

SAFE CITY PIETERMARITZBURG – ANNUAL FINANCIAL STATEMENTS 30 June 2010

(Association incorporated under Section 21) (Registration Number: 2002/007386/08)

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APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements and other financial information set out in this annual report were prepared by the directors in conformity with International Financial Reporting Standards applied on a consistent basis.

The manner of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial information are the responsibility of the directors.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the association will not remain a going concern for the foreseeable future.

The annual financial statements set out on pages 116 to 124 and the supplementary schedules on pages 123 to 124 were approved by the Board of Directors on 15 July 2010 and are signed on its behalf by:-



DIRECTOR – Z D SOKHELA



CHIEF EXECUTIVE OFFICER – N K BHIKHA



DIRECTOR – P WARMINGTON



3.1 BACKGROUND

Safe City Pietermaritzburg was formally constituted as an Association incorporated under section 21 of the Companies Act on 28 March 2002. Its establishment followed a long period of research and planning undertaken under the guidance of Mr Des Winship and colleagues who constituted the Board of the local organisation known as Business Against Crime. Initially, the organisation's Board, conceptualised as a partnership between the Municipality and the private sector, was chaired by the Mayor at the time, Cllr Hloni Zondi. Other representatives of the Municipality also sat on the Board. In the course of time, legislation prohibited these representatives from holding directorships and Safe City Pietermaritzburg lost the advantage of having direct Municipal input into decision-making.

Representation on the Board aside, the partnership was governed by an agreement by which the Municipality would make the necessary financial resources available for the operation of the organisation as well as the capital expenditure required to extend the CCTV surveillance to other parts of the city. The Municipality regarded Safe City Pietermaritzburg as a „municipal entity', although this status was contested by Safe City itself.

Changes in the municipal administration and the legislative paradigm resulted in confusion and some breakdown in relations between the two partners. Municipal funding was no longer secure and some elements within the Municipality overtly questioned several aspects of the operations of Safe City Pietermaritzburg. The organisation took steps to meet the expectations of the Municipality by terminating the contract of the service provider that had managed the operation from the company's inception and assuming the management role itself as a means of saving costs. Later, at the request of the city's administration team, the section 21 status was changed so that the relationship between the organisation and the Municipality would be aligned to legal requirements.

While it is understood that the Board cannot include representatives of the Municipality, the organisation has felt for sometime that its work is hampered by a lack of regular and constructive communication with its funding body. The Safe City operation has earned high praise for its professional effectiveness in meeting its objectives which are fundamentally concerned with reducing crime in the city. All the people who have directed this project through both the planning and operational phases have done so on a voluntary basis and it remains a principle of the Board that there is no remuneration to directors.

1. DIRECTORS

The following people are directors of the Company. There are several vacancies on the Board that will be filled in due course.

Mrs Z Sokhela	Director of BP Cascades, Ex President and Member of PCB, UFET Council, UKZN Council, Deputy Chair BFC
Mr D Winship	Retired CEO: Hulett's Aluminium, Retired Executive Director of Tongaat Hulett Group, Member of BFC, Director of Life Line
Mr P Warmington	Director: Warmingtons Inc, Member of BFC
Mr D Kambouris	Chairperson of BFC, Member of Community Chest
Mr V C Biggs	Retired Director: McCarthy, Member of Allison Homes, Member of SAVS/NCWV, Member of BFC
Mrs D Harrison	Director: Lifeline PMB T/A Lifeline and Rape Crisis, Member of BFC, Member of Community Chest
Mr K Vorster	Financial Planner for PSG, Member of BFC
Adv R P Stuart	Deputy Director of Public Prosecution, Chairman of KZN Wildlife Crime Working Group (WCWG)
Major General P Maharaj	Cluster General of SAPF of Pietermaritzburg Central

2. PARTNERS

For various reasons, Business Against Crime in Pietermaritzburg reconstituted itself as Business Fighting Crime and is an important strategic partner of Safe City. BFC has borne the costs of marketing an SMS crime alert campaign that was initiated by Safe City in 2008. BFC has also contributed financially in several other ways, including a grant of R10 000 towards the cost of a commercial van purchased during the year. This purchase was made possible by a generous donation of R50 000 by Hulamin (Pty) Ltd.

The organisation considers its partnership with the SAPF to be one of its notable strengths, while it also enjoys constructive relationships with the National Prosecuting Authority and various Community Police Forums.

3. STAFFING

Safe City took over the control of the CCTV Control Room operation as well as the maintenance of cameras on 1 March 2010. Ivision Technologies, the contractor who had formerly managed the Control Room operation, took legal action in terms of Section 197 of the LRA. This concerns the conditions of service and the rights of employees when a transfer from one employer to another is effected. The Safe City Board decided not to challenge Ivision Technologies' contention and took over all 29 of the former Ivision employees, despite the fact that the additional cost of salaries could not be catered for in the budget.

In addition, at the time of the termination of its contract, Ivision Technologies faced a claim made by 4 (four) other former employees that they had been dismissed unfairly. Safe City faced this charge as a respondent alongside Ivision Technologies. By agreement between Ivision Technologies and Safe City, a monetary settlement was negotiated with the four Ivision Technologies disaffected employees who then dropped their claim for re-instatement. This cost Safe City an unexpected R75 000 plus its share of the legal costs incurred to the point of settlement of R20 000.

At the time of writing, the Safe City staff comprises

- A CEO
- A General Manager
- A Control Room Manager
- 3 Supervisors
- 18 Control Room Operators
- 7 Control Room Operators [Relievers]
- A Technician Manager
- A Technician
- An Assistant Technician



4. PARTICULAR MATTERS RELATING TO THE YEAR 2009/10

- 4.1. A Number Plate Recognition System, to enable the city to generate income from outstanding fines, was introduced by Safe City. A Memorandum of Understanding between the Msunduzi Traffic Department and Safe City Pietermaritzburg has been drafted and submitted to the New Administrator for perusal to enable this project to proceed.
- 4.2. At the request of the city's administration team, the organisation co-operated in the formation of a Safe City Development Committee to provide a platform for ongoing dialogue between the Municipality and Safe City regarding all matters concerning safety and security in the city. An enhanced role for Safe City in this sphere is expected to emerge through the discussions in this committee.
- 4.3. In partnership with BFC, SAPF and the NPA, Safe City exhibited at the Royal Show in a hall dedicated to the agencies responsible for crime and justice. The theme of the exhibition was "The Winning Nation" in conjunction with a slogan "Blow Vuvuzela to Fight Crime" and it secured a Gold Medallion award for being an outstanding display. In addition to showcasing the effectiveness of the CCTV camera system, Safe City used the exhibition to market its SMS Crime Alerting and Cell phone Panic Alert services that are monitored in the Safe City control room and feed directly to the SAPF.

5. FINANCE

- 5.1. The audited financial statements of the organisation are attached to this report.
- 5.2. Safe City's capital expenditure proposal of R4.48 million, as well as the request for R2.2 million for the upgrade of the recording system were declined due to lack of funds by Council. This was disappointing since the organisation has an urgent desire to extend its CCTV protection services, especially into Edendale, and to maintain the highest level of efficiency by ensuring that its technology is up to date.
- 5.3. Safe City is also hoping to install cameras to provide a CCTV security facility at the Harry Gwala Stadium which will also cover Alexandra Park. An initiative of the First Lady of the Province, Dr May Mkhize, is to revitalise the Park as a recreational centre where children can be taken to play and be entertained in safety. The presence of digital surveillance is considered essential for this.

6. PERFORMANCE OF THE CONTROL CENTRE

The 24/7 surveillance operation is the core of Safe City's business. It is ISO 9001:2008 certified and SABS approved. The primary core function is:

- The prevention of crime.
- The detection of crime.
- The maintenance of existing CCTV system.
- Advise municipality on expansion of CCTV system.
- Oversee the design, specification and installation of new CCTV equipment.

The secondary function is:

- The monitoring of traffic bylaws and motor vehicle accidents.
- Monitoring of Municipal bylaws such as littering, street gambling, and illegal trading.
- Facilitating the Disaster Management JOC.
- The monitoring of gatherings, marches and events of public interest within the camera visual area.

6.1. Standard Procedure

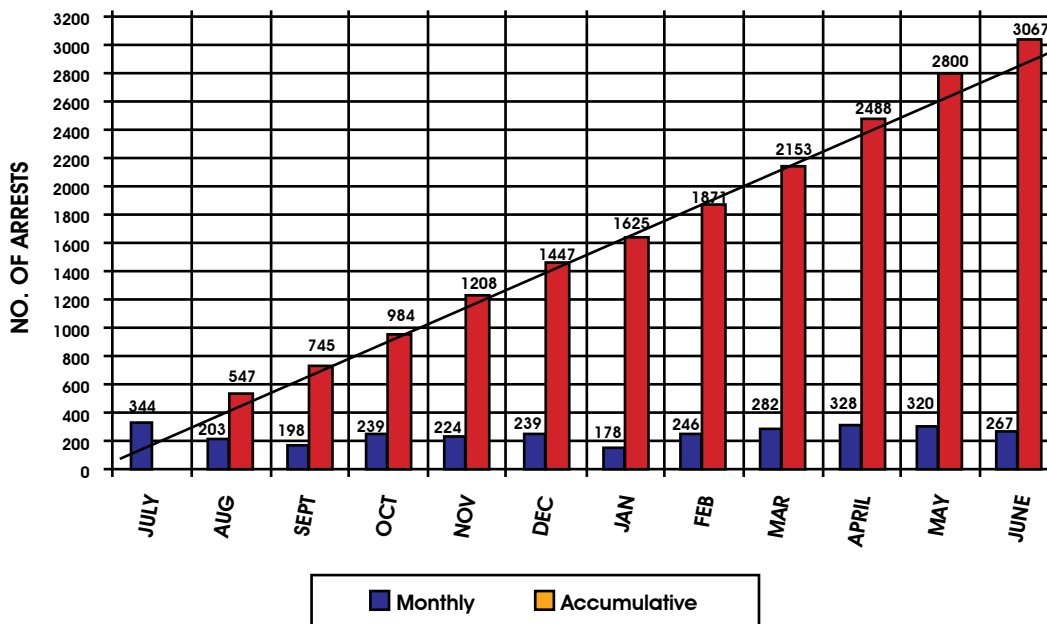
The crime statistics for Pietermaritzburg are submitted to the control room every morning by the SAPF. These are compared with our statistics and thereafter plotted on street maps in order to identify where crimes were committed without any detection by the control centre. This enables operators to be more crime prevention orientated.

Every suspicious incident noted on camera is regarded as an "Incident detected". The police officer (present in the control room 24/7) will determine whether a SAPF vehicle needs to be despatched to the scene of the incident. The yearly target for SAPF dispatches is 90% of Incidents Detected. A record is maintained of vehicle despatches as compared with Incidents detected. An arrest is made when the suspect is apprehended. Frequently the progress of a crime is fully observed and followed via the camera network. There is a recording capacity of 21 days after which footage is automatically over-written.

6.2. Summary of Operational Performance

Description	Total for Year	Target for Year	Diff
No of Incidents Detected	3067	2796	271 (+9.6%)
Response by SAP Units	1550	2516	-960 (-38%)
Arrests Effectuated	181	360	179 (-49.7)
SAP Response Time	5.4	4	-1 (-25%)
% Camera down time	2.8	1	-1.8 (-130%)

6.3. Incidents Detected

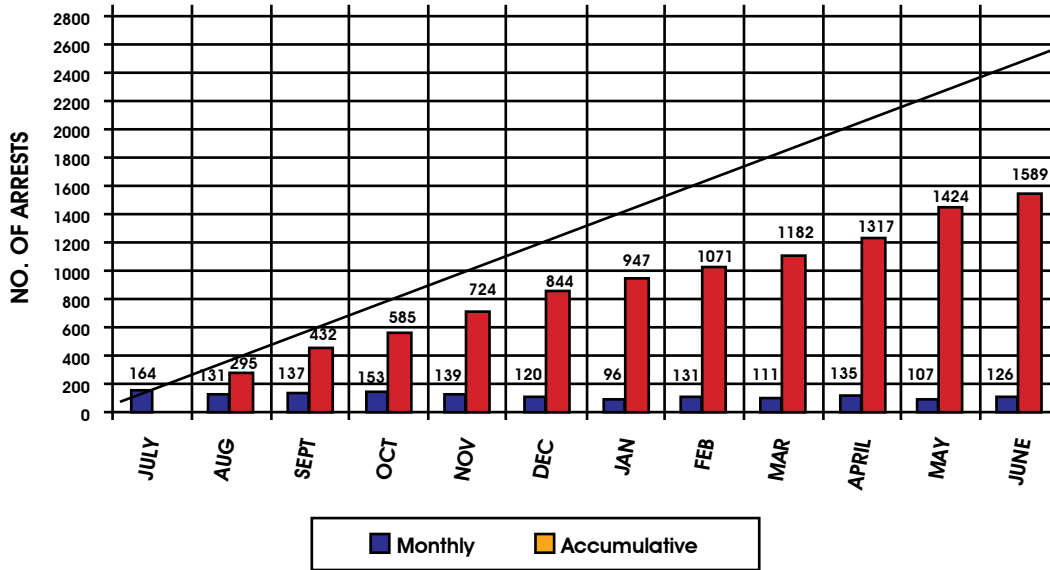


The total number of incidents detected was 3067 compared to 2796 previous year. The target was exceeded by 271 (+10%) incidents. These incidents include all matters detected such as fighting, crime, suspicious behaviour and motor vehicle accidents. Some of the incidents detected are as follows:

Fighting	1120
Suspicious behaviour	431
Motor vehicle Accidents	245
Bylaw Infringements	121



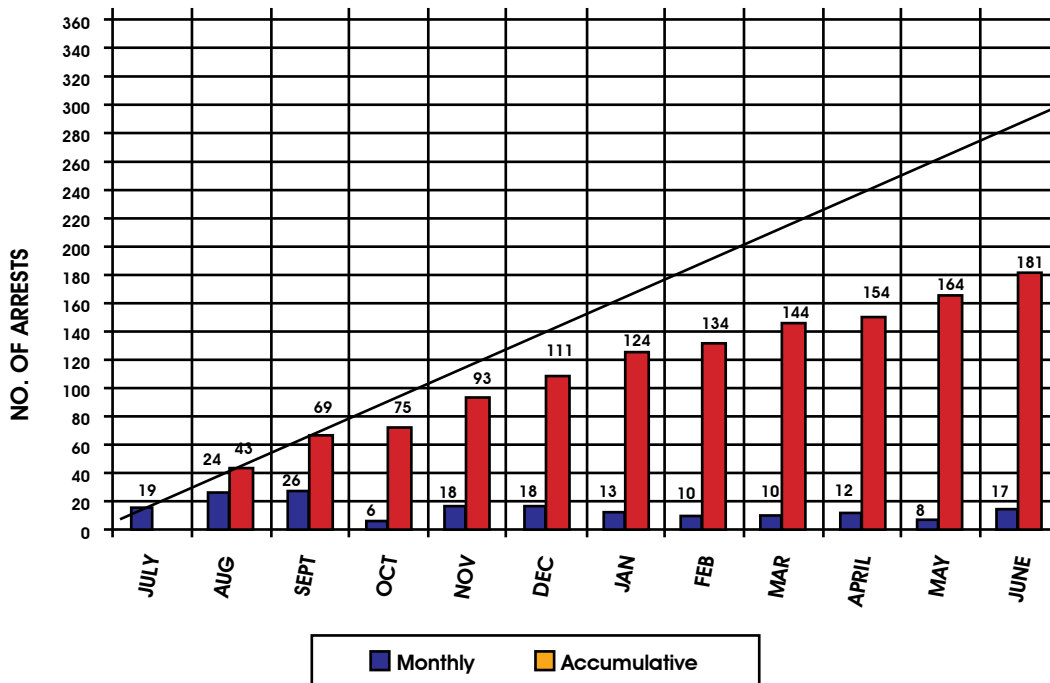
6.4. Responses by the SAPF



The total number of responses of the SAP was 1550 compared to 1623 for the previous year.

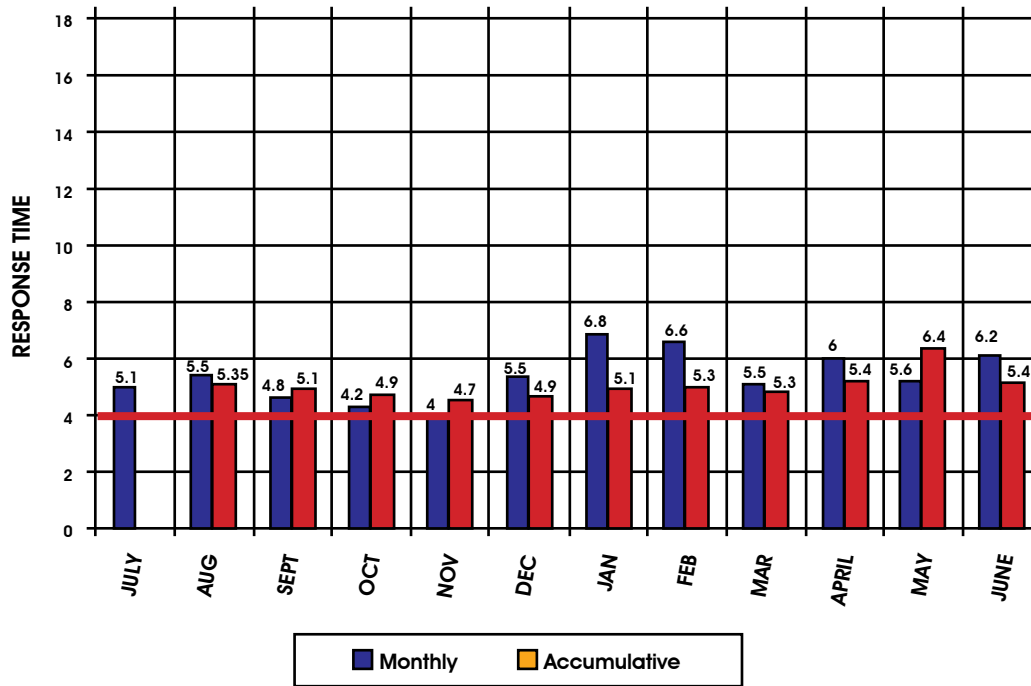
The target for the year of 2516 (- 38%) was not met. Theft of motor vehicles has shown a sharp increase in the Pietermaritzburg area but most occurred outside of the area monitored by cameras. It is also known that tow truck operators are involved in the theft of vehicles especially those fitted with immobilisers or gear locks. It was therefore decided to monitor all vehicles being towed by tow truck and to record their details for possible investigation purposes. These incidents do not require immediate SAP response.

