchunu,
Manager: Corporate
Services

As can be deduced from the above organogram the structure provides for an Office of the Municipal Manager and four municipal Departments, each headed by a Manager. All of these posts are filled in terms of Section 57 of the Municipal Systems Act. These officials constitute the Management Committee of the Municipality with each Head of Department reporting to the Municipal Manager and the latter reporting to the Mayor who heads the Executive Committee.

In terms of the Municipal Finance Management Act the Municipal Manager is also the Accounting Officer. In this role he is assisted by the Chief Financial Officer, reflected above as the Manager: Financial Services.

3.2 Municipal Transformation and Institutional Development

PROGRAMMES	PROGRESS
Training (workshop and courses)	Trainings were implemented from July to December 2008; thereafter there were no trainings from January to June 2009, due to financial constraints.
Career Pathing Objectives	An enabling environment is created for the development of employees
Workplace Skills Plan	2008/2009 WSP was compiled in-house and submitted to LGSETA before 30 June 2008. 2009/2010 WSP was compiled in-house and submitted before 30 June 2009.
Employment Equity Act	Mkhambathini Local Municipality submit their EEP every 2 years, it was submitted in October 2007, as it consists of less than 150 employees. Mkhambathini Local Municipality are currently preparing the 2009 EEP which is due by 1 October 2009.
Monitoring & Training Of Ward Committees	Undertaken in each ward
POLICIES	PROGRESS
HIV/AIDS Policy	HIV/AIDS Policy is in the process of implementation.
Induction	Employees undergo induction especially during employee engagement.
Recruitment and Selection	Comply through following the whole procedure as per the recruitment and selection processes.
Employment Equity Policy	Reviewed, approved and aligned to the collective agreements as per resolution by SAMWU, IMATU & SALGA, and is in the process of implementation.
Employment Benefits and Conditions Policy	Mkhambathini Municipality is following the Department of Labour(Basic conditions of Employment)
Wellness Policy	Mkhambathini Municipality wellness policy is in the process of implementation.
Industrial Relations Policy	The Industrial Relations Policy is implemented accordingly.

3.3 Information on Staffing: Human Resource Statistics

a) Number of staff employed per organisational component and function

Organisational component / function	Total approved posts	No of vacant posts
Office of the Municipal Manager		
• Municipal Manager	1	0
• Personal Assistant	1	0
• Administration Officer to the Municipal Manager	1	0
Mayors Parlour		
• Honourable Mayor	1	0
• Personal Assistant	1	0
• Deputy Mayor	1	0
• Personal Assistant	1	0
• Speaker	1	0
Department of Community Services		
• Community Services Manager	1	0

• Personal Assistant	1	0
• Disaster Management	1	0
• Senior Community Services Officer	1	0
• Local Economic Officer	1	0
• Tourism Officer	1	0
• Community Liaison Officer	1	0
• Gender, Disability, youth and Children Officer	1	0
• Driver	1	0
Department of Technical Services		
• Technical Services Manager	1	0
• Personal Assistant	1	0
• Development Planning Officer	1	0
• Building Control	0	1
• Senior Technician	0	1
• Assistant Town Foreman	1	0

• Bricklayer	1	0
• Handyman	2	0
• Handyman Assistant	1	0
• Carpenter	0	1
• Workshop Assistant	1	0
• Street/ Toilet Cleaner	1	0
• Plumber	0	1
• GIS Officer	0	1
• Housing Officer	0	1
Department of Financial Services		
• Chief Finance Manager	1	0
• Personal Assistant	1	0
• Income and Expenditure Accountant	1	0
• Accountant Payroll	1	0
• Assistant Accountant Income	1	0

• Cashier	1	0
• Budget Intern	2	0
• Supply Chain Practitioner	1	0
• Assistant Procurement Officer	0	1
• Asset management Officer	0	1
Department of Corporate Services		
• Administration/Corporate Manager	1	0
• Personal Assistant	1	0
• Senior Administration Officer	1	0
• Committee Officers	2	0
• Receptionist	1	0
• Cleaners	3	0
• Driver	1	0
• VIP Protection	3	0
• Records Officer	0	1

• Interpreter	0	1
• Registry Clerk	2	0
• Motor Licensing Supervisor	1	0
• Learners License Examiner	3	0
• Motor Licensing Clerks	2	0
• Motor Licensing Filing Clerk	1	0
• Human Resource Officer	1	0
• Human Resource Clerk	1	0
• Librarian	1	0
• Assistant Librarian	1	0
• IT Co-ordinator	0	1

b) Skills or levels of education attained

Number of staff employed that are:			
Graduates	Artisans	Unskilled	Total
19	0	15	34

c) Personnel expenditure over the last three years

Criteria	2006 / 2007	2007 / 2008	2008 / 2009
Personnel budget		6527 249	8486 237

d) Pension and medical aid scheme membership

Employee membership of pension schemes				
Natal Joint Municipal Pension Fund	Natal Joint Municipal Provident Fund	Natal Joint Municipal Retirement Fund	Government Employees Pension fund	Total
23	43	2	0	68

Employee membership of medical aid schemes					
Keyhealth	SAMWUMED	LA Health	BONITAS	Hosmed	Total
3	16	4	13	0	36

e) Monies owed by staff and Councillors

Owed by staff	Owed by Councillors	Total
0	0	0

f) Employment status

Permanent employees	Contract employees	Section 57 employees	Learnerships and interns	Temporary employees	Total
52	14	5	2	67	140

g) Demographic profile of employees

Occupational level	Female				Male				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Section 57	2				2		1		5
Middle management									
Other staff	26		3	2	67	1			56
Total	28		3	2	69	1	1		61

3.4 Functional Area Performance

The Mkhambathini Municipality has five departments and each department is headed by a General Manager that is accountable to the Municipal Manager, Listed below are the key objectives pertinent to each department as per their performance agreement.

3.4.1 ADMINISTRATION DEPARTMENT

Key Objectives	Key performance indicators	Performance targets
KPA: Institutional development and transformation		
1. To ensure implementation of the Batho Pele policy in order to improve service	Obvious service delivery improvements implemented	Obvious service delivery improvements implemented by 31 Dec 09
2. To improve the overall performance of the municipality	Revised Policy Framework	Revised Policy Framework submitted for approval 31 March 2010
	Completed SDBIPs	Revised SDBIPS submitted for approval 31 March 09
	Completed individual performance appraisals	Individual performance appraisals completed in line with approved policy framework and within one month of the close of the financial year
3. To develop internal capacity for effective local governance	Aligned organizational structure with the IDP	Structure aligned and submitted for approval by 31 March 2010
	Completed Skills Development Review Plan	Completed Skills Development Review Plan by 30 June 2010
	Completed Employment Equity Plan	Completed Employment Equity Plan by 1 October 2009
	Review, update and implement human resource policies	All policies reviewed and updated as required
4. To maintain an efficient and effective ICT system	Effective ICT service in place	Effective ICT service in place throughout the year
5. Committees: To produce accurate and timeous documentation to relevant stakeholders	Compliance to approved rules	Full compliance with approved procedures for each meeting
6. Registry: To manage a reliable document	Municipal Filing System completed	Municipal Filing System finalized by 30 June 2010

management system		
7. Library: To broaden the usage of the library for the community	Operational community resource	Operational community information resource centre by 31 Dec 09
8. Licensing: To provide an efficient and effective licensing service	Compliance to the Transport service standards	Full compliance to the transport service standards by 30 June 2010
Financial management		
9. To manage the budget and ensure that objectives are pursued in an economical, efficient and effective and manner	Economical, efficient and effective results	Economical - cost-benefit analysis conducted by managers analysed on a quarterly basis and feedback given
		Efficient - Initiatives introduced to increase productivity and / or combat fruitless expenditure
		Effective - works towards 100 % achievement of SDBIP objectives
People management and empowerment		
10. To lead , direct and manage staff so that they meet their objectives	An “employer of choice” environment created	Facilitates a friendly working environment where employees: Cooperate and communicate; Do their share of the work; Help out in times of crises; Support decisions taken; Are used to their full potential; Continuously develop; and Are encouraged to be innovative.
Client orientation and customer focus		
11. To promote a customer friendly service	Implemented <i>Batho Pele</i> Programme	Customers are consulted and their suggestions are implemented Performance is measured against service standards Steps are taken to improve access to services A Code of Conduct on Customer Care is implemented