6.2. Arrests Effected



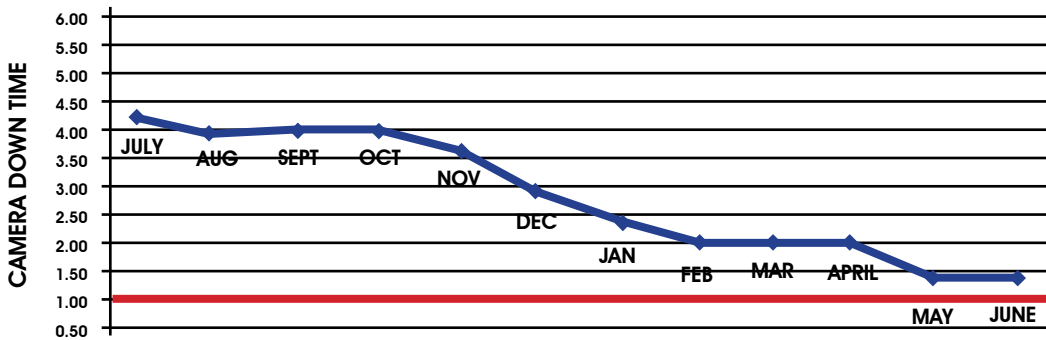
The number of arrest made was 181 compared to 193 for the previous year. The target of 360 was not met. It has become increasingly clear that criminals are avoiding the area covered by the cameras and are committing their crimes in unmonitored areas.

6.3. SAPF Response Time



The average response time for SAPF vehicle to respond from the time of notifying the SAPF Emergency Control Room until a vehicle arrived on the scene was 5.4 min compared to 5 min. for the previous year. This is 1.4 min. more than the target of 4 min. The availability of patrol vehicles during peak times and traffic congestion have had a negative effective in this regard.

6.4 Camera Downtime



The average camera downtime was 2.8%. The Safe City target has always been 1%. It will be noticed that during July to October 2009 the downtime was above 4%. This high number can be attributed to the delay in obtaining crucial spares from the United Kingdom. Most of the spares used in maintaining the CCTV system have to be imported.



6.5 Reported Crime Statistics

Please note that the statistics as provided by the SAP Pietermaritzburg is for operational evaluation and is not for public consumption.

	Jul 08 to Jun 09	Jul 09 to Jun 10	Inc/Dec	%
Murder	42	33	-9	-21%
Att. Murder	22	17	-5	-23%
Ass. Com	278	391	+113	41%
Ass. GBH	278	391	+113	41%
Rape	44	64	+20	45%
Rob with F/A	106	63	-43	-41%
Rob Other Weapon	278	202	-76	-27%
Rob Com	194	154	-40	-21%
Bus. Rob	92	56	-36	-39%
Hi Jacking	12	14	+2	17%
Theft from M/V	137	152	+15	11%
Theft out of M/V	221	211	-10	-5%
Theft of M/V	310	213	-97	-31%
Burglary Bus.	284	234	-50	-18%
A Crime	7801	7932	+131	2%

It is very evident that crimes which show an increase are those that are committed primarily indoors or that are domestic by nature i.e. Assault Common, Assault GBH and Rape. These types of crime are difficult to prevent and are related mainly to socio economic factors such as unemployment, family violence and drug or liquor abuse. Crimes that have decreased are mainly street related crimes such as Robberies, Burglary Business, Murder, Attempted Murder etc. These crimes can be prevented by intelligence-driven crime prevention operations, CCTV detection or SAP patrols. The increase in reported A Crime may be attributed directly to the increase in assault related cases.

7. CONCLUSION

The year 2009/10 has been one of many challenges, not the least of which was the take-over of the management and administration after the termination of the service contracts. This was followed by difficulties in Safe City's engagement with the Municipality and threats that the funding would be withheld. While the relationship with the city's new administration has been a great deal more constructive, it has posed the additional challenge of having to deregister the section 21 company and register a full-blown company. We thank the Mayor and Johan Mettler and his administration team for their constructive support for the Safe City project and for revitalising our belief that our organisation performs a valuable community service.

We thank all partners including BFC, SAPF, CPF, NPA and several others who are, to a lesser or greater extent, stakeholders in our operation.

The members of the Safe City Board are thanked and commended for their support and commitment. Among these, Messrs Peter Warmington, the former chairperson of the Board, Des Winship and Dem Kambouris, the chairperson of BFC, have earned special thanks for their particular and loyal support.

The Board expresses its thanks to the CEO, management and staff of Safe City, as well as the Project Engineer, Mr Pieter Janse van Rensburg of Dihlase Consulting.

We reserve our particular gratitude to the Msunduzi Municipality, the main funders of this operation. We acknowledge, too, the financial and moral support of Business Fighting Crime and Hulamin, as well as the valuable assistance rendered by legal advisors, Venn Nemeth & Hart, our auditors, Deloitte and Touche, and the Witness for continuously reporting on safety statistics.



ZINHLE SOKHELA
CHAIRPERSON OF THE BOARD
15 JULY 2010





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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAFE CITY PIETERMARITZBURG

Report on the Financial Statements

We have audited the annual financial statements of Safe City Pietermaritzburg which comprise the statement of financial position as at 30 June 2010, the statement of financial performance and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 116 to 124.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. 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; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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 the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

National Executive: GG Gelink Chief Executive: AE Swiegers Chief Operating Officer: GM Pinnock Audit:
DL Kennedy Tax & Legal and Risk Advisory: I. Geeringh Consulting: I. Barn Corporate Finance: CR. Beukman Finance:
TJ Brown Clients & Markets: NT Mtoba Chairman of the Board: CR Quality Deputy Chairman of the Board:
Regional Leader: GC Brazier

A full list of partners and directors is available on request.

B-BBEE rating: Level 3 contributor/AA (certified by Empowerdex)

Member of Deloitte Touche Tohmatsu

Basis for Qualified Opinion – Cash Collections and Donations

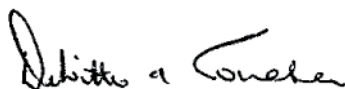
In common with similar organisations, it is not feasible for Safe City Pietermaritzburg to institute accounting controls over cash collections and donations prior to initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

Qualified opinion

In our opinion, except for the effect on the annual financial statements of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the association as at 30 June 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Other matters

Without further qualifying our opinion we draw attention to the fact that the supplementary information set out on pages 123 and 124 does not form part of the annual financial statements and is presented as additional information. We have not audited these schedules and accordingly we do not express an opinion thereon.



Deloitte & Touche
Per D McArthur
(Registered Accountant and Auditor)
Partner
Pietermaritzburg

21 July 2010



REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2010

The directors have pleasure in presenting their report for the year ended 30 June 2010.

REVIEW OF THE OPERATIONS FOR THE YEAR

The financial position of the association at 30 June 2010 is set out in the attached annual financial statements. The statement of financial performance reflects an operating (deficit)/surplus for the year of (R14 434) (2009: R12 239).

SUBSEQUENT EVENTS

No material fact or circumstances has occurred between the reporting date and the date of this report.

DIRECTORS

The following members acted as directors during the year under review:

Z D Sokhela	(Chairman)
P Warmington	
W D Winship	
V C Biggs	
M Ghela	(retired in February 2010)
R P Stuart	
P Maharaj	
N K Bhikha	(CEO)
J A Vorster	
D Harrison	
D Kambouris	
I Dugmore	(retired in March 2010)
N.P Dlangisa	(retired in February 2010)
CHAIRMAN	
Z D Sokhela	(appointed in October 2009)

CHIEF EXECUTIVE OFFICER

N K Bhikha

PLACE OF BUSINESS

City Hall
Chief Albert Luthuli Road
PIETERMARITZBURG 3201

NATURE OF BUSINESS

An Association between business, the local authority, the community, government and non-government organisations to proactively combat crime in Pietermaritzburg.

AUDITORS

Deloitte & Touche

BANKERS

First National Bank

ACKNOWLEDGEMENTS

Deloitte & Touche for their engagement in carrying out a partly honorary audit for Safe City.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>R</u>	<u>R</u>
Revenue		2 715 969	2 642 582
Interest received		111 298	63 460
Total income		2 827 267	2 706 042
Operating expenses		2 841 701	2 693 803
Operating (deficit)/surplus for the year	4	(14 434)	12 239
Transfers to reserves		14 434	(12 239)
- Non-distributable reserve - General	5	(14 434)	12 239
DEFICIT/SURPLUS for the year		-	-

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>R</u>	<u>R</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	88 526	51 321
CURRENT ASSETS			
Accounts receivable	8	8 332	27 080
Cash on hand and balances with banks		9 786 692	799 454
TOTAL ASSETS		883 550	877 855
EQUITY AND LIABILITIES			
EQUITY RESERVES			
Non-distributable reserve - general	5	853 989	868 423
CURRENT LIABILITIES			
Accounts payable	11	29 561	9 432
TOTAL EQUITY AND LIABILITIES		883 550	877 855



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2010

	<u>Notes</u>	<u>2010</u> R	<u>2009</u> R
OPERATING ACTIVITIES			
Cash receipts from donors		2 674 717	2 683 462
Cash paid to suppliers and employees		(2 798 777)	(2 991 646)
Cash utilised in operations	A	(124 060)	(308 184)
Interest received		111 298	63 460
Interest paid		-	(199)
Net cash generated from/(utilised in) operating activities		<u>(12 762)</u>	<u>(244 923)</u>
INVESTING ACTIVITIES			
Additions to property, plant and equipment		-	(7 198)
Net cash flow used in investing activities		<u>-</u>	<u>(7 198)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(12 762)	(252 121)
Cash and cash equivalents at beginning of the year		799 454	1 051 575
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	B	<u>786 692</u>	<u>799 454</u>

NOTES TO THE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2010

	<u>Notes</u>	<u>2010</u> R	<u>2009</u> R
A. RECONCILIATION OF OPERATING			
(DEFICIT)/SURPLUS FOR THE YEAR TO CASH UTILISED IN OPERATIONS			
Operating (deficit)/surplus for the year		(14 434)	12 239
Adjustment for:			
Interest received		(111 298)	(63 460)
Interest paid		-	199
Non-cash donation received		(60 000)	-
Depreciation		22 795	25 967
Working capital changes		(162 937)	(25 055)
Decrease/(increase) in accounts receivable		18 748	(22 581)
Increase/(decrease) in accounts payable		20 129	(260 548)
Cash utilised in operation		<u>(124 060)</u>	<u>(308 184)</u>

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>R</u>	<u>R</u>
B. CASH AND CASH EQUIVALENTS			
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:			
Bank		786 692	799 454

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. Basis of preparation

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice ("GAAP") including any interpretations of such Statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practice ("GRAP") issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

GRAP 1: Presentation of financial statements
 GRAP 2: Cash flow statements
 GRAP 3: Accounting policies, changes in accounting estimates and errors

Replaced Statement of GAAP

AC 101: Presentation of financial statements
 AC 118: Cash flow statements
 AC 103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following changes in the presentation of the financial statements:

A. Terminology differences:

Standard of GRAP

Statement of changes in net assets
 Net assets
 Surplus/deficit for the period
 Accumulated surplus/deficit
 Contributions from owners
 Distributions to owners
 Reporting date

Replaced Statement of GAAP

Statement of changes in equity
 Equity
 Profit/loss for the period
 Retained earnings
 Share capital
 Dividends
 Balance sheet date

B. The cash flow statement can only be prepared in accordance with the direct method.

C. Specific information such as:

- (a) Receivables from non-exchange transactions, including taxes and transfers.
- (b) Taxes and transfers payable.
- (c) Trade and other payables from non-exchange transactions must be presented separately on the statement of financial position.

D. Amount and nature of any restrictions on cash balances is required to be disclosed.



2. Adoption of new and revised International Financial Reporting Standards (“IFRS”)

In the current year, the directors have adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2009. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the association’s accounting policies.

The following new standards, interpretations, technical corrections and amendments, with effective dates on or after 1 January 2010, have been issued:

Number	Description	Effective date
IFRS 8	Amendments resulting from April 2009 Annual Improvements to IFRS	Effective for annual accounting periods beginning on or after 1 January 2010.
IAS 1	Amendments resulting from April 2009 Annual Improvements to IFRS	Effective for annual periods beginning on or after 1 January 2010.
IAS 7	Statement of cash flows - Amendments resulting from April 2009 Annual Improvements to IFRS	Effective for annual periods beginning on or after 1 January 2010
IAS 17	Leases - Amendments resulting from April 2009 Annual Improvements to IFRS	Effective for annual periods beginning on or after 1 January 2010.
IAS 36	Amendments resulting from April 2009 Annual Improvements to IFRS	Effective for annual periods beginning on or after 1 January 2010

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the organisation.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue

Revenue comprises cash contributions from the Msunduzi Municipality and does not include contributions in specie.

3.2 Interest

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

3.3 Property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful life to an estimated residual value.

	Years
Motor vehicles	5
Furniture & fittings	5
Computer equipment	3
Other	5

4. OPERATING SURPLUS FOR THE YEAR

	<u>2010</u> R	<u>2009</u> R
Operating surplus for the year is stated after:		
Audit fees		
- current year	6 600	10 250
- prior year under provision	4 900	-
Depreciation	22 795	25 967
Administration salaries	2 147 226	2 222 795
Interest paid	-	199

5. NON-DISTRIBUTABLE RESERVE - GENERAL

	<u>2010</u> R	<u>2009</u> R
The Association is registered under Section 21 of the Companies Act of South Africa as an incorporated association not for gain and, as such, no part of its income and property shall be transferred to members, directly or indirectly. All reserves of the Association are therefore non-distributable and may only be utilised towards the cost of projects and initiatives and meeting any shortfall in expenditure.		
Balance at beginning of the year	868 423	856 184
Operating (deficit)/surplus for the year	(14 434)	12 239
Balance at end of the year	<u>853 989</u>	<u>868 423</u>

6. TAXATION

	<u>2010</u> R	<u>2009</u> R
No provision for taxation is necessary, as the income of the Association is exempt in terms of section 10(1) cB) of the Income Tax Act, 1962, as amended.		

7. PROPERTY, PLANT AND EQUIPMENT

	<u>2010</u> R	<u>2009</u> R
Motor vehicles	58 000	-
Furniture and fittings	26 838	39 761
Computer equipment	3 688	10 412
Office equipment	-	1 148
	<u>88 526</u>	<u>51 321</u>



2010

Reconciliation of net book value at beginning of the year to net book value at end of the year.

	Net Book value at beginning of year	Additions	Disposals	Depreciation	Net Book value at end of year
	R	R	R	R	R
Motor vehicles	-	60 000	-	(2 000)	58 000
Furniture and fittings	39 761	-	-	(12 923)	26 838
Computer equipment	10 412	-	-	(6 724)	3 688
Office equipment	1 148	-	-	(1 148)	-
Total - 2010	51 321	60 000	-	(22 795)	88 526

2009

Reconciliation of net book value at beginning of the year to net book value at end of the year.

	Net Book value at beginning of year	Additions	Disposals	Depreciation	Net Book value at end of year
	R	R	R	R	R
Furniture and fittings	52 684	-	-	(12 923)	39 761
Computer equipment	14 858	7 198	-	(11 644)	10 412
Office equipment	2 548	-	-	(1 400)	1 148
Total - 2009	70 090	7 198	-	(25 967)	51 321

8. ACCOUNTS RECEIVABLE

Trade and other receivables are classified as loans and receivables at amortised cost and their carrying amount approximates fair value. Trade and other receivables are predominately non-interest bearing. Accounts receivable are all current being receivable within 1 month. No amounts receivable are past due.

9. CASH ON HAND AND BALANCES WITH BANKS

	2010	2009
	R	R
Balance	<u>786 692</u>	<u>799 454</u>

It is the intention of the board that the surplus funds be utilised to cover additional funding of any emergency requirements.

10. RELATED PARTY TRANSACTIONS

Business Fighting Crime is a related party of Safe City and transactions conducted between these parties are at arms length.

11. ACCOUNTS PAYABLE

Trade and other payables are measured at amortised cost and their carrying amount approximates fair value. Trade and other payables are predominately non-interest bearing.