		A Service Commitment Charter is in place An Annual Performance Report is provided to customers
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3.4.2 COMMUNITY SERVICES DEPARTMENT

Key Objectives	Key performance indicators	Performance targets
KPA : Social development services		
1. To promote literacy	Established a Local Education Forum	All meetings attended accordingly to schedule
	Implementable Masifundisane programme plan	All prioritized Programme milestones for the year achieved by march 2009
2. To improve the standard of healthcare within the municipality	Meetings of Health Care Forum attended and resolutions followed-up before next meeting	Meetings of Health Care Forum attended and resolutions followed-up before next meeting
3. To deal with all disaster related matters informed by the district's Disaster Management Plan	Implementable disaster management plan	Implementable plan submitted to Council for adoption by 31 July 2010
	Contingency Plan developed	Contingency Plan developed in consultation with the District and stakeholders by Aug 2010
	Establish disaster management forum	Established Disaster Management forum representing stakeholders by 30 June 2010
4. To promote the interests of gender, disability, youth and children (GDYC)	Implemented Programme	Implemented Programme by 30 June 2010
5. To develop talent in all sports codes within communities	SALGA-KZN Sports Programme implemented	SALGA-KZN Sports Programme implemented by 30 June 2010
	Sports Forum established	Established sports forum representing stakeholders by 30 June 2010
6. To combat HIV and Aids	Implement an HIV and AIDS Plan	HIV and Aids Plan implemented by 30 June 2010
7. To manage and effective utilization of	Clean and usable facilities	Clean and usable facilities throughout the year

all community facilities		
8. To promote arts & culture within the municipal area	Calendar of events	Calendar of events implemented by 31 Aug 2010
9. To assist in implementing the District's Integrated Cemeteries & Crematoria Plan	Cemeteries and Crematoria Plan	All meetings attended and resolutions followed-up before next meeting
10. To promote an environmentally healthy municipality by systematically addressing environmental health issues	Monthly Programmes executed	Completed monthly porogrammes and submission of monthly reports
11. To conduct waste management in line with the District's Integrated Waste Management Plan	Communication channels established	All enquiries from communities attended to within two week of receipt
	Awareness campaign implemented	Awareness campaign implemented in 7 wards by 30 June 2010
12. To create an enabling and conducive environment for economic growth and employment generation	Implemented projects	100% implementation of planned projects
13. To stimulate the local economy through the promotion of local tourism	Implemented projects	100% implementation of planned projects
14. To facilitate the optimal utilization of all arable land by current & potential farmers	Implementable Agricultural project plan	Implementable plan submitted to Council for adoption by 30 June 2010
	Liaison services established	All enquiries from communities attended to within two weeks of receipt
15. To create employment through the promotion of Cooperatives & SMME's	Poverty Alleviation Programme implemented	Poverty Alleviation Programme implemented by 31 Oct 2009
	Cooperatives SMME's	

Financial management

16. To manage the budget and ensure that objectives are pursued in an economical, efficient and effective and manner	Economical, efficient and effective results	Economical - cost-benefit analysis conducted on most costly projects
		Efficient - Initiatives introduced to increase productivity and / or combat fruitless expenditure
		Effective - works towards 100 % achievement of SDBIP objectives

People management and empowerment

17. To lead , direct and manage staff so that they meet their objectives	An “employer of choice” environment created	<p>Facilitates a friendly working environment where employees:</p> <p>Cooperate and communicate;</p> <p>Do their share of the work;</p> <p>Help out in times of crises;</p> <p>Support decisions taken;</p> <p>Are used to their full potential;</p> <p>Continuously develop; and</p> <p>Are encouraged to be innovative.</p>
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Client orientation and customer focus

18. To promote a customer friendly service	Implemented <i>Batho Pele</i> Programme	<p>Customers are consulted and their suggestions are implemented</p> <p>Performance is measured against service standards</p> <p>Steps are taken to improve access to services</p> <p>A Code of Conduct on Customer Care is implemented</p> <p>A Service Commitment Charter is in place</p> <p>An Annual Performance Report is provided to customers</p>
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3.4.3 FINANCE SERVICES DEPARTMENT

Key Objectives	Key performance indicators	Performance targets
KPA: Financial Management		
1. To constantly improve the standard of budgeting and reporting	Approved and implemented budgeting and reporting policies	Approved and implemented budgeting related policies by 1 Dec 09
	Approved budget	Budget aligned to IDP and approved by 30 June 2010
2. To improve income control and generation	Annual debtors collection rate (Payment level %) = (Last 12 months receipts)/ (Last 12 months billing)	Set norm by 31 Oct 09
	Approved alternative sources of funding	Revenue enhancement strategy developed and implemented by 31 Dec 09
	Improved collection rate	95% of bills collected per month by 30 June 2010
3. To constantly improve on the control of expenditure	Lead-time for payment should agree to the Debt Settlement Policy	Implement Debt Settlement Policy by June 2010
	GRAP compliant financial statements	Compliance by 30 June 2009
4. To fully implement the supply chain rules and regulations	Approved Supply Chain Management Policies that are in line with the MFMA and Regulations	Implement and Review policies and procedures annually
	Number of contracts awarded to SMME through Joint Ventures and Consortiums	10% increase in contracts awarded to BEE companies
	Time between requisition received and order issued	3 business days for purchase of goods
		25 business days for the finalisation of the tender process
Time between order issued and delivery of goods	Set time frames for delivery at order date with the supplier	

Financial management

5. To manage the budget and ensure that objectives are pursued in an economical, efficient and effective and manner	Economical, efficient and effective results	Economical - cost-benefit analysis conducted by managers analysed on a quarterly basis and feedback given
		Efficient - Initiatives introduced to increase productivity and / or combat fruitless expenditure
		Effective - works towards 100 % achievement of SDBIP objectives

People management and empowerment

6. To lead , direct and manage staff so that they meet their objectives	An “employer of choice” environment created	<p>Facilitates a friendly working environment where employees:</p> <ul style="list-style-type: none"> Cooperate and communicate; Do their share of the work; Help out in times of crises; Support decisions taken; Are used to their full potential; Continuously develop; and Are encouraged to be innovative.
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Client orientation and customer focus