12. FINANCIAL RISK MANAGEMENT

Interest rate risk

In the normal course of business, the company is exposed to the effect of movements in interest rates. Decisions on the interest rates are made according to short, medium and long-term expectations. Management have obtained funding for bank overdrafts at a floating rate linked to the prime lending rate.

Sensitivity analysis

At year end the sensitivity to changes in interest rates on the operating profit is as follows:

2010	
+10%	11 130
-10%	(11 130)
2009	
+10%	6 346
-10%	(6 346)

Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained. The directors may from time to time at their discretion raise or borrow monies for the purpose of the company as they deem fit.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<u>Company</u>	<u>Less than 1 year</u>	<u>Between 2 and 4 years</u>
<u>At 30 June 2010</u>		
Accounts payable	29 561	-
<u>At 30 June 2009</u>		
Accounts payable	9 432	-



REVENUE

	2010	2009
	R	R
Contributions received	2 715 969	2 642 582
Interest received	111 298	63 460
TOTAL INCOME	2 827 267	2 706 042
Less: ADMINISTRATION EXPENDITURE	(2 841 701)	(2 693 803)
Accounting fees	20 756	16 989
Administration fees – Pietermaritzburg Chamber of Commerce	8 973	-
Salaries and wages	2 147 226	2 222 795
Administration salaries: 8 months	160 534	289 997
Control room consultancy fees: 8 months	1 396 578	1 932 799
Safe City salaries/wages: 4 months	590 115	-
Advertising and promotions	1 585	6 166
Assets written off	7 772	2 671
Audit fees		
- current	6 600	10 250
- prior year underprovision	4 900	-
Bank charges	4 624	4 984
Casual Wage	125	-
Cleaning	8 652	7 215
Computer expenses	7 155	16 206
Conference and travel	10 093	-
Consulting fees	4 286	-
Courier and postage	109	133
Depreciation	22 795	25 967
Electricity and water	18 764	16 191
Entertainment expenses	661	2 098
General expenses	3 086	3 670
Insurance	1 090	-
Interest paid	-	199
Legal fees	55 374	3 614
Motor vehicle expenses	3 014	192
Out of court settlement	50 000	-
Payroll set-up fees	6 173	-
Printing and stationery	17 737	25 338
Recruitment expense	19 989	-
Repairs and maintenance	360 405	554 088
Royal show expense	20 417	-
Staff petrol	3 100	-
Staff welfare	765	906
Subscriptions	-	(3 017)
Telephone and fax	25 474	30 916
Write-back of VAT provision	-	(253 769)

	<u>2010</u> R	<u>2009</u> R
OPERATING DEFICIT after administration expenditure	(2 730 403)	(2 630 343)
OPERATING (DEFICIT)/SURPLUS FOR THE YEAR	<u>(14 434)</u>	<u>12 239</u>

Administration expenditure

	<u>%</u>	<u>%</u>
Personnel costs	79	83
Repairs and maintenance	13	21
Other	9	(4)
	<u>100</u>	<u>100</u>

LIST OF CONTRIBUTORS FOR THE YEAR ENDED 30 JUNE 2010

	<u>2010</u> R	<u>2009</u> R
Msunduzi Municipality (inclusive of VAT)	3 000 000	3 000 000

Contributions by business are referred to in the Chairman's report.



3.2 REPORT OF THE AUDITOR GENERAL

AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON MSUNDUZI MUNICIPALITY

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying consolidated financial statements of the Msunduzi Municipality, which comprise the consolidated statement of financial position as at 30 June 2010, and the consolidated statement of financial performance, the consolidated statement of changes in net assets and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 17 to 82.

Accounting officer's responsibility for the consolidated financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Local Government Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (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; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 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 International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion Property, plant and equipment

7. The municipality did not review the residual values and useful lives of furniture and equipment at each reporting date in accordance with GRAP 17: Property, plant and equipment, as evidenced by 43,517 items of furniture and equipment with a gross carrying amount of R34 (2009: R34) being included in the financial statements at a R1 or zero net carrying amount whilst still being in use. Because of the nature of these assets, I was unable to confirm or verify by alternative means the value of furniture and equipment included in the financial statements at R26,249 million (2009: R26,963 million). Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the valuation of furniture and equipment and the related adjustments to depreciation.

Investment property

8. GRAP 16: Investment property requires that property held to earn rentals or for capital appreciation be recognized as investment property. As disclosed in note 9 to the financial statements, the municipality has not yet finalised the process of recognising all investment properties. As a result, buildings, included under property, plant and equipment, which are potentially investment properties have not been classified as investment property in the financial statements. Consequently I could not satisfy myself as to the valuation and completeness of the investment properties and the accuracy of the necessary adjustments to land and buildings, depreciation and accumulated surplus.
9. Investment property of R5, 580 million was incorrectly valued in the prior year at R220, 000 million. Had this property been recognised at the correct value, investment property would be decreased by R214, 420 million (2009: R214, 420 million) and the accumulated surplus in the current and prior year would be decreased by the same amount.

Irregular expenditure

10. Section 65(2) (i) of the MFMA requires the accounting officer to implement and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. During the audit, payments amounting to R19, 326 million were identified as being made in contravention of the supply chain management requirements. The municipality did not have adequate systems in place to identify and record all irregular expenditure. The municipality's records did not permit the application of alternative audit procedures. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness of the irregular expenditure disclosed in note 46 to the financial statements.

Employee costs: overtime payments

11. A proper system of control was not in place over the authorisation and recording of overtime claims on which I could rely for the purpose of my audit and there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that overtime payments were adequately authorised and correctly calculated as recorded in the accounting records. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the occurrence, accuracy and completeness of overtime payments of R50, 108 million.



Qualified opinion

12. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, these financial statements present fairly, in all material respects, the consolidated and separate financial position of the Msunduzi Municipality as at 30 June 2010 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended are prepared, in all material respects, in accordance with the SA Standards of GRAP and in the manner required by the MFMA and DoRA.

Emphasis of matters

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

Significant uncertainties

14. With reference to note 42 to the financial statements, the municipality is a defendant in a delictual claim lawsuit. The municipality is opposing the claim as it believes the claim to be invalid. The ultimate outcome of the matter cannot be determined at present and no provision has been made in the financial statements for any liability that may result.

Restatement of corresponding figures

15. As disclosed in note 44 to the financial statements, the corresponding figures for 2008/2009 have been restated as a result of errors discovered during 2009/2010 in the financial statements of the Msunduzi Municipality for the year ended, 30 June 2009.

Fruitless and wasteful expenditure

16. As disclosed in note 47 to the financial statements, fruitless and wasteful expenditure to the amount of R290, 298 was incurred due to late payments to suppliers and an amount of R2, 270 million was incurred in respect of an information system that was purchased but not used.

Material losses

17. As disclosed in note 50 to the financial statements and as a result of theft, distribution losses, illegal tampering and ageing infrastructure, the municipality suffered significant electricity losses, of R66,484 million (204,543,091 kilowatts), water losses of R63,066 million (19,233,312 kilolitres) and inventory losses of R397,740 during the year.

Going concern

18. As disclosed in note 54 to the financial statements, the municipality is currently experiencing significant financial challenges, having incurred a net loss of R235, 920 million during the year ended 30 June 2010 and, as of that date, the entity's current liabilities exceeded its current assets by R125, 454 million. These conditions, along with other matters as set forth in note 54, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as going concern.

Additional matter

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

Unaudited supplementary schedules

20. The supplementary information set out on pages 83 to 103 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

21. As required by the PAA and in terms of General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009, I include below my findings on the report on predetermined objectives, compliance with the following key laws and regulations: the MFMA, Local Government : Municipal Systems Act of South Africa, 2000(Act No. 32 of 2000) (MSA), the Municipal Supply Chain Management Regulations (GNR 868 of 30 May 2005)(Municipal SCM Regulations) and the Basic Conditions of Employment Act of South Africa, 1997(Act No. 75 of 1997) (BCEA) and financial management (internal control).

Predetermined objectives

22. Material findings on the report on predetermined objectives, as set out on pages 145 to 268, are reported below:

Non-compliance with regulatory and reporting requirements Functioning of a performance audit committee

23. The audit committee functioning as the performance audit committee did not in accordance with section 14(4) of the Municipal Planning and Performance Management Regulations, 2001
- meet at least twice during the financial year;
 - review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
 - submit an auditor's report to the council regarding the performance management system at least twice during the financial year.

Internal auditing of performance measurements

24. The internal auditors of the municipality did not audit the performance measurements on a continuous basis and did not submit quarterly reports on their audits to the municipal manager and the performance audit committee as required by section 45 of the MSA.

Lack of adoption or implementation of a performance management system

25. The municipality did not adopt and implement a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players, as required in terms of sections 36, 38 and 41(2) of the MSA, and regulations 7 and 8 of the Municipal Planning and Performance Management Regulations, 2001.



Usefulness of reported performance information

26. The following criteria were used to assess the usefulness of the planned and reported performance:

- Consistency: Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

Reported information not consistent with planned objectives, indicators and targets

27. The municipality has not reported on its performance against predetermined objectives/indicators/targets which is consistent with the approved integrated development plan.

Planned and reported targets not specific and measurable

28. The planned and reported target were not specific in clearly identifying the nature and the required level of performance and not measurable in identifying the required level of performance for the following selected objectives:-

- To improve accessibility and durability of roads by upgrading gravel/graded roads to surfaced roads.
- To provide 18,300 households in informal settlements with basic sanitation by 2011.
- To ensure access to electricity by poor communities.
- To provide households with access to basic water.

Reliability of reported performance information

29. The following criteria were used to assess the reliability of the planned and reported performance:

- Validity: Has the actual reported performance occurred and does it pertain to the entity i.e. can the reported performance information be traced back to the source data or documentation?
- Accuracy: Amounts, numbers and other data relating to reported actual performance has been recorded and reported appropriately.
- Completeness: All actual results and events that should have been recorded have been included in the reported performance information.

The following audit finding relates to the above criteria:

Reported targets not reliable as inadequate supporting source information was provided

30. For the reported targets relating to the objective: "To ensure access to electricity by poor communities", which is material by nature, the validity, accuracy and completeness of the target could not be established as relevant source documentation could not be provided for audit purposes.

No reporting against predetermined objectives, indicators and targets

31. The municipal entity, Safe City Pietermaritzburg, did not prepare and include an assessment by the entity's accounting officer of its performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and its parent municipality, as required by section 121(4)(d) of the MFMA.

Inadequate content of integrated development plan

32. The integrated development plan of the municipality did not include all the key performance indicators for some of the strategic objectives and did not include performance targets set in terms of its performance management system as required by sections 26(i) and 41(1) (b) of the MSA and regulation 12 of the Municipal Planning and Performance Management Regulations, 2001.

Compliance with laws and regulations

Included below are findings related to material non-compliance with the legislation as indicated:

Municipal Finance Management Act

Municipal officials did not adhere to their statutory responsibilities per section 78(1)

33. Contrary to the requirements of section 78(1) of the MFMA, the senior managers and officials of the municipality exercising financial management responsibilities did not take reasonable steps within his/her areas of responsibility to ensure that:
- the system of financial management and internal control established for the municipality is carried out diligently;
 - the financial and other resources of the municipality were utilised effectively, efficiently, economically and transparently;
 - all revenue due to the municipality was collected; and
 - the assets of the municipality were managed effectively and that the assets were safeguarded and maintained to the extent necessary.

Payments were not made within the parameters set by the applicable legislation

34. Contrary to the requirements of section 65(2)(e) of the MFMA, payments were not made within the required 30 days from the receipt of an invoice, or such a period as prescribed for certain categories of expenditure.

Expenditure was incurred in contravention of or not in accordance with applicable legislation resulting in irregular expenditure

35. Contrary to the requirements of section 62(1)(d) of the MFMA and Municipal SCM Regulations 2, irregular expenditure was incurred which was not in accordance with the requirements of the supply chain management policy of the municipality or the requirements of the municipality's by-laws giving effect to such policy as defined in section 1 of the MFMA.

Expenditure incurred was made in vain or could have been avoided resulting in fruitless and wasteful expenditure

36. Contrary to the requirements of section 62(1)(d) of the MFMA, fruitless and wasteful expenditure was incurred as it was made in vain, and could have been avoided had reasonable care been exercised, as defined in section 1 of the MFMA.



Financial statements not prepared in accordance with relevant legislation

37. Contrary to the requirements of section 122 (1) of the MFMA, the municipality did not prepare financial statements which fairly presented the results of its operations at 30 June 2010, as material adjustments were made to the financial statements submitted for audit on 31 August 2010.

Basic Conditions of Employment Act Compliance with other enabling legislation

38. Contrary to the requirements of section 10(1)(b) of the BCEA, working hours exceeded the prescribed norms legislated in terms of the BCEA as evidenced by the actual overtime expenditure exceeding the budget by R16,608 million.

INTERNAL CONTROL

39. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives as well as compliance with the MFMA, MSA, SCM Regulations and the BCEA, but not for the purpose of expressing an opinion on the effectiveness of internal control.
40. The matters reported below are limited to the significant deficiencies regarding the basis for qualified opinion paragraph, the findings on the report on predetermined objectives and the findings on compliance with laws and regulations.

Leadership

41. The integrity, philosophy and operating style of the leadership of the municipality had resulted in a lack of effective control, accountability and oversight within the municipality which ultimately gave rise to serious financial challenges for the municipality. Consequently, timely actions were not taken to address significant deficiencies that were identified by internal and external audit. The integrity and ethical values of the employees were not evident and did not set the standard for sound corporate governance. Management's philosophy and operating style did not promote fair, equitable, transparent, competitive and cost effective supply chain management processes that comply with legislation and minimises the likelihood of fraud, corruption, favouritism and unfair and irregular practices.

Financial and performance management

42. The municipality does not have competent individuals who understand controls and related processes over the financial reporting framework and performance management requirements. Pertinent information is not identified and captured in a form and time frame to support financial and performance reporting resulting in material amendments to the financial statements. General information technology controls are not adequately designed to maintain the integrity and security of the information systems data as these systems are ineffective in facilitating the preparation of the financial statements and performance reports.

Governance

43. The municipality does not assess the likelihood and impact of risks identified and does not respond to the assessed risks by determining a risk strategy/action plan to manage identified risks, as the risk of material misstatement due to fraud is not considered and internal controls are not selected and developed to prevent / detect and correct material misstatements in financial reporting and reporting on predetermined objectives. The implementation of internal and external audit recommendations are not monitored by the Audit Committee and performance reports are not reviewed prior to submission for audit.

OTHER REPORTS

Investigations in progress

44. Various allegations of misconduct against section 57 managers, managers and other employees are currently being investigated by the provincial intervention team. Several of these employees were suspended and disciplinary proceedings have commenced where applicable. Cases have also been handed over to the attorneys for consideration and to proceed with disciplinary action.

Pietermaritzburg 30 November 2010



A U D I T O R - G E N E R A L
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3.3 REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 30th of June 2010.
Audit Committee Members and Attendance:

The audit committee consisted of six members listed hereunder as per its approved terms of reference to comply with section (4) (b) of the Municipal Finance Management Act No. 56 of 2003, hereafter referred to as the MFMA. Two members resigned during the year.

During the current year the Provincial Department of Co-operative Governance and Traditional Affairs intervened and placed the municipality under its administration, the Audit Committee sat for 6 meetings during this period.

Meetings Attended

Name	Number of Meetings Attended
Mr. MA Jordan (Chairperson) Professional Accountant in private practice	4
Ms S Kershaw (Deputy Chairperson) Attorney in private practice	6
Ms K Zama Chief Financial Officer, CA (SA)	6
Mr. M Ntuli Managing Director	5
Mr. A Layman ¹ Business Chamber Chief Executive	3
Mr. P. Dlamini ²	6

Business Executive

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the MFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter. It has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, and intends revising the charter to factor in the recommendations of the Administrator's turnaround strategy.

The effectiveness of internal control

The system of internal control was not entirely effective as compliance with the minimum prescribed policies and procedures were lacking in certain instances. During the year under review several instances of non-compliance were reported by internal and external auditors that resulted from the breakdown in the functioning of internal controls. Significant control weaknesses have been reported by the Auditor General under the qualification and emphasis of matter paragraphs and in the management letter. In most instances, weaknesses reported previously have not been fully and satisfactorily addressed. The effect of these instances has been included in the annual financial statements. The committee seeks to continue discharging its duties in line with the Audit Committee terms of reference to ensure improvements in the effectiveness of the internal controls.

Municipality Performance and Risk Assessment

The Audit committee expressed, throughout the year, its dissatisfaction with the lack of quarterly reports or performance management related policies, framework and quarterly assessments that are necessary to ascertain spending against planned Key Performance Areas, Key Performance Indicators and service delivery targets. It is

1 Resigned on the 30 November 2010

2 Resigned on the 21 July 2010

the considered view of the Audit Committee that the municipality failed to comply with sections 166(2) (v) of the Municipal Finance Management Act read together with 38 to 40 of the Municipal Systems Act No 32 of 2000.

The Committee approved the Risk Management Support Strategy Plan aimed at enabling the municipality to reach a risk management maturity level 3. However, due to the financial and various other constraints and challenges the plan has not yet been implemented.

The quality of monthly management / quarterly reports submitted in Terms of the Act and the Division of Revenue Act

The committee was satisfied with the quality of monthly management/ quarterly reports submitted in terms of the Act and Division of Revenue Act but not with the content of the monthly and quarterly reports issued during the year under review as they seldom included management comment.

Evaluation of Financial Statements

The Audit Committee has reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor General and the Municipality; reviewed the Auditor General's management letter and management's response thereto; reviewed changes in accounting policies and practices; and reviewed significant adjustments resulting from the audit.

The committee concurs and accepts the Auditor General's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General



Mr. M. A. JORDAAN
Chairperson of the Audit Committee
Date: 12 January 2011



3.4 SUMMARIZED RESPONSE TO THE AUDITOR GENERAL

REPORT BY MUNICIPAL MANAGER FOR COUNCIL – 23 DECEMBER 2010

RESPONSE TO THE REPORT OF THE AUDITOR – GENERAL ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF THE MSUNDUZI MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2010

BACKGROUND AND PURPOSE OF REPORT

The report of the Auditor-General dated 30 November 2010 on the Audit of the Accounts of the Council for the financial year ended 30 June 2010, has been received and is on the Council agenda.

Section 21(1) and (2) of the Public Audit Act, 2004 (Act No. 25 of 2004) states:

- (1) The Auditor-General must submit an audit report in accordance with any legislation applicable to the auditee which is the subject of the audit.
- (2) If there is no such legislation as contemplated in subsection (1) the Auditor-General must submit the audit report to the relevant legislature within a reasonable time.

Also the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) Section 126 (1) and (2) must be complied with.

Comments and action on matters raised in the report are set out below with the numbering corresponding to the Auditor-General's report.

GENERAL RESPONSE

The Auditor General once again expressed a qualified opinion. The audit opinion has not improved from the 2008/2009 financial year. The qualification is based on non-compliance, with Generally Recognised Accounting Practice (GRAP), in two main areas: property, plant and equipment (GRAP 17), and investment property (GRAP 16), and non compliance with policies and procedures with regards to irregular expenditure and overtime.

The audit report revealed serious deficiencies in the supply chain procedures resulting in irregular expenditure, and serious internal control deficiencies, which is also manifested in the over expenditure on overtime, and the loss of more than R129 million on electricity and water.

The municipality's Integrated Development Plan/Budget alignment and performance management system need concerted and specialised attention.

Our emphasis on, annually growing our Capital Budget, and achieving full expenditure thereof, surely is one of, if not the primary measure of a municipality's performance. While we have tried to provide roads, water, sanitation and electricity on an unprecedented scale, we were placed under administration in March 2010 in terms of section 139 (b) of the Constitution. Due to the unavailability of cash the municipality could not spend 100% of its capital budget thereby not delivering 100% service delivery in certain areas.

REPORT ON THE FINANCIAL STATEMENTS

1. Introduction

Noted

2. The accounting officer's responsibility for the financial statements

Noted

3. Responsibility of the Auditor - General

Noted from point 3 to 7

Basis for qualified opinion

8. Property, plant and equipment

The Asset Management Unit only reviewed the useful life of fully depreciated assets and this information is awaited from the consultant PriceWaterhouseCoopers. This exercise is targeted to be completed by end of January 2011. Following the revision of the audit finding by the Auditor General the asset unit is in the process of reviewing all the R1 assets and this exercise is targeted for completion by February 2011.

In order to comply with GRAP, in April of every financial year, all assets on the asset register that are close to being fully depreciated will be identified and their useful lives will be reviewed.

9 and 10. Investment property

The supply chain management process to appoint and award the service provider to update the asset register has been completed. The service provider has commenced with his key performance areas and is on target to be completed by end of January 2011. Upon completion all discrepancies with respect to land values will be corrected, and the asset register will be updated accordingly.

11. Irregular expenditure

Irregular expenditure was confined to the following areas:

Awards to persons in service of the state and service of the Municipality

The Supply Chain Management Unit has in its possession a declaration file containing declarations made only by staff members. However, Supply Chain Management Staff were requested to complete new Declarations of Interest for the current Financial Year. Should staff members not declare business interests in terms of section 5(1) of the Code of Conduct stringent controls shall be enforced and disciplinary action shall be taken against the said staff member if found guilty of this offence.

Three quotations not received/ Splitting of Orders

The Supply Chain Management processes are subject to definite time lines which is cumbersome when business units make requests without the proper and timeous planning. At the time of tender, competition between suppliers is guaranteed as not less than three tenderers collect bid documents. At the time of tender closing only one tenderer may respond. The award of the tender may be subject to service delivery to communities and any delay in the award leads to hampering of services. Furthermore, the tender results are established at tender opening meetings and become public interest and public information. Should only one tender be received, a possible retender could take a possible three to six months and also does not guarantee that three quotes will be received again. Deliberate splitting of orders will be monitored to ensure that that this practice does not continue.



Awards without proof of Tax Clearance

All Supply Chain Management staff are trained and are aware of the above tender requirement. A checklist including the above has been compiled for the inclusion into all tender documents. Stringent control measures will take effect in future.

Final Award/recommendation to the Accounting Officer not made by a properly constituted Adjudication Committee

All samples for the above audit were contracts that were awarded by the Bid Adjudication Committee, resolutions of which were available on request albeit that these resolutions may not have been placed in the contract files but filed separately. In future all recommendations to the Municipal Manager will be taken by a properly constituted Bid Adjudication Committee. All committee resolutions shall be placed on contract files for ease of reference by the Auditor/s.

Invitation of competitive bids not advertised in a newspaper

The sample requested for by the Auditor was Contract Supply Chain Management (3) 31 of 09/10 which pertains to the re-tender. Information on the previous tender will be found on the initial contract file i.e Supply Chain Management(3) 3 of 09/10. Separate files are created due to the fact that they are separate tenders. In future, closed tenders will be linked to previous tenders in one contract file bearing the same description and reasons for a closed bid, stated as a file note.

Bids not recorded in the Register of all bids received

It is recorded that out of twelve samples audited one sample did not contain the tender opening register and was not placed on the contract file. Tender opening registers are however, recorded in triplicate bound in a separate book. At any given time a copy of the tender opening register may be obtained from the Supply Chain Management Office. In future, the unit will endeavor to have all opening registers on file.

12. Employee costs: overtime payments

While Section 10(1) of the Basic Conditions of Employment does prohibit an employee working more than 10 hours per week, it is also important to note the provisions of Section 6(2) which states:

“Sections 9, 10(1), 14(1), 15(1), 17(1), and 18(1), do not apply to work which is required to be done without delay owing to circumstances for which the employer could not reasonably have been expected to make provision and which cannot be performed by employees during their ordinary hours of work.”

The above applies to staff in traffic and security, health, electricity, fire, water, sewerage and refuse business units who are on standby and are called out to attend to emergencies after hours. Notwithstanding this provision, managers are called upon to try and limit, for safety reasons, the amount of emergency work carried out by individuals by spreading the call outs amongst standby staff. In view of the reactive nature of operations in the above units, the Administrator has given authority for employees to work more than 40 hours per month (10x4) subject to regular reporting on the amount of overtime worked and the reasons therefore.

The overtime policy has been reviewed and approved by Council on 30 June 2010. This policy includes, inter alia, control measures to minimise abuse and ensure overtime worked is within budget and in compliance with the Basic Conditions of Employment Act.

For the monitoring of overtime, monthly statistics are being generated and analysed and corrective measures are being auctioned by the business units.

The municipality's organogram is presently being reviewed; this will result in the centralisation of the processing of overtime to ensure consistency in the processing, authorisation and control of overtime.

13. Qualified opinion

Noted

EMPHASIS OF MATTER

14. Noted

15. Significant uncertainties

In terms of GRAP 19 – Provisions, contingent liabilities and assets, a provision shall be recognised when:

- (a) an entity has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognised.

On 3 April 2008 an aircraft belonging to Sappi was damaged at the Oribi Airport after it passed over a cast-iron manhole-cover which fractured causing the right hand wing-wheel to drop into a cavity. Msunduzi insurers have voided the policy on the strength of an alleged failure to disclose material facts. Notice has been given to the SAPPI Insurers that we dispute their repudiation of the claim. The municipality has not had any further communication from Sappi's attorneys.

SAPPI has not instituted a lawsuit against the municipality and it is not clear whether the event gives rise to a legal obligation. Although an estimate was provided as a contingent liability, no reliance can be placed on this amount due to no lawsuit being initiated to date.

As the conditions to raise a provision in terms of GRAP 19 were not met, no provision was raised, but was disclosed as a contingent liability, notifying the users of the financial statements of a potential liability the municipality might be faced with in the future.

16. Restatement of corresponding figures

Restatements of corresponding figures are in line with the accounting standard:
GRAP 3 - Accounting Policies, Changes in Accounting Estimates and Errors.

GRAP 3 paragraph 41 gives guidance on how to deal with material errors that are not discovered until a subsequent period. These prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period.

17. Fruitless and wasteful expenditure

A report will be done to Full Council on the total value of all fruitless and wasteful expenditure, irregular expenditure for the 2009/2010 financial year.

Since the municipality was placed under administration, an expenditure committee was established in order to review all requests for expenditure prior to service being rendered by a service provider in order to determine the need for the service. This committee will continue to review requests in order to reduce fruitless and wasteful expenditure.

A corporate communications minute was sent out to all staff in November 2010, advising staff that the officials found to be responsible for late payment of invoices will be held accountable for interest and penalties incurred due to the late payment.



18. Material losses

Noted.

18.1 Electricity losses

The acceptable norm of electricity loss is 3%. The significant electricity losses of 204,543,091 kWh: 12 % occurred during the year under review, which resulted material revenue losses to the municipality.

The loss above the norm is due to theft, distribution losses, illegal tampering of electricity meters and can also be attributable to the ageing infrastructure.

18.2 Water losses

The acceptable norm in developing countries of water loss is 20%. The significant water losses of 19,233,312 kl : 33 % occurred during the year under review, which resulted material revenue losses to the municipality.

The loss above the norm is due to theft, distribution losses, illegal tampering of water meters and can also be attributable to the ageing infrastructure.

Water and electricity distribution management was implemented by the Provincial Intervention Team (PIT). PIT has identified and stopped several illegal connections. A 5 year strategic plan for reduction of non-revenue water and a similar plan for electricity management have been drafted for the next 5 years.

Operation Pitbull was established to:

- audit all electricity and water meters and conduct a data clean-up
- check electricity mini circuit breaker (MCB) values
- check for illegal tampering of meters
- check for theft of electricity and water

Action taken against perpetrators is as follows:

Consumers with a direct connection where the meter has been by-passed

An average consumption was back charged for a maximum period of three years.

The MCB charge was back charged for a maximum period of three years with a maximum MCB value of 100 amps.

Both electricity and water services were removed where theft of consumption was found.

These consumers were subjected to a further audit within 14 days and if theft had resumed the following action was taken:

- Services removed
- Illegal cable removed
- Consumers were cautioned that they would be criminally charged for theft
- Domestic consumers were charged an additional fee of R10000 and Commercial consumers R250000

Consumers with MCB's of a higher value than billed for

The consumer was back charged for three years at 100Amps.

Consumers were cautioned and advised to do a load test to establish the correct MCB requirement

Consumers were requested to make application for the correct size MCB

Consumers where meters had been tampered with

An average consumption was back charged for a maximum period of three years
These consumers were subjected to a further audit within 14 days
Consumers were cautioned not to tamper with their meters.

Electricity theft by informal settlements

All cable was removed
Residents were warned not steal and threatened with criminal charges

18.3 Inventory losses

Quarterly inventory counts are to be performed going forward. An inventory management plan has been drafted which indicate the procedures that have been implemented with regard to receipts, issuing, safeguarding and physical verification of stores items. Monthly reconciliations are also being performed. An inventory policy is being drafted as part of the Supply Chain Management policies and procedures.

19. Going concern

The Msunduzi Municipality was placed under Provincial Government intervention in terms of section 139 (1) (b) of the Constitution. The financial crises came to be because of poor controls, rampant corruption amongst senior staff, failure to prepare the mid-year adjustments budget and the 2010/11 budget in time and other issue relating to poor internal control and procedures, which has placed tremendous pressure on the municipality's liquidity ratio and financial sustainability.

Although certain of the strategies have already being implementation by the Provincial Intervention Team, it is the assumption that it will take sometime for the municipality to recover.

The Provincial Intervention Team appointed by the Provincial Department of Corporate Governance drafted four Strategies consisting of a Financial Strategy, an Infrastructure Development Strategy, a Community Service Strategy and a Good Governance Strategy.

With regards to financial strategic is the following financial measures being implemented to achieve the turn around strategic of the municipality:

1. The MIG funds for the 2010/11 financial year is reprioritised in order to use funds for revenues enhancement projects including proper contract management
2. A comprehensive Debt Collection strategy has been developed to ensure a much more effective debt collection. This would result in increased levels in debt collection.
3. A project of fortifying electricity meters starting with high risk areas is implemented as a way of reducing electricity losses, thefts and illegal connections
4. A project for installing water district meters in order to establish water losses in the various distribution regions will be implemented in order to cope with the current water losses.
5. A new tariff structure has been developed for electricity and such structures will also be developed for water, sewer and refuse so that the correct revenue may be billed and collected. The tariff structures will take into consideration the funding of expenditure required for 2010/11, budget deficit for 2009/10 and affordability to the community.
6. The indigent policy will be reviewed so that only those who are legible actually benefit.
7. Priority will be given to the updating of the valuation roll so that the municipality's revenue may be levied accurately, lesser objections and increased collections. A fully fledged exercise to recover debt will be in place from 1 July 2010.
8. Feasibility studies are currently performed in order to consider the viability of the airport, market and forestry.
9. Where need be, will loose relationships with several institutions be formalised in order to save cost.



10. Land or other assets identified can be disposed of to generate additional revenue for capital projects, R 20 million worth of land will be sold in the 2010/11 financial year. These sales were identified earlier in the 2009/10 financial year.
11. Council will reduce council funded projects to a minimal and maximise utilisation of external funding.
12. The Budget will focus on service delivery provision and nice to have items is eliminated from the budget.
13. An effective Supply Chain Management will be in place to eliminate abuse, corruption and theft.
14. Policies which were draining the council's cash, such as Locomotion, Overtime and Travel and Subsistence have been reviewed.

ADDITIONAL MATTERS

20. Noted

21. Unaudited supplementary schedules

Noted

22. Report on other legal and regulatory requirements

Noted

23. Predetermined objectives

Noted

Non-compliance with regulatory and reporting requirements

24. Functioning of a performance audit committee

Noted

In the 2010/ 2011 financial year, the performance audit committee will meet, at least, twice during the financial year. Firstly to assess the mid-year performance report and secondly, to assess the annual performance report.

During the mid-year assessment a reviewed PMS policy and Annual PMS plan will be submitted to the performance audit committee for review.

Based on the above, the performance audit committee will submit a report to Council regarding the PMS.

25. Internal auditing of performance measurements

Noted.

As from the 2010/ 2011 financial year, the internal audit unit of the Municipality will conduct quarterly audits on information reported in the quarterly SDBIP reports and submit such report to the Municipal Manager, performance audit committee and Council.

26. Lack of adoption or implementation of a performance management System

Noted.

During the mid-year assessment a reviewed PMS policy and Annual PMS plan will be submitted to Council for adoption.

27. to 28. Usefulness of reported performance information- reported information not consistent with planned objectives, indicators and targets

Noted.

Whilst the Msunduzi Municipality adopted the Organizational Performance Management System (OPMS) some few years back, the system was not fully operational, the implementation of it was done in phases. Only the S57 employees were performance managed. In measuring the organizational performance, the Municipality then used the SDBIP as the performance measuring tool and the migration to fully operationalize the OPMS has greatly improved during this financial year.

29. Planned and reported targets not specific and measurable

Noted.

All indicators contained in the approved SDBIP 2010/ 2011 are Specific, Measurable, Achievable, Realistic and have a Timeframe.

30. to 31. Reliability of reported performance information – reported targets not reliable as inadequate supporting source information was provided

Noted

Since the internal audit unit will be conducting quarterly performance audits on information reported in the quarterly reports of the SDBIP, all source documentation will have to be made available.

As from the second quarterly reports of the SDBIP, all Business Units will be requested to indicate the source documentation for all reported achievements.

32. No reporting against predetermined objectives, indicators and targets

Noted.

Safe City will be engaged in order for them to submit an annual performance assessment/ report, including an assessment by the accounting officer of its performance against measurable performance objectives, to the Municipal Manager.

33. Inadequate content to integrated development plan

Noted.

The audit finding identified some projects/priorities that were implemented for 2009/10 financial year with neither planned objectives nor indicators in the IDP. That rare anomaly was caused by a prevailing culture of a lack of timeous submissions by business units which has improved thus far with the intervention of the Provincial Intervention Team, a two day turn-around response has been adopted.

Compliance with laws and regulations Municipal Finance Management Act

34. Municipal officials did not adhere to their statutory responsibilities per section 78 (1)

Noted.

Steps and procedures have been put in place to adhere to section 78.

35. Payments were not made within the parameters set by the applicable legislation

As per the Financial Regulations, suppliers are paid within 30 days of receiving statement or agreed upon. This is also a condition of the municipality and appears on the official order of the municipality. Payments can only be processed once the goods received note or sundry payment voucher is received from the business units as these documents are the confirmation that the services or goods are rendered and received.



Some instances suppliers are invoicing the business units before the services are rendered and payments are only processed once goods received notes are received from the business units.

Due to the municipality being under administration as from the 8th March 2010, expenditure must be submitted to the expenditure committee for approval.