7. To promote a customer friendly service	Implemented <i>Batho Pele</i> Programme	<p>Customers are consulted and their suggestions are implemented</p> <p>Performance is measured against service standards</p> <p>Steps are taken to improve access to services</p> <p>A Code of Conduct on Customer Care is implemented</p> <p>A Service Commitment Charter is in place</p> <p>An Annual Performance Report is provided to customers</p>
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3.4.4 TECHNICAL SERVICES DEPARTMENT

Key Objectives	Key performance indicators	Performance targets
KPA: Basic Service Delivery		
1. To facilitate access to efficient, affordable and sustainable water services to our consumers	Meetings / correspondence with the District	All scheduled meetings attended and follow-up on resolutions dealt with before the next meeting
	Liaison services established	All enquiries from communities attended to within two weeks of receipt
2. To facilitate access to efficient, affordable and sustainable sanitation services to our consumers	Meetings / correspondence with the District	All scheduled meetings attended and follow-up on resolutions dealt with before the next meeting
	Liaison services established	All enquiries from communities attended to within two week of receipt
3. To provide basic electricity to households in line with the Integrated Electrification Plan	Meetings / correspondence with the District	All scheduled meetings attended and follow-up on resolutions dealt with before the next meeting
	Liaison services established	All enquiries from communities attended to within two week of receipt
	Number of households supplied with interim alternative energy sources in prioritized areas	2000 households supplied with interim alternative energy sources by 30 June 2010
4. To implement the DOT, Council's and MIG funded roads and storm water projects	Meetings / correspondence with the District	All scheduled meetings attended and follow-up on resolutions dealt with before the next meeting
	Meetings / correspondence with DOT	All scheduled meetings attended and follow-up on resolutions dealt with before the next meeting
	Liaison services established	All enquiries from communities attended to within two week of receipt
	Number and lengths of road maintained and / or improved	5 roads and 3 km of roads maintained and / or improved 30 June 2010
5. To conduct waste management in line with the district's Integrated Waste Management Plan	Meetings / correspondence with the District	All scheduled meetings attended and follow-up on resolutions dealt with before the next meeting

6. To provide sustainable human settlement	Number of houses	Stage one (Planning) for 500 houses per ward completed by 30 June 2010
	Planning for implementing of basic services	Planning for implementing of basic services completed by 30 June 2010
7. To promote a coordinated approach to land use management	All meetings attended	All meetings attended according to schedule
	Land Use Management	Two development applications processed per week
8. To provide public facilities within communities	Number of facilities provided	6 facilities provided by 30 June 2010
	Number of facilities maintained	7 community and public facilities maintained by 30 June 2010
9. Co-ordinated development	Bulk Infrastructure	Sewerage works will facilitate better planning/encourage development
Financial management		
10. To manage the budget of the Department of Financial Services and ensure that objectives are pursued in an economical, efficient and effective and manner	Economical, efficient and effective results	Cost-benefit analyses conducted by managers analysed on a quarterly basis and feedback given
		Initiatives introduced to increase productivity and combat fruitless expenditure
		80% of scorecard objectives achieved within budget by 30 June 2010
People management and empowerment		
11. To lead , direct and manage staff so that they meet their objectives	An “employer of choice” environment created	Facilitates a friendly working environment where employees: Cooperate and communicate; Do their share of the work; Help out in times of crises; Support decisions taken; Are used to their full potential; Continuously develop; and Are encouraged to be innovative.

Client orientation and customer focus

<p>12. To promote a customer friendly service</p>	<p>Implemented <i>Batho Pele</i> Programme</p>	<p>Customers are consulted and their suggestions are implemented</p> <p>Performance is measured against service standards</p> <p>Steps are taken to improve access to services</p> <p>A Code of Conduct on Customer Care is implemented</p> <p>A Service Commitment Charter is in place</p> <p>An Annual Performance Report is provided to customers</p>
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3.4.5 MUNICIPAL MANAGERS OFFICE

Key Objectives	Key performance indicators	Performance targets
KPA: Good Governance and Public Participation		
1. To ensure IDP review addresses developmental needs of Mkhambathini	Aligned IDP / PMS / Budget	Aligned IDP, PMS and Budget for 2009/10
	National and provincial priorities and sector departments projects included in IDP	National and provincial priorities and sector departments projects included in 09/10 IDP
	IDP Process Plan	IDP Process plan adopted and approved
2. To provide additional assurance regarding the quality and reliability of the FMS	Internal Audit Programme implemented	Internal Audit Programme implemented by 30 June 2010
3. To oversee the implementation of Special Mayoral Projects	Planned milestones for the year for Special Mayoral Projects achieved	100 % achievement of planned Special Mayoral Projects by 30 June 2010
4. To increase public participation in municipal decision-making	Effective ward committees	Fully functional ward committees by 30 June 2010
5. To develop and implement sound operational policies that will guide operations	Completed policy drafting and review programme	100 % of planned policy drafting and review programme completed by 30 June 2010
6. To monitor and evaluate the performance of the Municipality	Quarterly Municipal Performance Reports submitted to Council	Quarterly Municipal Performance Reports submitted to Council within 30 days after the close of the quarter
7. To promote service delivery through cooperative governance	Legal compliance	Full participation in cooperative governance structures throughout the year
Financial Viability and Management		
8. To fulfil the responsibilities of the Accounting Officer in terms of the MFMA	Exercise the powers and functions assigned to an Accounting Officer	100 % compliance
	Provide guidance and	100 % compliance

	advice on compliance with the MFMA to political structures and office bearers	
9. To utilise resources judiciously	% of capital budget spent on capital projects in the financial year under review	90% of capital budget committed by 30 June 2010
	Ratio of capital budget to operating budget	Capital: Operating budget ratio = 65: 35 for the 2008/09 financial year
Institutional Development and Transformation		
10. Implement and comply with the Employment Equity Plan	Staff composition representative of demographics of the municipal area	80% of equity targets for the year achieved
Financial Management		
11. To manage the budget and ensure that objectives are pursued in an economical, efficient and effective manner	Economical, efficient and effective results	Economical - cost-benefit analysis conducted by managers analysed on a quarterly basis and feedback given
		Efficient - Initiatives introduced to increase productivity and / or combat fruitless expenditure
		Effective - works towards 100 % achievement of SDBIP objectives
		Exercise effective budget control.
People Management and Empowerment		
12. To lead , direct and manage staff so that they meet their objectives	An “employer of choice” environment created	Facilitates a friendly working environment where employees: Cooperate and communicate;

		<p>Do their share of the work;</p> <p>Help out in times of crises;</p> <p>Support decisions taken;</p> <p>Are used to their full potential;</p> <p>Continuously develop; and</p> <p>Are encouraged to be innovative.</p>
Client orientation and Customer Focus		
13. To promote a customer friendly service	Implemented <i>Batho Pele</i> Programme	<p>Customers are consulted and their suggestions are implemented</p> <p>Performance is measured against service standards</p> <p>Steps are taken to improve access to services</p> <p>A Code of Conduct on Customer Care is implemented</p> <p>A Service Commitment Charter is in place</p> <p>An Annual Performance Report is provided to customers</p>
		<p>Customers are advised on how to obtain best value services</p> <p>A complaints system is implemented</p>

f) Disclosures concerning remuneration of political office bearers and Section 57 managers

Available at municipal offices

Mayor, Executive Councillors and S 57 managers	Salaries and wages		Contributions			Allowances			Housing benefits	Loans and advances	Other benefits & allowances	
	Normal	Overtime	Pensions	Medical Aid 2/3	Other	Travel & motor car	Accom- modation	Subsistence				
												Cellphone

Chapter 4: Functional Area Service Delivery Reporting

4.1 Actual Service Delivery

Performance against IDP targets

All business units made inputs into the IDP and communities were consulted on these inputs through the IDP structures. The planned IDP deliverables were then incorporated into the Service Delivery and Budget Implementation Plans (SDBIP's), which serve as a contract between the Administration, Council and the Communities expressing these deliverables as quantifiable outcomes and outputs. The SDBIP provides the basis for measuring and reporting performance in service delivery and the result of this process is set out below.

4.1.1 Key Performance Area: Basic Service Delivery

Planned outputs	Completed	Challenges and / or planned improvements
Access to water		
1. All scheduled meetings with the District attended and follow-up on resolutions dealt with before the next meeting	100%	
2. All enquiries from communities attended to within two weeks of receipt	100%	
Access to sanitation		
3. All scheduled meetings with the District attended and follow-up on resolutions dealt with before the next meeting	100%	Attend all schedule meetings
Access to electricity		
4. All scheduled meetings with the District attended and follow-up on resolutions dealt	100%	

with before the next meeting		
5. All enquiries from communities attended to within two week of receipt	100%	All enquiries from communities are attended to timeously
6. 1000 households supplied with interim alternative energy sources by 30 June 09	-	
Access to Roads and Storm Water		
1. All scheduled meetings with the District and Department of Transport attended and follow-up on resolutions dealt with before the next meeting	100%	All scheduled meetings attended
2. All enquiries from communities attended to within two weeks of receipt	100%	
3. 5 roads and 3 km of roads maintained and / or improved 30 June 2009	100%	
Telecommunications		
1. Community communication needs established in all 7 wards by 30 June 2009	0%	No known needs
2. List of documented needs in 7 wards included in the Service Provider's plans by 30 June 2009	0%	No documented needs
Solid Waste Management		
1. All scheduled meetings with the District attended and follow-up on resolutions dealt with before the next meeting	100%	
2. All enquiries from communities attended to within two week of receipt	80%	Depends on the impact of the situation

3. Awareness campaign implemented in 7 wards by 30 June 08	40%	Awareness Campaign in progress
Sustainable Human Settlement(Housing)		
1 Stage one (Planning) for 500 houses per ward completed by 30 June 09	100%	
2. Planning for implementing of basic services completed by 30 June 2009	100%	
Land Use Management System		
1. All meetings with the District attended according to schedule	0%	No scheduled meetings
2. Two development applications processed per week	100%	
Community and Public Facilities		
1. 4 facilities provided by 30 June 2009	100%	
2. 7 community and public facilities maintained by 30 June 2009		

4.1.2 Key Performance Area: Local Economic Development

Planned outputs	Completed	Challenges and / or planned improvements
Local Economic Development		
1. 100% implementation of projects by 30 June 09	20%	2008/09 projects are still on the implementation stage and training for co-operatives are offered.
Tourism		
2 100% implementation of projects by 30 June 09	0%	Due to financial constraints
Agricultural Development		

1. Implementable plan submitted to Council for adoption by 30 June 2009		Run con-currently with LED
2. All enquiries from communities attended to within two weeks of receipt Co operatives and SMME's	80%	Depends on the seriousness of the situation
1. Implementable plan submitted to Council for adoption by 30 June 2009 Public Private Partnerships	0%	Delay due to financial constraints
1. PPP Policy adopted by 30 June 09 Business Support Development	50%	Business Forum/ Tourism
1. Reviewed strategy by Council by 31 Dec 09	20%	Awaiting to establish Business Forum
2. Implemented Business Support and Development Strategy by 30 June 09	0%	None

4.1.3 Key Performance Area: Social Development Services

Planned outputs	Completed	Challenges and / or planned improvements
Education		
1. Implementable plan submitted to Council for adoption by 30 June 2009	100%	Bursary Plan approved by Council
2. Established education forum representing stakeholders by 30 June 2009	100%	Done at ward level
3. Established ABET Programme in consultation with stakeholders by 30 June 2009	40%	Masifundisane currently operating in all wards
4. One information session conducted in 7 wards by 30 June 09	100%	All secondary schools in all 7 wards have been visited
Health		
1. Implementable plan submitted to Council for adoption by 30 June 2009	0%	Liaise with the Department of Health
2. Established health care forum representing	100%	Run con-currently with HIV/AIDS

stakeholders by 30 June 2009			
Social Security			
1. Social security needs identified and conveyed to Technical Services for incorporation in the Plan by 28 Feb 09			
Community Safety		0%	Liaise with South African Police
1. Implementable plan submitted to Council for adoption by 30 June 2009		80%	No Plan however, there are volunteers in each ward, they have been employed by the Department of Community Safety and Liaison
2. Established safety forum representing stakeholders by 30 June 2009		80%	At ward level there are policing forums
Disaster Management			
1. Implementable plan submitted to Council for adoption by 30 June 2009		40%	Disaster Management Plan in progress in conjunction with the uMgungundlovu District Municipality
2. Contingency Plan developed in consultation with the District and stakeholders by Aug 09		100%	Liaise with the District in case of Emergency
3. Established Disaster Management forum representing stakeholders by 30 June 2009		100%	Existing Disaster Management Forum
Youth, Gender And People with Disability			
1. Implementable plan submitted to Council for adoption by 30 June 2009		100%	Youth Development Strategy approved by Council, Disability Forum launched in Ward 1 and Ward 2
Sports and Recreation			
1. Implementable plan submitted to Council for adoption by 30 June 2009		100%	Plan submitted and approved by Council
2. Established sports forum representing stakeholders by 30 June 2009		100%	Forums are in function and performing well in their duties and consisting of representatives from each of the 7 wards

HIV and Aids			
1. Implementable plan submitted to Council for adoption by 30 June 2009	100%		Modification of HIV/AIDS 3 year plan has been completed on 27/08/09 and approved by the Local Aids Council
Community and Public Facilities			
1. Education programme on the proper use of facilities developed and implemented by 30 June 09			
Land Reform			
1. Attend scheduled meetings and provide feedback as required	80%		Liaise with Department of Land Affairs
Environmental Sustainability			
1. Projects identified and resourced in consultation with DAEA and stakeholders by 30 June 09	100%		Through development planning applications
Arts and Culture			
1. Implementable plan submitted to Council for adoption by 30 June 2009	100%		The plan has been implemented and approved by Council
2. 10 % Increase in participation by 30 June 09	100%		Arts and Culture competitions held in the month of August 2009.
Cemeteries and Crematoria			
1. Feasibility study completed and submitted to Council for adoption by 30 June 2009	0%		The service provider failed to complete the study within the stipulated timeframe
2. Education programme implemented by 30 June 09	0%		None
Environmental Health			
1. Completed monthly programmes and submission of monthly reports	100%		Liaise with the Department

4.1.4 Good governance and public participation

Planned outputs	Completed	Challenges and / or planned improvements
Integrated Development Plan		
1. IDP Process Plan approved	100%	IDP Process Plan was approved on time.
2. Aligned IDP, Budget and PMS for 2009/10	100%	
3. National and provincial priorities and sector departments projects included in 2009/10 IDP	100%	
Public Participation		
1. Fully functional ward committees by 30 June 09	100%	Vacancies in ward committees that need to be filled constantly
Co operative Governance		
1. Full compliance with the Act by 30 June 09	100%	Issues required from Mkhambathini With other departments have been complied.