Suppliers and business units are informed on a regular basis in writing of the cut off dates for processing of all payments but documents are still being received in Creditors after the cut off date for processing. Acting Executive managers will advise the relevant business units and suppliers to comply with the cut off dates and to ensure there are no late payments.

Order clerks will be placed at Procurement so that expenditure can be paid timeously.

A minute on corporate communications was sent out to all staff in November 2010, advising staff that the officials found to be responsible for late payment of invoices will be held accountable for interest and penalties incurred due to the late payment.

36. Expenditure was incurred in contravention of or not in accordance with applicable legislation resulting in irregular expenditure.

In order to improve the situation, the SCM policy has been amended to include tighter controls and was accordingly approved by Full Council in November 2010. Moreover, the current SCM procedure manual is being revised in line with the SCM policy and once completed; workshops are planned in the New Year for all relevant staff.

It must also be mentioned that that the root cause of non - compliance does not lie solely at SCM but with business units that simply by-pass the SCM processes / procedures. This is being addressed in the new SCM organogram where all order clerks are to be centralized to the SCM unit. Moving forward, stricter SCM controls and due diligence will be enforced throughout the organisation.

37. Expenditure incurred was made in vain or could have been avoided resulting in fruitless and wasteful expenditure.

Noted – see response to 17.

38. Financial statements not prepared in accordance with relevant legislation

Noted.

Financial statements were handed to the Auditor General on 31 August 2010 as legislated in the MFMA , however as the audit was being conducted the auditor's from the Auditor General allowed, the municipality to pass subsequent journal entries and amend the annual financial statements. The amended annual financial statements were handed in on 5 November 2010.

Basic Conditions of Employment Act

39. Compliance with other enabling legislation

Noted – see response to 12.

Internal Control

40. to 41. Noted

42. Leadership

Noted.

43. Financial and performance management

Noted.

44. Governance

Noted.

Other reports

45. Investigations in progress

Forensic investigation conducted into a public event held in the Msunduzi Municipality, which was forwarded to the Mayor on Msunduzi Municipality on 3 August 2010:

The recommendations of the investigation have been implemented in respect of the disciplinary action needed to be taken against those persons identified in the report by Ngubane & Partners in respect of the Nkosi Mlaba Cultural Event.

Forensic Investigation conducted into the financial irregularities in Msunduzi Municipality dated April 2007:

To date, the recommendations of the investigation have been implemented in respect of certain individuals identified in the report. Further investigation is being conducted with regard to other individuals. Legal Counsel has been instructed to consider all criminal and civil action needed to be taken against those persons identified.

The various internal investigations instituted by the Administrator since taking office.

Various internal investigations are underway however the findings of the investigations are not yet in the public domain and cannot be released at this stage. The recommendations of the investigations (albeit not finalised) are being implemented by the Municipality in terms of disciplinary/criminal/civil action.

46. Recommendation

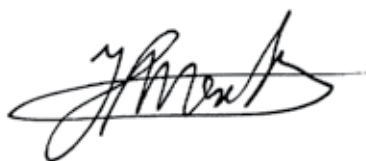
It is recommended:

That the report dated 30 November 2010 by the Auditor - General to the members of the Council on the financial statements of The Msunduzi Municipality for the year ended 30th June 2010 be noted.

That the report dated 23 December 2010 by the Municipal Manager, in reply to the Auditor-General's report, be noted.

That the Executive: Internal Audit be tasked to investigate the findings of the Auditor-General in respect of irregular expenditure as disclosed in note no. 46 in the 2009/2010 consolidated annual financial statements.

Submitted for consideration as per Legislation.



T. MASEKO
MUNICIPAL MANAGER (Acting)



CHAPTER FOUR: REPORT ON ANNUAL MUNICIPAL PERFORMANCE

4.1 2009/2010 ANNUAL MUNICIPAL PERFORMANCE REPORT:

SECTION 1

LEGISLATED KEY PERFORMANCE INDICATORS REGULATION 10, MUNICIPAL PLANNING AND PERFORMANCE REGULATIONS, DATED 21 AUGUST 2001

NO	STANDARD PROVINCIAL INDICATOR/ MUNICIPAL PERFORMANCE INDICATOR	BACKLOG	PREVIOUS YEAR'S CONCLUDING BASELINE MEASUREMENT (2008/2009)	ANNUAL DEVELOPMENT TARGET FROM THE IDP (2009/2010 IDP TARGET)	CURRENT YEAR'S CONCLUDING BASELINE MEASUREMENT (2009/2010)	3 YEAR TARGET FROM THE IDP (2012/2013 TARGET)	ACTIONS TO CORRECT UNDER PERFORMANCE/ COMMENTS	SOURCE OF INFORMATION	AUDIT OF INFORMATION	
									YES	NO
1	Number of households with access to basic water	5304	1 350	-	12000	12000	standpipe eradication (approx 20 house holds per standpipe)	Executive: Water & Sanitation (Acting)		✓
2	Number of households with access to basic sanitation	37891	15 277	-	7251	11431	depending on Darvill capacity	Executive: Water & Sanitation (Acting)		✓
3	Number of households with access to basic electricity	3000	2 465	3000	1100	4500	This number refers to new connections during the financial year.	Executive: Electricity (Acting)		✓
4	Number of households with access to basic solid waste removal	52 090	3 910	-	77 910	7000		Waste Management Statistics		✓
5	Number of households with access to Free Basic Water	5304	38 567	-	34407	35112	Vulindlela recovery	Executive: Water & Sanitation (Acting)		✓
6	Number of households with access to Free Basic Sanitation	37891	46 387	-	3779	4043	Depending on Darvill capacity	Executive: Water & Sanitation (Acting)		✓
7	Number of households with access to Free Basic Electricity	8000	7 311	-	630	10000	This number refers to Eskom customers only.	Executive: Electricity (Acting)		✓
8	Number of households with access to Free Basic Solid Waste Removal	40000	6 946	-	20 600	7000		Waste Management Statistics		✓
9	% municipality's capital budget spent on projects identified in the municipality's IDP	N/A	69.42 80	100	56.5%	100 100 100		CFO (Acting)		✓
10	Number of jobs created through municipal LED initiatives (refer to no 8 in Questionnaire)	-	nil	no figures stipulates	300	-	-	Development Planning Business Unit		✓

NO	STANDARD PROVINCIAL INDICATOR/ MUNICIPAL PERFORMANCE INDICATOR	BACKLOG	PREVIOUS YEAR'S CONCLUDING BASELINE MEASUREMENT (2008/2009)	ANNUAL DEVELOPMENT TARGET FROM THE IDP (2009/2010 IDP TARGET)	CURRENT YEAR'S CONCLUDING BASELINE MEASUREMENT (2009/2010)	3 YEAR TARGET FROM THE IDP (2012/2013 TARGET)	ACTIONS TO CORRECT UNDER PERFORMANCE/ COMMENTS	AUDIT OF INFORMATION	
								YES	NO
11	Number of people from employment equity target groups employed in the three highest management levels in the municipality (consolidated figure)			33 Made up of Top and Senior Management				Executive: HR (Acting)	✓
12	Number of women employed in the three highest management levels in the municipality (consolidated figure)			7 Made up of Top and Senior Management				Executive: HR (Acting)	✓
13	Number of people with disabilities employed in the three highest management levels in the municipality (consolidated figure)			NIL				Executive: HR (Acting)	✓
14	% of the municipality's budget spent on implementing the work place skills plan (refer to KPI 18+ 19 below)	0	R3 926 949	Not available.	3%	Not available.		Executive: HR (Acting)	✓
15	Financial viability 1 (refer to Annexure A)			Please refer to attached 'Annexure A'				CFO (Acting)	
16	Financial viability 2 (refer to Annexure A)								
17	Financial viability 3 (refer to Annexure A)								
SECTION 2									
ADDITIONAL PROVINCIAL KEY PERFORMANCE INDICATORS									
NO	STANDARD PROVINCIAL INDICATOR/MUNICIPAL PERFORMANCE INDICATOR	BACKLOG	PREVIOUS YEAR'S CONCLUDING/ CONSOLIDATED BASELINE MEASUREMENT (2006/2007)	ANNUAL DEVELOPMENT TARGET FROM THE IDP (2007/2008 IDP TARGET)	CURRENT YEAR'S CONCLUDING/ CONSOLIDATED BASELINE MEASUREMENT (2007/2008)	3 YEAR TARGET OF THE IDP (2010/2011 TARGET)	ACTIONS TO CORRECT	SOURCE OF INFORMATION	AUDIT OF INFORMATION
18	Number of Councilors undergone leadership development training	0	52	N/A	3	N/A	N/A - NO PROJECTION DEPENDANT ON TRAINING NEEDS OF NEW COUNCILLORS	Executive: HR (Acting)	✓
19	Number of senior management (Section 57) undergone leadership development training	2	9	N/A	0	N/A	N/A - NO PROJECTION DEPENDANT ON TRAINING NEEDS	Executive: HR (Acting)	✓





NO	STANDARD PROVINCIAL INDICATOR/ MUNICIPAL PERFORMANCE INDICATOR	BACKLOG	PREVIOUS YEAR'S CONCLUDING BASELINE MEASUREMENT (2008/2009)	ANNUAL DEVELOPMENT TARGET FROM THE IDP (2009/2010 IDP TARGET)	CURRENT YEAR'S CONCLUDING BASELINE MEASUREMENT (2009/2010)	3 YEAR TARGET FROM THE IDP (2012/2013 TARGET)	ACTIONS TO CORRECT UNDER PERFORMANCE/ COMMENTS	SOURCE OF INFORMATION		AUDIT OF INFORMATION	
								YES	NO		
20	% improved cost recovery with respect to trading services: water	Not Available	137%	100%	92%	100		CFO (Acting)		✓	
21	% improved cost recovery with respect to trading services: sanitation		100.96%	98%	137%	100		CFO (Acting)		✓	
22	% improved cost recovery with respect to trading services: electricity		98%	100%	95%	100		CFO (Acting)		✓	
23	% improved cost recovery with respect to trading services: refuse		92%	98%	59%	100		CFO (Acting)		✓	
24	% improved cost recovery with respect to trading services: municipal rates		123%	100%	88%	100		CFO (Acting)		✓	
25	% improved cost recovery with respect to trading services: other (state others by inserting appropriate lines)		N/A	N/A		N/A	N/A	CFO (Acting)			N/A
26	% of MIG budget spent	42.83	99	100	72.80%			CFO (Acting)		✓	
27	% of total municipal capital budget spent	N/A	80	100	65.80%			CFO (Acting)		✓	
28	% of the municipal capital budget spent in applicable nodes as per the PSEDS		Information not available					Manager: IDP		✓	
29	% of the municipal capital budget spent in applicable corridors as per the PSEDS		Information not available							✓	
30	% of the total capital budget spent in strategic intervention areas of the Spatial Development Framework		485 808	-	Information not available	-	Finalization of the Spatial Development Framework			✓	
31	% of the total municipal budget allocated to the development of community social infrastructure	-	35%	-	15.5%	-		Finance Support Services Manager: Community Services & Social Equity		✓	
32	Number of households serviced with formal housing	16000	2550	1800	1017	2500	Reasons: 1) sites were not suitable for the construction of houses. 2) large houses exist on site and not enough space for the 30 m2 RDP house. 3) beneficiaries cannot be located.	Manager: Housing Delivery		✓	

NO	STANDARD PROVINCIAL INDICATOR/ MUNICIPAL PERFORMANCE INDICATOR	BACKLOG	PREVIOUS YEAR'S CONCLUDING BASELINE MEASUREMENT (2008/2009)	ANNUAL DEVELOPMENT TARGET FROM THE IDP (2009/2010 IDP TARGET)	CURRENT YEAR'S CONCLUDING BASELINE MEASUREMENT (2009/2010)	3 YEAR TARGET FROM THE IDP (2012/2013 TARGET)	ACTIONS TO CORRECT UNDER PERFORMANCE/ COMMENTS	SOURCE OF INFORMATION	AUDIT OF INFORMATION	
									YES	NO
33	Number of ward committees established	37	37	37	37	37		Office of the Speaker		✓
34	Number of ward committees functional (conduct meetings, have records and discuss issues with the municipality)	37	37	37	37	37		Office of the Speaker		✓
35	Number of ward committees trained	37	37	37	37	37	Refers to training as was provided by the Department of Cooperative Gov-ernance and Traditional Affairs.	Office of the Speaker		✓



ANNEXURE A' (REFER KEY PERFORMANCE INDICATORS 15-17)

Financial Viability as Expressed by the Following Ratios		CONCLUDING BASELINE 2008/2009	TARGET 2008/2009	ACTUAL 2008/2009	ACTUAL -PROV 2009/2010	TARGET 2010/2011
1	A = B-C/D					
	Where:					
	"A" represents debt coverage					
	"B" represents total operating revenue received -	2,082,251,794	2,080,321,546	2,082,251,794	2,556,950,320	2,556,950,320
	"C" represents operating grants	-238,637,483	-238,439,897	-238,637,483	-256,900,967	-256,900,967
	"D" represents debt service payments (i.e. interest + redemption) due	1,843,614,311	1,841,881,649	1,843,614,311	2,300,049,353	2,300,049,353
		104,526,803	100,376,610	104,526,803	113,623,046	113,623,046
	A = B/C	17.64	18.35	17.64	20.24	20.24
2	Where:					
	"A" represents outstanding service debtors to revenue					
	"B" represents total outstanding service debtors	502,310,918	502,310,918	502,310,918	617,324,915	617,324,915
	"C" represents annual revenue actually received for services;	1,647,089,690	1,647,089,690	1,647,089,690	1,837,535,484	1,837,535,484
		0.30	0.30	0.30	0.34	0.34

Financial Viability as Expressed by the Following Ratios		CONCLUDING BASELINE 2008/2009	TARGET 2008/2009	ACTUAL 2008/2009	ACTUAL - PROV 2009/2010	TARGET 2010/2011
3	A = B+C/D					
	Where:					
	"A" represents cost coverage					
	"B" represents all available cash at a particular time	19,292,540	19,292,540	19,292,540	44,585	44,585
	"C" represents investments	93,574,692	93,574,692	93,574,692	89,328,845	89,328,845
	"D" represents monthly fixed operating expenditure,	112,867,232	112,867,232	112,867,232	89,373,430	89,373,430
		173,886,854	173,886,854	173,886,854	216,834,873	216,834,873
		0.65	0.65	0.65	0.41	0.41



2009/2010 ANNUAL MUNICIPAL PERFORMANCE REPORT
 COMPLIANCE CHECK QUESTIONNAIRE
 MSUNDUZI LOCAL/ DISTRICT MUNICIPALITY

NO	ITEM	STANDARD PROVINCIAL INDICATOR/ MUNICIPAL PERFORMANCE INDICATOR	In Place /yes	In pro- cess / review	No progress /no	ACTIONS TO CORRECT	
1	Core administrative policies, plans, procedures, systems and frameworks developed in municipalities	Legally compliant Employment Equity Plan	✓				
		Workplace Skills Development Plan (staff other than Sec 57)	✓				
		Recruitment policy	✓				
		Legally compliant Supply Chain Management policy	✓				
		Budget policy	✓			Use MFMA and Municipality's Financial Regulations	
		Indigent support policy	✓				
		Credit control and debt collection policy	✓				
		Bank and investment policy		✓		Currently use cash management policy	
		Asset and Liability management policy	✓				
		Tariff policy	✓				
		Risk management policy	✓				
		Revised bylaws	✓	✓			
		Standing operating procedures and administrative delegations				✓	
		Anti-corruption Strategy and structures	✓				Strategy has been approved; structures developed but not filled.
		Internal and Financial and Performance Auditing structures and systems	✓				
Public Consultation and Participation Framework			✓				
2	Competency Frameworks	Competency Framework developed for the Administration			✓		
		Competency Framework developed for the Council			✓		

NO	ITEM	STANDARD PROVINCIAL INDICATOR/ MUNICIPAL PERFORMANCE INDICATOR	In Place /yes	In pro- cess / review	No progress /no	ACTIONS TO CORRECT			
3	Implementing organograms	Approved Organogram	✓						
		Municipal organogram aligned to allocated and assigned powers and functions	✓						
		municipal manager post filled at the end of the financial year (EXCLUDING acting and not suspended)			✓				
		municipal manager post occupied occupied by PDI			N/A				
		municipal manager post occupied by women			N/A				
		Senior management (Section 57 only) posts filled at the end of the financial year (EXCLUDING acting and not suspended)	POST	filled	vacant	adver- tised	if filled, occupied for how many months in the year	if filled, occupied with the same person/ not	
			Municipal Manager		✓				
			Monitoring and Evaluation (Performance Management)	N/A					
			Financial Management	✓					
			Technical Services		✓				
			Local Economic Development		✓				
			Community Services	✓					
			Corporate Services	✓					
			Development Planning		✓				
			number senior management posts (Section 57 only) occupied by PDI	numbers must exclude the Municipal Manager position (information to provided: number women Sec 57 occupants/ number of Sec 57 post on organogram, eg 1/5)	Number	3			
	number senior management (Section 57 only) posts occupied by women		Number	0					
	number senior management posts (Section 57 only) occupied by disabled		Number	0					