4.1.5 Key Performance Area: Transformation and Institutional Development

Planned outputs	Completed	Challenges and / or planned improvements
Batho Pele		
1. 100% of the interventions implemented by 30 June 2009	60%	Progress made but hindered due to financial constraints and capacity
2. Obvious service delivery improvements implemented 31 Dec 09	90%	Resource limitations
Performance Management		
1. Revised Policy Framework submitted for approval 31 March 09	100%	
2. Revised SDBIPs submitted for approval by 31 March 09	100%	

3. Individual performance appraisals completed in line with approved policy framework and within one month of the close of the financial year	100%	
Human Resource Management		
1. Completed HR Audit by 30 Sept 09	100%	Co operation from all staff members
2. HR improvement interventions implemented by 30 June 09	100%	
3. Structure aligned to the organisational structure by 31 March 09	100%	
4. Completed Skills Development Review Plan by 31 June 2009	100%	
5. Completed Employment Equity Plan by 30 September 09	100%	
6. All policies reviewed and updated by 30 June 09	100%	
Information Technology		
1. Effective ICT service in place throughout the year	80%	ICT System not conciliated, Lack of in-house HR Capacity , preparation for engaging shared services with the District, currently in progress to integrate ICT System
General Administration		
1. Procedure manual submitted for approval by 31 Dec 09	100%	
Committees		
1. Full compliance with approved procedures for each meeting	100%	
Registry		
1. Municipal filing system finalised by 30 June 09	100%	
Library		

1. Operational community resource centre by 31 Dec 2009	100%	
Licensing		
1. Full compliance to the Transport Services Standards by 30 June 2009	100%	

4.1.6 Key Performance Area: [Financial Viability and Management](#)

Planned outputs	Completed	Challenges and / or planned improvements
Budgeting and Reporting		
1. Approved and implemented budgeting and reporting policies by 31 Dec 09	100%	
2. Budget aligned to IDP and approved by 30 June 09	100%	
Income Control		
1. Set norm by 31 Oct 2009	100%	
2. Revenue enhancement strategy developed by 31 Dec 2009	100%	
3. 95% of bills collected per month by 30 June 2009	90%	94%, 6% is due to Affordability
Expenditure Control		
1. Acquired Creditors Module and approved Debt Settlement Policy by 30 June 2009	100%	
2. Compliance by 30 June 2009	100%	
Supply Chain Management		
1. Policies and procedures developed by 31 March 2009	100%	
2. 10% increase in contracts awarded to BEE companies	100%	

3. 3 business days for purchase of goods	100%
4. 25 business days for the finalisation of the tender process	85%
5. Set time frames for delivery at order date with the supplier	100%

4.2 Service Delivery Highlights for the year ended 30 June 09

4.2.1 Community Services Department

- Reducing High incidents of HIV and Aids
- Improving business skills
- Staff turnover and the resultant institutional memory
- Delivery of material related to early child-development (crèches) in all seven wards
- Delivery of Poverty Alleviation Projects in all wards(monitoring and evaluation)
- Career exhibition held for all Secondary Schools within Mkhambathini area

<p>Formation of Youth Strategy Document Arts and Culture Competition held in August 2009 in all wards surrounding Mkhambathini were people had a chance to show off their talents, and the winner had to compete with finalists from District Municipality.</p>
<ul style="list-style-type: none"> - Retail Arts and Craft Development Programme / exhibition, whereby a group of artists from all 7 wards within Mkhambathini were expected to show off their talents, a person from ward 7, Ngoloshini area was amongst the 12 groups which were elected to go to Gateway to show off their bead work.

4.2.2 Administration Department

- Learners License unit customized to meet security risk measurement
- Centralized Municipal Records
- Workplace Skills Plan Developed and completed in-house
- Passed proposal for engaging security guards in-house, outsourcing at present

4.2.3 Finance Department

- Internal Audit was done in relation with the Provincial Treasury
- Submission of MFMA (Section 71) reports timeously
- Alignment of Budget to the IDP
- Budget approval 30 day before the beginning of the financial year, Adoption of budget by statutory deadline in terms of Section 24 of the Municipal Finance Management Act, Act 56 of 2003
- Submission of Annual Financial Statements by the due date to the Auditor General
- Adoption of Annual Financial Statements and submission to the Auditor-General by the statutory deadline in terms of Section 126 of the Municipal Finance Management Act, Act No 56 of 2003
- Received an unqualified audit

4.2.4 Technical Department

-Land Audit
-Rural Energy Study – Project Consolidate
-Informal Areas Water Supply Project – Project Consolidate
-Corridor Development: Tshani Rose Farm – Project Consolidate
-Corridor Development: Broiler Farm – Project Consolidate
- Development of Municipal Housing Plan
-Taxi stop shelters in all Wards of Mkhambathini Municipality
-Landscaping of the Municipal office premises

-Compilation of a Property Register and Preparation of a Municipal Valuation Roll

Ward 1

- Planning phase of Maqongqo Rural Housing
- Planning phase of Mbambangalo Rural Housing
- Renovation of Maqongqo Sports Field

Ward 2

- Makhalanjalo Crèche (R370 000.00)
- Upgrade of Ophokweni Sports field

Ward 3

-Planning phase of Low-cost housing – Stockdale
-Ezinbeni Crèche (R300 000.00)

Ward 4

-Planning phase of Low-cost housing
-Planning phase of Agri-Villages – <u>Peshaya</u>
-Planning phase of Affordable housing
-Planning phase of KwaNjobokazi Rural Housing
-Acquisition of SANRAL property for Mkhambathini Multi-purpose Community Centre (MPCC)
-Mkhambathini Sports Field (R 1 300 000)

-Rehabilitation of internal roads (MIG funding)

Ward 5

-Thokozani Crèche (R300 000.00)
-Planning phase of KwaMahleka Rural Housing

Ward 6

-Kwenzokuhle Crèche (R300 000.00)

Ward 7

-Matigulu Crèche (R300 000.00)

4.3 Action Plan of Annual Report 08/09

ACTION PLAN FOR THE 2008 / 2009 ANNUAL REPORT AND THE OVERSIGHT PROCESS

Project milestones	Target dates	Responsibility	Comments
1. MANCO Approval			
1.1 Action Plan approved by MANCO	13/08/09	MANCO	
2. Annual Report framework developed			
2.1 Annual Report format and templates developed	31/08/09	MM	
2.2 Templates disseminated for completion	06/08 /09	MM	
3. Completion of chapters			
3.1 Chapter 1: Introduction and Overview completed	10/09/09	MM	
3.2 Chapter 2: Performance Highlights completed	21/09/09	MM	
3.3 Chapter 3: Human Resources and Organisational Management completed	21/09/09	Admin	
3.4 Chapter 4: Mkhambathini Service Delivery	21/09/09	All HOD	
3.5 Chapter 5: Audited Statements and Related Financial Information completed	24/09/09	CFO	
3.6 Chapter 6: Inputs to the Provincial Municipal Performance Report	26/09/09	All HOD	
3.7. Chapter 7: Report Of the Audit Committee	23/01/2010	Audit Committee	

3.8 Collation of completed chapters	9/01/2010	MM
3.9.Audit Committee Meeting	23/02/2010	MM
3.10. Report from Audit Committee	26/02/2010	AUDIT COMMITTEE
4. Finalisation of document		
4.1 Layout completed through desk top publishing	26/02/2010	MM
4.2 Submit to MANCO for in principle approval	26/02/2010	MANCO

Project milestones	Target dates	Responsibility	Comments
5. Tabling and appointment of Oversight Committee			
5.1 Annual Report tabled and Council identifies non-executive councillors to serve on Oversight Committee	22/11/2009	Council	
5.4 Advertise for public comments of annual Report	16/11/2009/ 7/12/2009	MM	
5.5 Appoint Oversight Committee	28/01/2010	MM	

6. Conduct Oversight Committee of Annual Report			
6.1 Orientate members of Oversight Committee	09/02/2010	Oversight Committee	
6.2. Oversight Committee Meeting	12 /02/2010	Oversight committee	

7. Finalisation of reporting process			
7.1 Write Report and place on Council agenda	26/02/2010	Council	
7.2 2008 / 2009 Annual Report adopted in terms of recommendations made in the Oversight Report	31/03/2010	Council	
7.3 Copies of all documents submitted to the, the MEC, A-G and the Provincial Treasury.	31/03/2010		

CHAPTER 5: MUNICIPAL PERFORMANCE REPORTING FRAMEWORK

Inputs into the Provincial Municipal Performance Report

1. Legislated Key Performance Indicators (KPIs)

No	Item	KPIs	Backlog	Concluding baseline measurement for 2007 / 08	Development targets for 2008/ 2009		Concluding baseline measurement for 2008/ 09	Responsibility	Source of information/ Corrective Action	Audit of information	
					Delivery target	Budget target				Yes	No
1	Delivery Budget	Number of households with access to basic water		N/A			N/A	District Function			
2	Delivery Budget	Number of households with access to basic sanitation		N/A			N/A	District Function			
3	Delivery Budget	Number of households with access to basic electricity		N/A			N/A	District Function			
4	Delivery Budget	Number of households with access to basic solid waste removal		N/A			N/A	District Function			
4	Delivery Budget	Number of households earning less than R1100 having access to Free Basic Water		N/A			N/A	District Function			
5	Delivery Budget	Number of households earning less than R1100 having access to Free Basic Sanitation		N/A			N/A	District Function			

6	Delivery Budget	Number of households earning less than R1100 having access to Free Basic Electricity																		
			N/A																	

7	Delivery Budget	Number of households earning less than R1100 having access to Free Basic Solid Waste Removal																			
			N/A																		
8	Delivery Budget	% municipality's capital budget spent on projects identified in the municipality's IDP (refer to KPI 35 below)																			
			7 wards																		
9	Delivery Budget	Number of jobs created through municipal LED initiatives (refer to no 8 in Questionnaire)																			
			N/A																		
10	Delivery Budget	Number of people from employment equity target the three highest management levels in the municipality (consolidated figure) (refer to no 3 in Questionnaire)																			
			2																		
11	Delivery Budget	Number of women employed in the three highest management levels in the municipality (consolidated figure)																			
			2																		

12	Delivery Budget	Number of people with disabilities employed in the three highest management levels in the municipality (consolidated figure)																	
			N/A																
13	Delivery Budget	% of the municipality's budget spent on implementing the work place skills plan (refer to KPI 18+19 below)																	
14	Delivery Budget	Financial viability 1 (refer to Annexure A)																	
			N/A																
15	Delivery Budget	Financial viability 2 (refer to Annexure A)																	
16	Delivery Budget	Financial viability 3 (refer to Annexure A)																	

2. Provincial Key Performance Indicators (KPIs)

No	Item	KPIs	Backlog	Concluding baseline measurement for 2007/ 08	Development targets for 2008 /2009		Concluding baseline measurement for 2008/ 09	Responsibility	Source of information	Audit of information	
					Delivery target	Budget target				Yes	No
18	Delivery	Number of Councillors undergone leadership development training					Only Computer Training				
	Budget										
19	Delivery	Number of senior management (Section 57) undergone leadership development training									
	Budget										
20	Delivery	Number women councillors		2			2				
	Budget										
21	Delivery	Number women Mayors		1			1				
	Budget										
22	Delivery	Number of full time councillors appointed in relation to number approved by MEC		3			3	HR			
	Budget										
23	Delivery	% reduction in short term liabilities (next financial year) covered by cash (current year)									
	Budget										
24	Delivery	% reduction in short term debt (next financial year) covered by current revenue (current financial year)									
	Budget										

25	Delivery Budget	Education in the percentage of long term liabilities as part of total revenue																	
26	Delivery Budget	% operating budget funded from cash																	
27	Delivery Budget	% improved cost recovery with respect to trading services: water	N/A																District Function
28	Delivery Budget	% improved cost recovery with respect to trading services: sanitation	N/A																District Function
29	Delivery Budget	% improved cost recovery with respect to trading services: electricity	N/A																District Function
30	Delivery Budget	% improved cost recovery with respect to trading services: refuse	N/A																District Function
31	Delivery Budget	% improved cost recovery with respect to trading services: other (state others by inserting appropriate lines)	N/A																District Function
32	Delivery Budget	% reduction in consumer/services debtors (as part of total billable income)																	

33	Delivery Budget	% allocation of the total municipal budget to implement projects that benefit beneficiaries of the Indigent Register (FBS, LED etc)	100%															
	Delivery Budget	% of MIG budget spent	100%															
34	Delivery Budget	% of the capital budget (allocated to and) spent in strategic intervention areas of the Spatial Development Framework																
	Delivery Budget	% of municipal landfill volume licensed in terms of the relevant legislation and authority	N/A															
36	Delivery Budget	Number of schools served with RDP level water (National Target = 2005)	N/A															
	Delivery Budget	Number of schools served with RDP level sanitation (National Target = 2005)	N/A															
37	Delivery Budget	Number of clinics served with RDP level water (National Target = 2007)	N/A															
	Delivery Budget																	

40	Delivery	Number of clinics served with RDP level sanitation (National Target = 2007)	N/A				Provincial Departments			
	Budget									
41	Delivery	Number bucket sanitation systems eradicated (National Target = December 2007)	N/A				Bucket System no longer in use			
	Budget									
42	Delivery	Number of households with access to formal housing (National Target = 2014)								
	Budget									
43	Delivery	Number of ward committees established	7							
	Budget									
44	Delivery	% ward committees functional	7							
	Budget									

3. Impact performance indicators

No	Item	KPIs	Backlog	Concluding baseline measurement for 2007/ 08	Development targets for 2008/ 2009		Concluding baseline measurement for 2008/ 09	Corrective action	Source of information	Audit of information	
					Delivery target	Budget target				Yes	No
45	Delivery Budget	% improvement in attendance at ward committee meetings						Ward Committees were established in September 2006. There is no baseline to be used to calculate % improvement.			
46	Delivery Budget	% increase in customer satisfaction with municipal service delivery (infrastructure)						Customer satisfaction survey was not done by the municipality. The District Municipality has performed a survey			
47	Delivery Budget	% increase in customer satisfaction with municipal LED delivery									
48	Delivery Budget	% increase in customer satisfaction with municipal good governance									
49	Delivery Budget	% increase in internal (officials) satisfaction with municipal good governance						No survey was conducted			