NO	ITEM	STANDARD PROVINCIAL INDICATOR/ MUNICIPAL PERFORMANCE INDICATOR	In Place /yes	In pro- cess / review	No progress /no	ACTIONS TO CORRECT	
4	Financial Man- agement	Revenue Raising Strategy developed		✓			
		Debt Recovery Plan developed	✓				
		Approved budget by end of June	✓				
		Service Delivery Budget Implementation Plan (SDBIP) approved by July			✓		
		Submission of annual financial state- ments to the Auditor General by August				Currently in process	
		Results of Auditor Gen- eral 09/10 audit (mark the appropriate block)	Unqualified				In process of being audited
			Qualified				
			No Opinion				
			Disclaimer				
Functional billing system in place	✓						
5	Municipal Prop- erty Rates Act	Property Rates Policy	✓				
		Valuation Role	✓				
6	Basic Services	Backlog study completed and verified by Statistics South Africa			✓		
		Municipal Infrastructure Implementation Strategy for 5 years	✓				
		Indigent Register	✓				
		Housing Strategy to eradicate informal settlements		✓			

NO	ITEM	STANDARD PROVINCIAL INDICATOR/ MUNICIPAL PERFORMANCE INDICATOR	In Place /yes	In pro- cess / review	No progress /no	ACTIONS TO CORRECT
7	Good Govern- ance	Consultation and Public Participation Framework in place		✓		
		Customer Complaints system	✓			
		Traditional Leadership consultation and participation programme		✓		
		Conducted customer satisfaction surveys			✓	
		HIV/AIDS strategy developed	✓			
		Adopted Community Development Worker Frameworks				N/A
		Adopted Section 53 Framework in terms of the MSystemsA adopted by Council				
		District Coordinating Forum (DCF) established and operational				N/A
		District Technical Forum established and operational				N/A
		08/09 Annual Report adopted	✓			
		09/10 Annual Performance Report		✓		
		Council adopted 08/09 Oversight Report	✓			
		Functional Audit Committee	✓			
		Functional Performance Audit Committee				✓
IDP adopted by end June	✓					
8	Local Economic Development	LED programme developed		✓		
		Poverty alleviation programme adopted		✓		



ANNUAL REPORT ON THE SDBIP 2009/10: CORPORATE BUSINESS UNIT

KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	2009/ 2010 Budget	ANNUAL ACHIEVED	REASON FOR DEVIATION
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	Creating a knowledge-based organization in support of efficient and effective : <ul style="list-style-type: none"> • monitoring & evaluation; • decision-making; • strategic direction; & • service delivery. 	Organizational service delivery & budget implementation plan (SDBIP)	Approved service delivery & budget implementation plan (SDBIP)	Development of organizational SDBIP	1	N/a	N/A required	Not achieved within projected time-frames.	Delay in finalization of the budget.
	Public participation	Publication and distribution of SDBIP	Published & distributed SDBIP	Publish & distribute SDBIP	5000	All	200 000	Not achieved.	Lack of funds.
	Legislative compliance	Completed annual report as per legislative requirements	Published annual report 2008/2009	Compilation of annual report as per legislative requirements	500 copies	N/a	300 000	Achieved.	N/A
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	Legislative compliance	Completed oversight report as per legislative requirements	Published oversight report 2008/2009	Coordination of the oversight process on the annual report 2008/2009	Completed oversight report	N/a	70 000	Not achieved within projected time-frames.	Approval was delayed due to discontinuation of Committee of Meetings during the 3rd quarter
	Creating a knowledge-based organization in support of efficient and effective : <ul style="list-style-type: none"> • monitoring & evaluation; • decision-making; • strategic direction; & 	Project management system	Developed data base	Feasibility & development of service delivery data base	1 complete data base	N/a	1 000 000	Not achieved.	Lack of funds.
	City hall repairs & maintenance	Schedule of completed renovations with close-out report	Completed renovations	City hall - general fabric renovations	As per schedule	N/a	1 000 000	Not completed.	Delays on project, mainly attributed to financial difficulties.
BASIC & SUSTAINABLE SERVICES	Security	Purchased car park guard house	Car park guard house + invoice	City hall - car park guard houses	1	N/a	55 000	Not achieved.	Funds were consolidated to cater for City Hall renovations above.
	Asset maintenance & renewal			City hall plant			900 000		
	Protection of tourist attraction	Upgrade of city hall as per project manager schedule	As per schedule of appointed project manager	City hall refurbishment	As per schedule of appointed project manager		400 000		
	Asset maintenance & renewal	New lift	New lift + invoice	Purchase new lift			1 200 000		
Asset maintenance & renewal	New generator	New generator + invoice	City hall new generator				1 000 000		

KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	2009/ 2010 Budget	ANNUAL ACHIEVED	REASON FOR DEVIATION
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	A) provide support to councillors	Training councillors on life skills programme	Computer skills trainings in local government and finance			All	Hrd	Not Achieved.	Lack of funds.
	B) empower councillors	Functioning of ward committees	Community and ward committee meetings	Conduct ward committee and community meetings		All	R11 m	A total of 99 ward committee meetings and a total of 92 Community meetings were held.	
				Reviving ward committee forums	5 zonal meetings (1 per zone)	All		Not Achieved	lack of funds.
				Monitor progress and identify training needs	Computer skills training			R600 000	Not Achieved
GOOD GOVERNANCE & PUBLIC PARTICIPATION	A) bringing local government to the people	Rotation of full council meetings to the communities	Number of zonal full council meetings	5 zonal full council meetings	5	All	R2m	2	
	B) create a link between local, district and provincial government	Involvement of amakhosi in council meetings and the preservation of their culture	Number of heritage celebrations	Heritage celebrations	4	All	R2m	4	
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	Develop and review corporate strategy in line with approved corporate plans and strategies	Reviewed strategies and adopted idp process plan	Number of reviewed/ adopted corporate sector plans within the deadlines as stipulated in the process plan	Corporate strategies review		All	100 000	Achieved.	
	Review idp document in terms of its 1st and final drafts	Approved 1st and final drafts	One first idp draft and final draft	Reviewed idp document			200 000	Achieved.	
GOOD GOVERNANCE & PUBLIC PARTICIPATION	Conduct steering committee, broad planning committee and various stakeholders consultations	Record of stakeholders needs and meetings held	Number of stakeholders meetings and adopted developed plans from the needs	Internal stakeholders consultation			60 000	Achieved.	
	Networking and publicity	Representivity of the idp vision and goals in various stakeholders and dissemination of information (public notices)	Linkages of various stakeholders plans with the idp	Alignment of the idp plans with relevant stakeholders		All	25 000	Achieved.	
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To draw attention and awareness to Msunduzi municipality/ Pietermaritzburg as a brand that represents investment attraction, events, tourism and service delivery	Regular advertising in selected publications, showcases the city's tourist attraction, entertainment centres, housing & industrial development	Number of adverts	Review previous adverts in publications	New material in 10 publications		200 000	Partially achieved (6 publications).	Budget constraints.
			Municipal publication	Publish municipal publication	Annual municipal publication		50 000	Not achieved.	Lack of support from business for advertising.



KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	2009/ 2010 Budget	ANNUAL ACHIEVED	REASON FOR DEVIATION		
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To draw attention and awareness to Msunduzi municipality/ Pietermaritzburg as a brand that represents investment attraction, events, tourism and service delivery	Have and provide adequate marketing and branding material	New marketing material	Procure additional marketing material		N/a	100 000	10 telescopic banners.			
		Marketing events for the city	Number of events	MTB world cup	All annual events plus additional 2 (MTB & BMX world cup)	N/a	R 1 500 000	Total of 13 events for the financial year.			
	To draw attention and awareness to Msunduzi municipality/ Pietermaritzburg as a brand that represents investment attraction, events, tourism and service delivery	Sound working relationship with business units	As presented by business units	As presented by business units	As presented by business units		N/a	250 000	Fantasia; Edendale Marathon.		
		Networking with other government departments, business sector & other relevant players	Number of networking sessions	Networking sessions	Networking sessions	2 sessions	N/a	R 250 000	Achieved. check previous reports		
	To ensure the development of a marketing strategy for the city	Audio/visual marketing for the city	Material provided	Material provided	Review previous television & radio advertising for the city	Provide new material	N/a	180 000	Partially achieved.	Due to lack of funds, all audio/visual marketing was done as part of the marketing of various events.	
		Review marketing strategy	Reviewed strategy document	Reviewed strategy document	Implementation of strategy	Reviewed strategy	N/a		Partially achieved (draft strategy)	check with Brian	
	GOOD GOVERNANCE & PUBLIC PARTICIPATION	Develop a communications strategy for the city	Completed communication strategy	Completed communication strategy	Develop communication strategy	Completed communication strategy	N/a	100 000	Partially achieved (draft strategy)	check with Brian	
			Conduct public participation/ mayoral izimbizo	Number of izimbizo	Mayoral izimbizo	2	All	3 500 000	Achieved.		
		To encourage all stakeholders to fully participate in matters relating to the budget, property rates, spatial development framework (SDF), etc.	Conduct survey during mayoral izimbizo	*survey report	*survey report	*conduct survey during mayoral izimbizo	2	All		Community needs survey conducted at all izimbizo, except the ward committee izimbizo held in June 2010.	
				*assessment & response report	*assessment & response report	*develop timeline to follow-up on COMMENTS QRT 1 & inputs and take appropriate action				Not achieved.	No central coordination.

KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	2009/ 2010 Budget	ANNUAL ACHIEVED	REASON FOR DEVIATION	
GOOD GOVERNANCE & PUBLIC PARTICIPATION	Strengthen relationship with government departments	Access the departments with services relevant to the mayoral programmes	Completed plan (to improve relationship between relevant government departments & mayoral games)	Schedule workshops with relevant government departments to get feedback on their ability to impact mayoral games		All		No info. Provided.		
	Mainsstreaming & advancing all mayoral programmes (internally & externally)	*identify focal persons from each SBU;	*number of SBU's supporting the programme	Youth	1	All	65 000	Not achieved.	Lack of buy-in from business units.	
		*establish forums to address/deal with issues concerning all target groups (youth, elderly, children & people with disability)	*number of forums established;			All		Ongoing meetings with SAPS, DED and DTI		
		* number of persons attended learners drivers license	* number of persons attended learners drivers license			All	195 000	13 Schools to be selected in the new financial year. 4 learners per school. 2 sessions		
		Leadership Training	Completed Leadership Training			All	85 000			
		*establish forums to address/deal with issues concerning all target groups (youth, elderly, children & people with disability) cont.....	*number of forums established;			All		Not Achieved.	Lack of funds.	
				*number of successful (forum) initiatives/ programmes cont.....		All	200 000	Not achieved.	Lack of funds.	
							80 000	Not Achieved.	structures not formalized	
							All	50 000	Achieved.	Lack of funds.
								195 000	Not Achieved.	Lack of funds.
							All	40 000	Not Achieved.	Lack of funds.
	200 000							Not Achieved.	No buy in for Special Programs in Council.	
	Mainsstreaming & advancing all mayoral programmes (internally & externally) cont.....	*establish forums to address/deal with issues concerning all target groups (youth, elderly, children & people with disability) cont.....	*number of SBU's supporting the programme		Gender & elderly		All	65 000	Not Achieved.	Lack of funds.





KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	2009/ 2010 Budget	ANNUAL ACHIEVED	REASON FOR DEVIATION	
GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mainstreaming & advancing all mayoral programmes (internally & externally) cont.	*identify focal persons from each SBU;	*number of SBU's supporting the programme ;	People with disabilities		All		Not Achieved.	Currently only gender focal persons.	
		*establish forums to address/deal with issues concerning all target groups (youth, elderly, children & people with disability) cont.	*number of forums established;					65 000	Not Achieved.	Lack of funds.
			*number of successful (forum) initiatives/ programmes cont.					350 000	Not Achieved.	Lack of funds.
	Mainstreaming & advancing all mayoral programmes (internally & externally) cont.	Policy formulation	Adopted policy	Formulate policy			N/a	No info. Provided.	Not Achieved.	Special Programmes Unit not consulted when formulating policies.
		To determine the impact of mayoral programmes at large	Audit of all programmes	Determine the number of opportunities through programme intervention	2 audits		N/a		Not Achieved.	no support for Special programs and no funds available.

KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	2009/ 2010 Budget	ANNUAL ACHIEVED	REASON FOR DEVIATION	
LOCAL ECONOMIC DEVELOPMENT	To promote sports development & healthy living	Establish sports development structures	Number of structures	Youth		All	3 000 000	Not achieved.	Lack of funds.	
							269 000	Achieved.		
	To improve the economic development environment for the youth, elderly and people living with disabilities through empowerment and skills development	Promote economic development, skills and empowerment for youth, elderly and people with disabilities						45 000	Not Achieved.	Lack of funds.
								1 35 680	Not Achieved.	no support for youth month programme and no funds.
					Children		All	60 000	Not Achieved.	Lack of funds.
								2 000 000	Not Achieved.	Lack of funds.
								20 000	Achieved.	
								1 500 000	Achieved.	
	To improve living conditions by educating the public on their responsibility to assist and support people with disabilities in all sectors of our community	To create awareness amongst the public on issues concerning people with disabilities		No. Of public members attending workshops			All	200 000	No info. Provided.	
								150 000	Achieved.	
				Gender & elderly		All	350 000	No info. Provided.		
				Establish co-operatives for all target groups		All	32 625	Achieved.		
				Provision of mentorship to up and coming and development businesses on a small to medium scale		All		Ongoing		
				*no. Of co-operatives functional and operating;				Ongoing		
				*no. Of businesses up and running;				Ongoing		
				*no. Of youth and people with disabilities admitted to institutes of higher learning;		All		Ongoing		
				No. Of employment opportunities available to youth				Ongoing		
				Awareness workshops	2	All		Ongoing		





KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	2009/ 2010 Budget	ANNUAL ACHIEVED	REASON FOR DEVIATION	
LOCAL ECONOMIC DEVELOPMENT	To improve the living conditions of all targeted groups	To create a conducive environment for all target groups	No. Of households	Provision of housing for child-headed households, elderly & people with disabilities		All	Province & infrastructure services	Not achieved	No consultation during planning process.	
			No. Of wheelchair-friendly sidewalks	Construction of sidewalks that are wheelchair-friendly		All		Not achieved	No consultation during planning process.	
			No. Of sectors contacted	Negotiate with all sectors to improve accessibility of buildings to people with disabilities		All			Not achieved	No consultation during planning process.
			Conduct data baseline survey	Conduct data baseline survey on all child-headed households, orphans, old-aged homes & households with disabilities		All		Province	Not achieved.	Lack of funds.
			Determine type of support & assistance offered	Municipalities & government to offer support & assistance to under-resourced day care centres		All			Ongoing.	
GOOD GOVERNANCE & PUBLIC PARTICIPATION	To promote sound governance in accordance with King 2 report	Reviewed adequacy and functioning of the municipality's framework of risk management, control and governance processes Municipal wide awareness of key risks and their synchronization into strategies Investigation of fraud and corruption activities within the municipality	No of audit assignments conducted	Internal Audit Implementation Plan	8 audit assignments completed	N/A	900 000	Achieved.		
			Strategic and operational risks identified	Implementation of Risk Management strategy	Top 10 strategic risks identified and incorporated into strategic planning	N/A	250 000	Achieved.		
			No of investigations finalized	Implementation of Anti-fraud and corruption strategy	5 investigations finalized and reported	N/A	250 000	Not achieved.	Lack of funds to appoint service provider who would	

KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	ANNUAL ACHIEVED	REASON FOR DEVIATION
MUNICIPAL INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Contribute Towards Employability & Self Employability of Youth and Community	Increase employability of youth by 10%	10	Awarding of external bursaries	Awarding 10 external bursaries	N/A	Partially achieved, 8 students registered.	2 students did not meet the requirements.
	Contribute Towards Employability & Self Employability of Youth and Community	Increase employability of youth by 10%	60	Placement of interns	60 students appointed on Internship Programme	N/A	Partially achieved.	Due to financial constraints, only 17 interns were placed.
	Contribute Towards Employability & Self Employability of Youth and Community			Replacing existing computers and data projector for Resource centre			Not achieved.	Budget constraints.
	Contribute Towards Employability & Self Employability of Youth and Community			CCTV for Compen Building			Not achieved.	Budget constraints.
	Contribute Towards Employability & Self Employability of Youth and Community	Increase employability of youth by 10%	40	Training of Emerging contractors	40 Trained Emerging Contractors	N/A	Not achieved.	Budget constraints.
	Contribute Towards Employability & Self Employability of Youth and Community	Increase employability of youth by 10%		Include skills transfer clause in all contracts with service providers	Skills transfer clause included in all contracts	N/A	Not achieved.	ED&G to develop policy.
	To ensure a competent workforce to achieve Organizational objectives.	100% implementation of Workplace Skills Plan	Workplace Skills Plan Developed and Implemented	Workplace Skills Plan is Developed and Implemented	Workplace Skills Plan Developed and 100% Implemented	N/A	42% achieved.	Training put on hold due to lack of funds.
	To ensure a competent workforce to achieve Organizational objectives.	Effective and efficient operational frameworks are in place for application on the HRD planning	3 Technical Areas	Conduct RPL	RPL Assessments conducted in 3 technical areas	N/A	Partially achieved (1 technical area).	* Dates not confirmed by FET; * Budget constraints.
	To ensure a competent workforce to achieve Organizational objectives.	Effective and efficient operational frameworks are in place for application on the HRD planning	Functional Resource Centre	Resource Centre establishment of e-learning	Established Resource Centre	N/A	Not achieved.	Lack of funding.
	To ensure a competent workforce to achieve Organizational objectives.	Effective and efficient operational frameworks are in place for application on the HRD planning	Operational Training Centre	Establishment of the Training Centre	Fully fledged Training Centre	N/A	Not achieved.	Lack of funding.
	To ensure a competent workforce to achieve Organizational objectives.	Roll-out implementation of ABET Programme to all at NQF Level	300	Roll out of ABET Programme	300 TRAINED ABET LEARNERS	N/A	Not achieved.	Funding lost due to Procurement Process.





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MUNICIPAL INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	improve organisational efficiency and measure results	Designed pre and post evaluation forms for both supervisors, delegates and provider	60% of programmes undertaken	Increased productivity	Evaluate 60% of all programmes undertaken	N/A	Not achieved.	* Not Achieved, managers and delegates do not complete evaluations. * training stopped at mid-year.
	Effective Financial Management	50% Skills Levy Recovery	Recover 50 % of Levies paid	Submission of WSP and AIR	Recovery of 50% of Skills Levy	N/A	Not achieved.	Lack of funding.
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	To ensure a competent workforce to achieve Organizational objectives.	Effective and efficient operational frameworks are in place for application on the HRD planning	number of frameworks	Link Career Pathing Policy with Succession Policy and progression policy	Approve Policy	N/A	Not achieved.	Project was handed over to the HRM Process Unit as the Succession Policy has not been developed as yet.
	Ensuring the Effectiveness and Efficiency of the Council decision making system and improving communication and understanding.	Effective & efficient management of information	Acquire time-keeping system Acquire access control system	Purchase time-keeping system Purchase access control system	System in place	N/A	Not achieved. Not achieved.	No report given. No report given.
	To ensure a competent workforce to achieve Organizational objectives.	100% implementation of the national competency levels	number of managers audited	Conduct Skills Audit	All Managers	N/A	Not achieved.	Availability of senior managers.
	Improve organisational efficacy and measure results	Development and Implementation of effective internal processes	A Programme is Developed	Implementation of Peer Assisted Programme	Implementation of Programme	N/A	Not achieved.	The proposal was constantly not discussed by the MMI's Manco. Peer assist proposal sent to DMM Infrastructure and Road maintenance was identified as the pilot unit. Process plan was developed and links with Ethekewini Municipality's MILE project formed.
			number of SBU's	Promotion of Ethic throughout the Organisation	All SBU's	N/A	Not achieved.	Lack of funds.
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	Improve organisational efficacy and measure results	Cultivate a Positive and Professional Organisational culture.	number of workshops	Change Management Workshops	All Employees	N/A	Not achieved.	The Deputy Municipal Manager: Corporate Services advised that the change management workshops would only be implemented when the macro organization structure had been approved by the Council
	Improve organisational efficacy and measure results	Implementation of Performance Management System	number of meetings held by the committee	Establishment and training of the PMS Steering Committee	4 meetings	N/A	Not achieved.	All PMS initiatives were referred to Controls Transformation Steering Committee.

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MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	Improve organisational efficacy and measure results	Implementation of Performance Management System	Development of the Proposal	Develop Framework to Cascade PMS	Framework Approved	N/A	Not achieved.	Priority has been given in consolidating PMS at first 2 levels of Management. Hence the development of PMS
	Improve organisational efficacy and measure results	Implementation of Performance Management System		Monitor Implementation of Policy	Level 1 to 2	N/A	Not achieved.	Included in the development of PMS operational plan: Control Transformation Steering Committee.
	Ensuring the Effectiveness and Efficiency of the Council decision making system and improving communication and understanding.	A practical: Implementable Language Policy to be applied throughout the organisation.	More efficient decision-making processes.	Develop and implement a uniform Language Policy.	Compile a Language Policy which is to include a translation Procedure Manual and which is acceptable to all role players.	N/A	Not achieved.	Lack of expertise.
	Ensure Building & sustaining of a secure, integrated ICT Infrastructure.	Extend LAN/WAN infrastructure to newly acquired Buildings, Clinics on going	5 x Clinics with upgrade Network	Upgrade LAN/WAN	Upgrade LAN/WAN to Clinics	N/A	Not achieved.	Project frozen.
	Sustaining existing ICT Infrastructure.	Asset Renewal Programme	Upgrade and renew of 20 x Servers	Upgrade server Environment	Acquire 20 x New Servers	N/A	Not achieved.	Project frozen.
	Sustaining existing ICT Infrastructure.	Asset Renewal Programme	Upgrade and renew 1 x Plotter	Purchase 1 new Plotter machine.	Acquire 1 new Plotter machine.	N/A	Achieved.	
	Sustaining existing ICT Infrastructure.	Asset Renewal Programme	Upgrade and renew of 5x new computers at Switchboard	Purchase 5 x new computers	Acquire 5 x new computers	N/A	Not achieved.	Project frozen.
	Ensuring the Effectiveness and Efficiency of the Council decision making system and improving communication and understanding	Effective and Efficient Management of Information	Functional electronic databases	Maintain electronic databases	Update and populate electronic databases	N/A	Achieved.	
	Ensuring the Effectiveness and Efficiency of the Council decision making system and improving communication and understanding	Effective and Efficient Management of Information	Upgrade and renew of printing machines	(renew) purchase 1 new printing machine	Renew (acquire) 1 new printing machine	N/A	Not achieved.	Project deferred to next financial year.
	Ensuring the Effectiveness and Efficiency of the Council decision making system and improving communication and understanding	Effective and Efficient Management of Information	A functional electronic link on the intranet in order to access available resources at the Bessie Head & Law Society libraries	Create a functional electronic link on the intranet in order to access available resources at the Bessie Head & Law Society libraries	Complete the development of the electronic link on the intranet in order to access available resources at the Bessie Head & Law Society libraries	N/A	Achieved.	





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GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Ensuring the Effectiveness and Efficiency of the Council decision making system and improving communication and understanding.	100 % accuracy of Agenda and Minutes. Timely distribution of Agendas, Minutes and dissemination of all decisions taken.	Reduce delays in the Preparation and Distribution of Agendas and Minutes. Reduce inaccuracies in the Preparation of Minutes and Agendas.	Improve secretarial services to council and committees	Achieve 100 % accuracy in respect of the Preparation of Agendas and Minutes and Eliminate delays in the dispatch thereof.	N/A	Partially achieved.	* Tight timeframes; * Inaccuracies on reports/data from Business Units.
	Ensuring the Effectiveness and Efficiency of the Council decision making system and improving communication and understanding.	Less dissatisfaction amongst stakeholders.	An improved service to our customers.	Develop and implement a fully fledged Batho Pele policy and Action Plan.	Achieve a 30% improvement in customer satisfaction.	N/A	Not achieved.	Lack of funding.
		Promotion of Private Public Partnerships	Existing MOU's	Review and reaffirm existing MOU's	Reviewed and reaffirmed Private Public Partnerships	N/A	Not achieved.	Due to budget constraints no review of existing MOU's undertaken.

KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/ 2010	ANNUAL TARGET	WARD	ANNUAL ACHIEVED	REASON FOR DEVIATION
BASIC & SUSTAINABLE SERVICE DELIVERY	To determine the total value of the capital budget spent on projects identified in the municipality's IDP reserved for road upgrading and maintenance, municipal debt, salary budget, and its impact on both the capital and operating budgets.	To determine the total value of the capital budget spent on projects identified in the municipality's IDP.	90% municipality's capital budget spent on projects identified in the municipality's IDP		90%		Not achieved, 56%	* Capital projects were put on hold when the intervention started; * Lack of DBSA funding
	To determine the total value of the capital budget spent on projects identified in the municipality's IDP reserved for road upgrading and maintenance, municipal debt, salary budget, and its impact on both the capital and operating budgets.	To determine the total value of the capital budget spent on projects identified in the municipality's IDP.	20% of capital budget reserved for road upgrading and maintenance.		20%		Achieved (21%).	
	To determine the total value of the capital budget spent on projects identified in the municipality's IDP reserved for road upgrading and maintenance, municipal debt, salary budget, and its impact on both the capital and operating budgets.	To determine the total value of the capital budget spent on projects identified in the municipality's IDP.	25% of capital budget as a percentage of the total budget		25%		Not available at time of going to print.	
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	To determine the total value of the capital budget spent on projects identified in the municipality's IDP reserved for road upgrading and maintenance, municipal debt, salary budget, and its impact on both the capital and operating budgets.	To determine the total value of the capital budget spent on projects identified in the municipality's IDP.	salary budget should not exceed 30% of total operating income		Not exceed 80% of total operating income.		Achieved, (24%)	
	To determine the total value of the capital budget spent on projects identified in the municipality's IDP reserved for road upgrading and maintenance, municipal debt, salary budget, and its impact on both the capital and operating budgets.	To determine the total value of the capital budget spent on projects identified in the municipality's IDP.	Total municipal debt as % of revenue.				Not available at time of going to print.	
BASIC & SUSTAINABLE SERVICE DELIVERY	To determine the total value of the capital budget spent on projects identified in the municipality's IDP reserved for road upgrading and maintenance, municipal debt, salary budget, and its impact on both the capital and operating budgets.	To determine the total value of the capital budget spent on projects identified in the municipality's IDP.	Municipal Infrastructure Grant spending, quarter.				4,253,721	



KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/ 2010	ANNUAL TARGET	WARD	ANNUAL ACHIEVED	REASON FOR DEVIATION
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	To develop a Debt Reduction Strategy	Development of a Debt Reduction Strategy by November 2009	Development of a Debt Reduction Strategy		Completed strategy.		Not available at time of going to print.	
	To develop a Cash Management Policy adopted by Council, and that can demonstrate tangible evidence of performance against the Cash Management Policy.	Develop a Cash Management Policy by December 2009	Develop a Cash Management Policy		Completed policy.		Working with the Provincial Intervention Team to achieve this	
	To Improve the Municipality's revenue stream by adopting an Enhanced Revenue Management Programme.	Improve revenue collection by streamlining & enhancing efficiency within the income section.	(1) Full review of all working processes. (2) Reduction in queries.		Complete review		Not achieved.	PIT currently working on this.
	To Implement the Municipal Property Rates Act in accordance with National and Provincial legislation.	Complying with legislated processes leading to implementation	(1) Approved draft rates policy. (2) Completed public participation processes involved in each phase of implementation. (3) Recalculated and remodeled rates model. (4) Budget process.		Approve policy 100% adherence. 100%		Achieved Achieved Achieved	
2. GOOD GOVERNANCE & PUBLIC PARTICIPATION	Review of Policies & Other Relevant Legislation on an annual basis.	Review of credit control and debt collection policy and other relevant legislation.	(1) Incorporating issues from the new rating Act. (2) Reviewing issues relating to the enforcing of the current policy. (3) Review of the indigent policy particularly issues relating to the enforcing of the current policy annually.		Reviewed policy. Reviewed policy. Reviewed policy.		Achieved Achieved Achieved	
	To identify the number of indigent households registered on the municipal database.	Number of indigent households registered on the municipal database compared with the number of indigent households of the municipality	Number of indigent households registered on the municipal database compared with the number of indigent households of the municipality				Not available at time of going to print.	

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GOOD GOVERNANCE & PUBLIC PARTICIPATION	Preparation of an Effective and Realistic Budget, as well as Management and Reporting thereon	Multi year budgets	Budget timetable prepared and circulated within the required deadline and format.		Budget timetable.		Achieved	
		Design a New Budget system	Design and develop a system that is linked to the IDP, PMS and SDBIP.		New budget system developed/ acquired.		Not achieved.	Put on hold due to intervention.
		Develop comprehensive Budget Policy	Approved Policy by December 2009.		Approved policy.		Achieved	
		Develop 5-Year financial plan	Approved Plan		Approved plan.		Working with the Provincial Intervention Team to achieve this	
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	Preparation of an Effective and Realistic Budget, as well as Management and Reporting thereon	GAMAP/ GRAP	Budget policy framework, financial statements are based on GAMAP/ GRAP		Compliant framework & statements.		Achieved.	
	Preparation of an Effective and Realistic Budget, as well as Management and Reporting thereon	Annual financial statements	(1) Annual financial statements prepared and circulated. (2) Evidence of controls implemented to produce unqualified statements. (3) Respond timeously to internal and external audit accounting policies.		Completed AFS and circulated. Action plans.		Achieved. Achieved.	
	Preparation of an Effective and Realistic Budget, as well as Management and Reporting thereon	Produce an operational clean audit report and in-year monitoring at SBU and corporate level.	Improved audit report over previous year's as well as monthly performance of SBU.				Not achieved.	PIT have introduced monthly monitoring processes.
MUNICIPAL INSTITUTIONAL DEVELOPMENT & TRANSFORMATION	To complete the MFMA Implementation Programme in accordance with National Treasury guidelines.	Full compliance with MFMA in accordance with National Treasury implementation strategy.	Full compliance with MFMA.		100%		Achieved.	
	Activity-Based Costing (ABC)	Appointment ABC Costing Manager and begin ABC Pilot Stage	Full compliance in accordance with National Treasury implementation strategy.		100%		Not achieved.	PIT looking at structure to appoint ABC Costing Manager.





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MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	Effective Financial Expenditure	Cash Management Policy and implement Cash Management system.	Compliance with MFMA and related legislation by December 2009.				Achieved.	
	Effective Financial Expenditure	Improve Accounts payable	Increase discount collection by 30%				In the System already and completed a few years back now	SCM need to extend negotiations
			Reduce cheque payments by 100% by				Achieved.	
			Process EFT's twice a week; SMME's paid within 7 days				Previously achieved, however, the PIT have reduced to once a week.	Administration - reduced to once a month
1. MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	Improve Expenditure Section to perform more efficiently.	Update supplier database and link insurance system with Asset Register. Replace PROMIS system	Updated supplier database with adequate and credible information.				Not achieved.	Need to update SCM Database first. Insufficient funds due to Administration
2. MUNICIPAL INSTITUTIONAL DEVELOPMENT & TRANSFORMATION			Clean up and consolidate insurance system				Not achieved.	Administration - Insufficient Funds
			Link Insurance system with Asset Register				Not achieved.	Administration - Insufficient Funds
MUNICIPAL INSTITUTIONAL DEVELOPMENT & TRANSFORMATION		Clear segregation of duties between HR and Pay Office	Clear segregation of duties between HR and Pay office				Not achieved.	Need to establish new KPA's
		Compliance with s67 for Grant-in-Aid	Submission of financial statements by grant recipients.				Achieved.	Agreement form is in compliance

DEVELOPMENT SERVICES

KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	ANNUAL ACHIEVED	REASON FOR DEVIATION
LOCAL ECONOMIC DEVELOPMENT	To maintain runway condition at the airport	Maintenance and repairs to comply with CAA safety standards	Kilometres			all	Achieved.	
	Upgrading of fire hydrants at the airport	Maintained fire hydrants	Fire Hydrants			all	Achieved.	
	Repair and maintenance of aircraft hangars in accordance with annual maintenance schedule	Compliance with required building regulations and standards	No. of hangars functional			all	Achieved.	
	To maintain runway, taxiway, apron and airfield storm water drainage system	Maintained storm water drainage system	3km			all	Not achieved.	ISF FAILED TO PERFORM MAINTENANCE
	Airport Traffic Control Tower	Security measures into SACAA requirements	100m				Achieved.	
	Meteorological equipment	Legislative SACAA requirement	Replacement of redundant equipment				Not achieved.	Replacement to be completed during 2010/11
	Standby generators	Electric essential power	1				Not achieved.	Recommendation submitted to reallocate funds, however, too late and funds absorbed by task team.
	Expansion of terminal building to accommodate more passengers and retail facilities for site	Extension of terminal building	Square metres			all	Not achieved.	Plans delayed, however, to be followed up during 2010/11
	To take decisive direction on the future of the airport	Report to EXCO and a resolution thereof	Resolution			all	Not achieved.	Decision rescinded
	extension of fire station	Extension of airport fire station to comply with legislation	fire station			all	Achieved.	
	improve market floor space to increase turnover	appointment of consultant to review expansion plan	updated plan			all	Not achieved.	funds removed from budget
	renovate market cold-room to comply with HACCP standards	Reconstruct cold room No 2	compliant cold room			all	Achieved.	
	improve market to generate revenue	replace internal fencing	new fencing			all	Achieved.	