4. Compliance check

No	Item	Standard indicators	In place	In process	No progress	Corrective action
1	Core administrative policies, plans, procedures, systems and frameworks developed in municipalities	Legally compliant Employment Equity Plan	Yes			
		Workplace Skills Plan (staff other than Section 57)	Yes			
		Recruitment Policy	Yes			
		Legally compliant Supply Chain Management Policy	Yes			
		Budget Policy	Yes			
		Indigent Support Policy	Yes			
		Credit Control and Debt Collection Policy	Yes			
		Bank and Investment Policy	Yes			
		Asset and Liability Management Policy	Yes			
		Tariff Policy	Yes			
		Risk Management Policy	Yes			
		Revised bylaws	Yes			
		Standard Operating Procedures and Administrative Delegations	Yes			
		Anti-corruption Strategy and Structures	Yes			
		Internal and Financial and Performance Auditing structures and systems	Yes			
		2	Competency Framework	Public Consultation and Participation Framework	Yes	
Competency framework developed for the Administration	Yes					
Competency Framework developed for the Council	Yes					
Approved organogram	Yes					
3	Implementing organograms	Municipal organogram aligned to allocated and assigned powers and functions	Yes			
		Total number of posts:	Numbers	a)		
		a) on organogram		b)		
		b) vacant on 30 June 2009		c) 5		
		c) for Section 57 employees				
		Municipal Manager post filled as at 30 June 2009	Yes			
		Municipal Manager post occupied by a PDI	No			
		Municipal Manager post occupied by a woman	No			

		Filled	Vacant	Advertised	
Implementing organograms (continued)	Senior management (Section 57 only) posts filled on 30 June 2009 (not acting and not suspended)	Municipal Manager Yes Performance Management Yes Financial Management Yes Technical Services Yes Local Economic Development Yes Community Services Yes Corporate Services Yes Development Planning Yes			
	Number of Section 57 posts occupied by PDI	Number	4		
	Number of Section 57 posts occupied by women	Number	2		
	Number of Section 57 posts occupied by people with disabilities	Number	n/a		
	Number of Section 57 employees who concluded and submitted Performance Agreements	Number	5		
	Revenue Raising Strategy developed				The municipality has a tariffs policy in place and is currently developing a revenue raising strategy
	Ratio of Operations and Maintenance, Salaries and Capital Budget	Operating 23 950 290 Capital 6521129	Salaries 119 29 905		
	Grant dependency ratio	Own income 3896 760 Equitable share 12749000	Grants 8603 000		
	Debt Recover Plan developed				The municipality has a debt collection policy in place and this policy is implemented and being adhered to. Budget for the year 2008/2009 was approved prior to June 2008
	Approved budget by end of June				Service Delivery and Budget Implementation Plan approved prior to July 2008
Service Delivery and Budget Implementation Plan approved by July				Annual Financial Statements submitted to Auditor General on the 29/08/2008	
Submission of Annual Financial Statements to the Auditor-General by August					
Results of Auditor-					
4	Financial management				

		General 2005 / 06 audit	X					
		Functional billing system in place					Yes	The abacus system is used for all billings
5	Municipal Property Rates Act	Property Rates Policy						
		Valuation Role						
		Backlog study completed and verified by Statistics South Africa					Yes	
6	Basic Services	Municipal Infrastructure Implementation strategy for 5 years						
		Indigent Register						
		Housing Strategy to eradicate informal settlements						
		Consultation and Public Participation Framework in place						
		Customer Complaints System in place						
		Traditional leadership consultation and participation programme					Yes	
		Conducted customer satisfaction surveys						
		HIV / Aids strategy developed					Yes	
		Adopted Community Development Worker Frameworks						
		Adopted Section 53 Framework in terms of the Municipal Systems Act adopted by Council					Yes	
		District Coordinating Forum established and operational					Yes	
		District Technical Forum established and operational					Yes	
		2006 / 2007 Annual Report adopted					Yes	
		2006 / 2007 Annual Performance Report adopted					Yes	
		Council adopted 2006 / 2007 Oversight Report					Yes	
		Functional Audit Committee					Yes	
		Functional Performance Audit Committee					Yes	
		IDP adopted by end of June					Yes	
		LED Programme developed						
8	Local economic development	Poverty Alleviation Programme adopted						

CHAPTER 6: Report of the Audit Committee

Report of the Audit Committee Mkhambathini Municipality for the year ended 30 June 2009

We are pleased to present our report for the financial year ended 30 June 2009

Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereunder and met **4** times as per its approved terms of reference.

Name of Member	Number of Meetings Attended
V.E. Dlamini (Chairperson)	4
S. Kunene	4
J. Mathobela	4

Audit Committee responsibilities

The Audit Committee reports that it has substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the Municipal Finance Management Act. The Audit Committee operated in accordance with approved, written terms of reference.

The Effectiveness of Internal Control

Our review revealed that the Municipality has implemented systems of internal control for certain areas of its operations. Weaknesses in such systems of internal control that were identified by the Internal Audit have been raised with the Municipality.

We accept the conclusions of the Auditor-General on the annual financial statements and are of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Chairman: On behalf of the Audit Committee

Date: 11 December 2009

V.E. Dlamini

CHAPTER 7: Report of the Auditor General

7.1 REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF MKHAMBATHINI MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

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

The accounting officer's responsibility for the financial statements

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

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. Paragraph 11 *et seq.* of the Standard 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 Mkhambathini Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

8. In my opinion the financial statements present fairly, in all material respects, the financial position of the Mkhambathini Municipality as at 30 June 2009 and its financial performance and its cash flows for the year then ended, in accordance with Standards of GRAP and in the manner required by the MFMA.

Emphasis of matters

Without qualifying my opinion, I draw attention to the following matters:

Going concern

9. The accounting officer's report on page 4 of the financial statements indicates that the municipality incurred a net loss of R8,784 million during the year ended 30 June 2009 and, as of that date, the entity's current liabilities exceeded its current assets by R959 170. Moreover, an amount of R15,765 million, which is included in the accumulated surplus at 30 June 2009 was not backed by cash. These conditions, along with other matters as set forth in the accounting officer's report, indicate the existence of a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

Restatement of corresponding figures

10. As disclosed in notes 24 and 27 to the financial statements, the corresponding figures for 30 June 2008 have been restated as a result of an error discovered during 2009 in the financial statements of the municipality at, and for the year ended, 30 June 2008.

Other matters

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

Material inconsistencies in other information included in the annual report

11. I have not obtained the other information included in the annual report and have not been able to identify any material inconsistencies with the financial statements.

Unaudited supplementary schedule

12. The supplementary information set out on page **XX** does not form part of the financial statements and is presented as additional information. I have not audited this schedule and accordingly I do not express an opinion thereon.

Governance framework

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

Key governance responsibilities

14. 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 key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning	X	

No.	Matter	Y	N
	delays or the availability of requested information.		
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		X
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.		X
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines, as set out in section 126 of the MFMA.	X	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	X	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee <ul style="list-style-type: none"> The municipality had an audit committee in operation throughout the financial year. 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. 	X	
7.	Internal audit <ul style="list-style-type: none"> The municipality had an internal audit function in operation throughout the financial year. The internal audit function operates in terms of an approved internal audit plan. 		X

No.	Matter	Y	N
	<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. 		X
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		X
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	X	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	X	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan is documented and used, as set out in section 62(1)(c)(i) of the MFMA.		X
12.	Delegations of responsibility are in place, as set out in section 79 of the MFMA.	X	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	X	
14.	SCOPA/Oversight resolutions have been substantially implemented.	X	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	X	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		X

No.	Matter	Y	N
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Mkhambathini Municipality against its mandate, predetermined objectives, outputs, indicators and targets, as set out in section 68 of the MFMA.	X	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	X	

15. A clear trail of documents, coupled with the availability of officials was evident throughout the auditing process. However, due to a number of correcting journals and disclosure amendments that arose from the audit, the financial statements were not of a desired quality. Moreover, the absence of adequate leadership and monitoring, an internal audit function as well as regular risk management practices, resulted in weaknesses in governance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

16. I have reviewed the performance information as set out on pages **xx to xx**.

The accounting officer's responsibility for the performance information

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

The Auditor-General's responsibility

18. 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.

19. In terms of the foregoing my engagement included performing procedures of a review 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.

20. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the finding reported below.

Finding on performance information

Non-compliance with regulatory requirements

Internal auditing of performance measurements

21. The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, as required in terms of section 45 of the MSA.

APPRECIATION

22. The assistance rendered by the staff of the Mkhambathini Municipality during the audit is sincerely appreciated.

Pietermaritzburg

30 November 2009



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

Auditor - General

CHAPTER 8: AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION

8.1 Refer to Annexure B

8.2 Grants Expenditure

All intergovernmental grants received through the Division of Revenue Act (Dora) or through any means are listed below.

Furthermore, additional information provided for each grant in terms of the outputs and outcomes achieved and whether any of the grant conditions were not satisfied including inability to spend the funds in a timely manner or not properly accounting for the grant funds.

GRANT DETAILS	AMOUNT RECEIVED AND SPENT EACH QUARTER					
Grant Name, Purpose/Project	1 Apr 2008 To 30 Jun 2008	1 Jul 2008 To 30 Sep 2008	1 Oct 2008 To 31 Dec 2008	1 Jan 2009 To 31 Mar 2009	1 Apr 2009 To 30 Jun 2009	Total Rand
Equitable Share	-	R3997609	R2998207	R5483056	-	R12478872
MSIG	-	R735 000				R735 000
MAP	-	R200 000				R200 000
Property Rates	-	R450 000				R450 000
Housing	-	R50 000			R50 000	R100 000
LUMS	-	R100 000				R100 000
Arts & Culture	-	R85 000				R85 000
MIG	-		R4748 000		R3855 000	R8603 000
Sports	R325 000		R975 000			R1300 000
FMG	-		R500 00	R1500 000		R1550 000

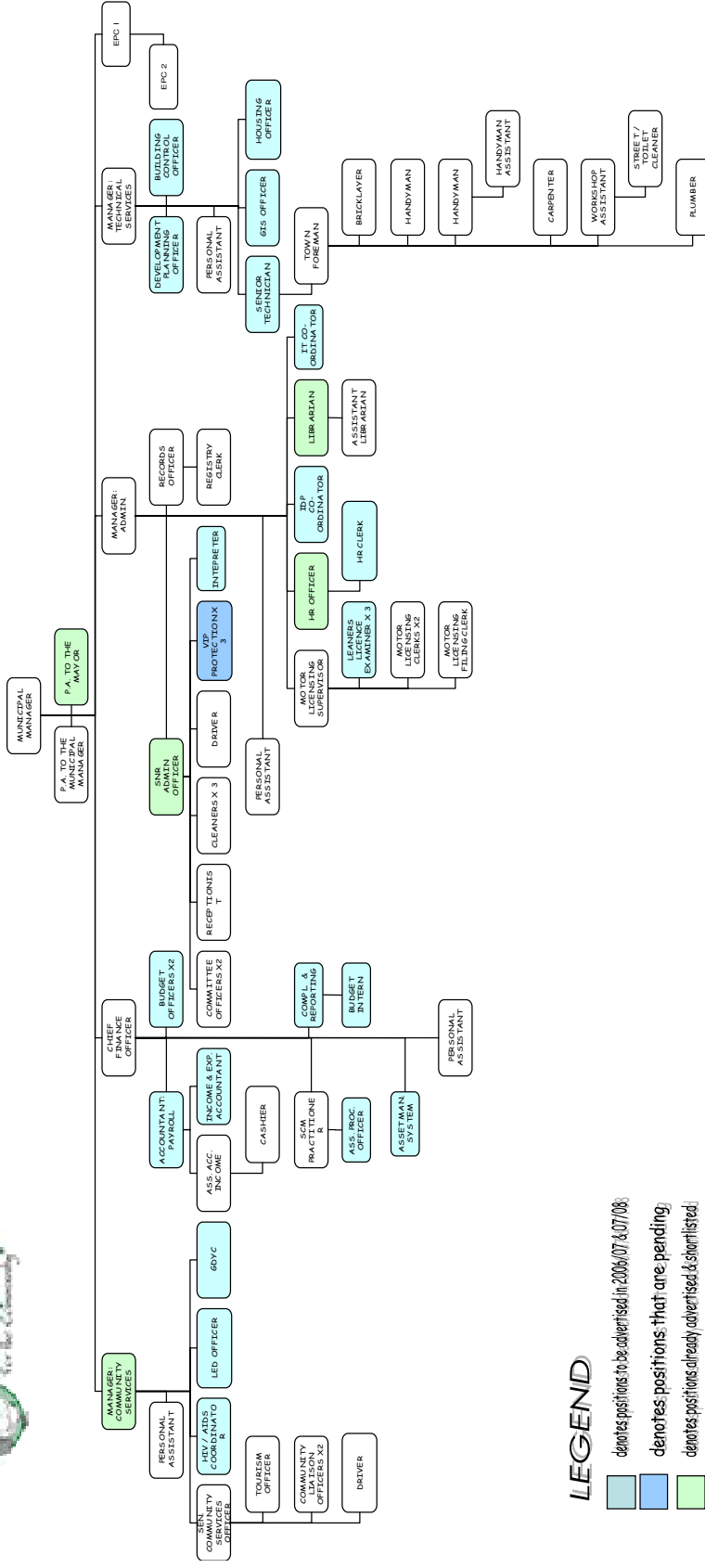
List of References

1. uMgungundlovu District Municipality Integrated Development Plan
2. Integrated Development Plan Guide Pack
3. Annual Reports of Numerous Municipalities
4. Policy Framework for managing Performance in the uMgungundlovu District Municipality
5. uMgungundlovu District Performance Management System
6. uMgungundlovu District Municipality Client and Quality of Life Survey
7. Relevant Legislation and Policy Directives

Annexure "A": Organogram



ORGANISATIONAL STRUCTURE



LEGEND

- denotes positions to be advertised in 2006/07 & 07/08.
- denotes positions that are pending.
- denotes positions already advertised & shortlisted.

Annexure B: Audited Financial Statements and Related Information