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LOCAL ECONOMIC DEVELOPMENT	Purchase market floor scrubber to clean floors	purchase floor scrubber	clean and hygienic floors			all	Achieved.	
	Purchase market hystier to service cold rooms and improve service standards	purchase hystier	efficient service to public			all	Achieved.	
	Environmentally sustainable development	Develop unit standards and undertake detailed consideration of environmental implications of developments.	Percentage of developments complying with Environmental Unit standards				Achieved.	
	Informed and accurate environmental management	Development and approval of baseline policy and management plans.	Percentage of developments assessed and approved in terms of an Environmental Policy, Strategic Environmental Assessment and Management Plan				Achieved.	
	Development of environmental management tools.	Develop a GIS based Environmental Decision Support Tool.	Access to and use of EDST by Municipal Business Units				80% completed.	Budget for GIS Licence and Hardware to be sourced
	Review of Spatial Development Framework.	Reviewed SDF in conjunction with IDP.	Percentage Complete			All	90% completed.	A dispute with the consultants about the quality and content of the final report delayed completion.
			Rural Economic Development with Amakhosi				80 jobs created	
	Completed Valuation Appeals.	Appointment of Appeals Board by Province.	Percentage Complete	Unknown. Province experienced difficulties in appointing Appeals Board		All	Not achieved.	Delayed appointment of the Valuation Appeal Board by the MEC
	Land Release Strategy.	Approved Land Release Program.	Number of land parcels leased or sold	100% Complete		All	Not achieved.	Lack of filling of critical vacancies

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LOCAL ECONOMIC DEVELOPMENT	To maximize and integrate the informal trade sector into the mainstream economy.	The development of Informal Trade Policy and Strategy for the City.	Policy / Strategy Document			City	Not achieved.	The city is in dire need to review its Street Trading policy and align it to the provincial framework for informal trading. The provincial policy is expected to be approved by September 2010
	The development of Broad Based Black Economic Empowerment Policy / Strategy for the Msunduzi Municipality	Approved Policy / Strategy document	Approved document			City	Not achieved.	Funds reallocated
	To promote the City as the preferred investment destination in the Country.	Production of appropriate marketing material	City Brochure			All	Achieved.	A global amount of R435 974,00 was initially made available for both capital and operating. Project could not proceed as funds were reallocated
	To promote the City as the preferred investment destination in the Country.	Processing applications for incentive packages.	No. of applications processed, jobs created and total investments.			All	Not achieved.	Policy to be reviewed
	To promote the City as the preferred investment destination in the Country.	Participation in Trade and Investment Missions	No. of Trade and Investment Missions participated in.			All	Not achieved.	Lack of funds.
	To facilitate the Expansion & Retention of Township business	Compilation of joint action plan for the revival of businesses.	Action Plan			All	Partially achieved.	Visitation programme still being done, 22 businesses have been visited, and data base is being compiled
	To facilitate the Expansion & Retention of Township business	Implementation of visitation programme	No. of businesses visited and interventions needed				Partially achieved.	Some meetings postponed due to unforeseen circumstances
	To maximize the number of jobs created through Local Economic Development Initiative.	Facilitation of Economic Development Initiative.	No. of jobs created.			All	Not achieved.	Lack of funds. Facilitating 5 projects which will come on stream in 2010/2011



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LOCAL ECONOMIC DEVELOPMENT	To monitor and evaluate the growth in the city's economy	Appoint a consultant to compile an economic report	Quarterly economic reports on % growth			All	Not achieved.	Appointment of consultant delayed	
	Establishment of a new industrial park	Identification of a suitable site and determination costs	Layout plan for industrial park				Partially achieved.	Site identified, layout costs to be calculated by IS&F	
	Establishing of satellite markets linked to main market.	Detailed feasibility study completed and appointment of contractors.	Feasibility report, plans, building contract		Ekhrosini		Not achieved.	Consultants not appointed - money removed from vote	
BASIC & SUSTAINABLE SERVICE DELIVERY	To provide shelter for all people living in slum conditions, by 2014.	Number of families provided with houses	No. of Houses	Low Income Housing	1800	10, 11, 13, 15, 16, 18, 21, 23, 29, 34	1017	Certain sites planned for construction was determined to be undevelopable	
	To eliminate the number of settlements that have not been formalized in terms of the Town Planning Regulations.	Number of informal settlements.	No. of settlements	Housing Sector Plan to identify Informal Settlements and prepare a slums clearance strategy. To identify projects & prepare a 5 year housing delivery plan	Complete Housing Sector Plan. Obtain approval from Council. Submit to DoHS for approval & prioritization.	All	Partially achieved.	Delays in getting info. on communities	
	Provisional Restructuring zones have been approved by Council. To be submitted to Dept of Human Settlements for approval.	Restructuring Zones to be approved by MEC.	Number of PRZ's approved	Final Approval of Provisional Restructuring Zones		Get MEC approval for PRZs.	All	Achieved.	
	To Plan & Initiate 500 Community Residential Units (CRUs) by 2010.	Community Residential Units planned and initiated	No. of CRUs	NHFC to Prepare feasibility studies for Projects at Baverstock, Paton Street, Boom Street, Westgate/Grange and Yellowood Place.	Conclude land Availability Agreement and complete feasibility studies for 500 units	24, 27, 32.		Not achieved.	Legal dispute with MHA affected progress. Dispute now resolved, various feasibility studies to begin to roll out in next year.
	Construction start date – 2011.								
	To identify demand for 100 Individual Serviced sites for release to individuals by 2010.	Identify demand for 100 Individual Serviced sites	No. of people wanting vacant serviced sites	Housing Admin Demand Database and finalize Waiting List.	Extract names of 100 people wanting vacant serviced sites.		Various	Not achieved.	Discussions have been held with DOHS. Certain SITA problems exist and is receiving attention.

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BASIC & SUSTAINABLE SERVICE DELIVERY	To Plan & Initiate 2000 Rural Housing Units in Vullindlela.	Four Rural Housing Projects Initiated	No of projects	Stage 1 process for 4 rural projects.	Complete Stage 1 for Ximba rural project, and commence pre-feasibility studies on other 3.	1, 3, 5, 6	Partially achieved.	DoHS delayed joint evaluation process. Feasibility funding application has now been submitted to DOHS.
	Sweetwaters,							
	Nxamalala,							
	Enadi, &							
	Ximba							
	Construction to start: 2011/12.							
GOOD GOVERNANCE & PUBLIC PARTICIPATION	To provide Emergency Housing to people who have suffered or are victims of Natural Disasters	500 Emergency Housing units to be built	No. Of Temporary units built	Temporary Housing for various projects (to be identified).	Provide temporary housing to 500 victims of Natural Disasters.	Various	Not achieved.	Not yet submitted to DoHS. Being addressed with ABM (names and IDs still awaiting verification by ABM)
	Enhance Councillor's Oversight Role	Provide assistance/ advice to the Oversight Committee, as required	No. of Meetings				No report given.	
		Attend oversight Committee meetings when summoned to do so	No. of Meetings				0	No report given.
	Ensure Council's compliance with SCM Policy	Attend at all Procurement Meetings	No. of Meetings				No report given.	



COMMUNITY SERVICES

KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	ANNUAL ACHIEVED	REASON FOR DEVIATION
BASIC & SUSTAINABLE SERVICES	Upgrading of Traffic and security firearms	Access to basic self protection	Self defence	Weapons - 9mm Pistols			Not achieved.	All capital projects were stopped due to funding
	Upgrading of emergency generator	Access to Radio control due to power failure	Radio Control can be fully functional	Emergency generator - control room			Achieved.	
	Maintenance and protection of council property	Provision of security to council property	New Alarms	Alarm system on council property			Not achieved.	All capital projects were stopped due to funding
				Building Upgrade - City Engineer's Clinic			Achieved.	Awaiting feedback from Lorraine.
	To control and manage the multiplication and prevalence of vectors such as rodents, flies, mosquitoes and snails in terms of the Government Regulations	Reduce and prevent vector-borne disease	Number of baiting stations / burrows collected and identified	Microscope for vector control		All Wards	Achieved.	
	To monitor potable water supplied by the water service provider, including springs, boreholes, etc	Reduce incidence of water-borne diseases	%samples in compliance	Microscope for bacteriological sampling		All Wards	Achieved.	
	To ensure food quality and safety in terms of the Foodstuffs, Cosmetics, and Disinfectants Act, Food Regulations and By-Laws.	Reduce risk of food-borne diseases	Registration of Food Premises % samples compliance with Legislative Standards	Autoclave Huxley 2 Half baskets 72l for sterilising equipment		All Wards	Achieved.	
	To investigate, monitor and control communicable disease in terms of the National Health Act	Data and air pollution statistics-monthly and quarterly reports		Computer		All	Not achieved.	Purchase of computers stopped as per Provincial Task Team
	Improve service delivery	Reports , Data and statistics – vector and food control		Computer		All	Not achieved.	Purchase of computers stopped as per Provincial Task Team
	Improve PHC services	Completion of clinic	New clinic fully functional	New clinic structure at Masons Clinic.		29	Not achieved.	Project stopped by Provincial Task Team.
Improve PHC services	Completion of renovation	Use of new facilities for counselling	Addition of 2 rooms to Impliwenthe Clinic		18	Partially achieved.	Architectural drawings completed and paid for.Plans completed.	

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BASIC & SUSTAINABLE SERVICES	Improve PHC services	Completion of renovation	Use of new facilities for counselling	Addition of 2 rooms to Willowfontein Clinic	14	14	Partially achieved. Architectural drawings completed and paid for Plans completed.	Project stopped by Provincial Task Team.	
	Improve PHC services	Completion of renovation	Use of new facilities for counselling	Addition of 2 rooms to Sinathing Clinic	10	10	Partially achieved. Architectural drawings completed and paid for Plans completed.	Project stopped by Provincial Task Team.	
	Improve PHC services	Completion of renovation	Use of new facilities for counselling	Addition of 2 rooms to Esigodini Clinic	12	12	Partially achieved. Architectural drawings completed and paid for Plans completed.	Project stopped by Provincial Task Team.	
	Improve security of council property	Completion of fencing	Clinic secure	Provision of palisade security fencing at Esigodini Clinic	12	12	Achieved.	Lack of funds.	
	Improve security of council property	Completion of fencing	Clinic secure	Provision of palisade security fencing at Willowfontein Clinic	14	14	Not achieved.	Lack of funds.	
	Improve security of council property	Completion of fencing	Clinic secure	Provision of palisade security fencing at Northdale Clinic	30	30	Achieved.		
	Improve security of council property	Completion of fencing	Clinic secure	Provision of palisade security fencing at Implwenhle Clinic	18	18	Achieved.		
	Improve security of council property	Completion of fencing	Clinic secure	Provision of palisade security fencing at Zwartkop Rd Clinic	26	26	Achieved.		
	Improve pharmacy standards/ improve service delivery	Complete repairs	Full utilisation of packing space	Repairs to building housing the pharmacy	27	27	Not achieved.	Project stopped by Provincial Task Team.	
	Improve PHC services	Complete renovations	Clinic fully functional	Renovations to house at 144 Zwartkop Rd for use as clinic and build new carport	26	26	Not achieved.	Funds incorrectly used by I/S to renovate Ward Councilors offices.	
	Improve HIV and AIDS unit facility	Cost effective facility	Functional Unit	Restoration of old bus depot premises in Doull Rd for office use			Not achieved.	Project sub-optimally not viable as it would cost too much to restore premises.	
	HIV and AIDS Reports and Statistics	Quarterly Reports	Computer				Tender process facilitated by procurement	Not achieved.	Purchase of computers stopped as per Provincial Task Team





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BASIC & SUSTAINABLE SERVICES	HIV and AIDS Reports and Statistics	Quarterly Reports	Computer			Tender process facilitated by procurement	Not achieved.	Purchase of computers stopped as per Provincial Task Team
	Improve administration and record keeping systems		Improved administration and record keeping system in use	Computer			Not achieved.	Purchase of computers stopped as per Provincial Task Team
	Develop a new cemetery to accommodate burials.	Access to basic services.	Hollingwood Cemetery to be fully functional.	Development of Hollingwood cemetery			Not achieved.	Work stopped. Land dispute with Sobantu residents
	To have all 3 crematoriums in working order.	Access to basic services.	All 3 crematoriums to be operational.	Crematoriums			Not achieved.	Stopped as per Task Team
	Upgrading of parks equipment	Replace aged equipment.	Acquisition of mowers.	Replace ride on mower x 7			Achieved.	
	Upgrading of parks equipment	Replace aged equipment.	Acquisition of hydro and slasher mowers	Hydro mower, replace slasher mowers x 6			Not achieved.	Stopped as per Task Team due to lack of funds.
	Upgrading of parks equipment.	Replace aged equipment.	Acquisition of trucks & crane grab	Replace trucks x 2 and crane grab			Not achieved.	Stopped as per Task Team due to lack of funds.
	Upgrading of parks equipment.	Replace aged equipment.		Specialised equipment for aerovators, fertilizer sprayer			Not achieved.	Stopped as per Task Team due to lack of funds.
				hydro-tower, back blade, scarifier, top soil spreader,			Not achieved.	Stopped as per Task Team due to lack of funds.
				tractor trailers/tractor small for above.			Not achieved.	Stopped as per Task Team due to lack of funds.
	To provide a beautiful/cleaner environment	Beautify our city and environment	Replace all trees that have been cut.	Urban greening and replacement of street trees			Not achieved.	Stopped as per Task Team due to lack of funds.
	Upgrade of Facility	Renovation	Upgrade	Junior Traffic Training Centre			Achieved.	
	Traffic Control/Law Enforcement	To increase the output of speeding violations	Acquisition of new Prolaser	Prolaser			Not achieved.	Stopped as per Task Team due to lack of funds.
	To detect drivers under the influence for evidential value	To increase the no of drunk drivers	Acquisition of new Alcohol testing Machine	Drager Alcohol Testing Machine			Not achieved.	Stopped as per Task Team due to lack of funds.

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BASIC & SUSTAINABLE SERVICES	To detect alcohol when driving a motor vehicle	To screen at least 1000 drivers per quarter	Acquisition of new Alco Meters for Traffic Officers	Alco meters			Not achieved.	Stopped as per Task Team due to lack of funds.
	Upgrade of sporting facilities.	Provision of proper sporting facilities in the previous disadvantaged areas	Proper ablution facilities.	Ablution facilities at France sports field			Not achieved.	Stopped as per Task Team due to lack of funds.
	Upgrade of sporting facilities.	Provision of proper sporting facilities in the previous disadvantaged areas	.	Purchase Goal Posts			Not achieved.	Stopped as per Task Team due to lack of funds.
	Upgrade of sporting facilities.	Provision of proper sporting facilities in the previous disadvantaged areas		Purchase of amazone			Not achieved.	Stopped as per Task Team due to lack of funds.
	Upgrade of sporting facilities.	Provision of proper sporting facilities in the previous disadvantaged areas		Purchase of new slashes			Not achieved.	Stopped as per Task Team due to lack of funds.
	Upgrade of sporting facilities.	Provision of proper sporting facilities in the previous disadvantaged areas		Purchase of trailers			Achieved	
	Maintenance & upgrade of city's main recreational facilities.	Excess to proper sport & recreational facilities	New DE filtration system.	UPGRADE EXISTING FILTRATION PIPING AT POOLS			Not achieved.	Stopped as per Task Team due to lack of funds.
	Maintenance & upgrade of city's main recreational facilities.	Excess to proper sport & recreational facilities.	New DE filtration system.	REFURBISH SAND FILTER AND EXTERIOR PIPING			Not achieved.	Stopped as per Task Team due to lack of funds.
	Upgrade facilities to enhance hiring potential	Access to proper communication facilities	New facility to enhance communication	AUDIOVISUAL & PA SYSTEM FOR LECTURE THEATRE			Not Achieved.	CANCELLED BY TASK TEAM
	Maintenance and upgrade of Art Museum	Replace aged and damaged carpets	For safety measure especially the stairwell of the gallery	REPLACING CARPETS THROUGHOUT GALLERY			Achieved.	
	Maintenance and upgrade to ensure optimum climate control for Artworks	Replace aged components and renovate existing	To be operational and fully functional at all times for Artworks	REPLACEMENT AND RENOVATION OF AIRCONDITIONING UNIT			Achieved.	
	Additions to permanent art collection		Acquisition of new Artworks	PURCHASE OF ARTWORK			Not achieved.	CANCELLED BY TASK TEAM
	Security upgrade of library facility	Secure building and its contents	Secure building	PERIMETER FENCING MACS LIBRARY			Achieved.	



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BASIC & SUSTAINABLE SERVICES	Replacement of roof/gutters & refurbishment of library toilets	Maintenance of Municipal asset	Refurbished building	REFURBISH ASHDOWN LIBRARY			Not achieved.	Capital cannot be used for repairs
	Improve security of Municipal building and its contents	Better security	Secure building	SLIDING GATE MAIN LIBRARY			Not achieved.	Task Team cancelled contract
	Maintenance & upgrade of library toilets	Refurbishment of entire toilet facility	Operational toilet	REFURBISH TOILETS NORTHDALE LIBRARY			Not achieved.	Capital cannot be used for repairs
	Purchase additional shelving	Installation of adequate shelving	Sufficient shelving for newspapers	REPLACEMENT SHELVING			Achieved.	
	Bring municipality to the people	Connect areas to Municipality network		Infrastructure Network		all	Achieved.	
	Asset/Property safety	Reduction in crime incidence		Alarm System		all	Achieved.	
	Computerised satellite offices	Improve operations		Computers		all	Partially Achieved, only 3 laptops purchased.	Remaining 6 desktops could not be purchased due to financial constraints.
	PROVIDE SUSTAINABLE SERVICES	IMPROVED COLLECTION	TONNES/M3	1,75m3 Refuse bins (30 bins @ R17 000 ea)	30 X 1.75 X 52 = 12090M3	ALL	Not achieved.	Project Postponed by PIT, No Funds
	PROVIDE SUSTAINABLE SERVICES	IMPROVED COLLECTION	TONNES/M3	15m3 Refuse bins (10 bins @ R35 000 ea)	15X10 X 52 = 7800M3	ALL	Not achieved.	Project postponed PIT, No Funds
	PROVIDE SUSTAINABLE SERVICE	REDUCED ILLEGAL DUMPING	TONNES/M3	2 x new garden sites in Imball @ R1 500 000 ea	25 X 2 X3 X 52 = 7800M3	ALL	Not achieved.	Project postponed PIT, No Funds
	Improvement of Public Facility	Accessibility to the Public	TONNES/M3	20m3 Garden site containers-Landfill(5 cont @ R46 000)	20 X 5 X 3 X 15600M3	All	Not achieved.	Project postponed PIT, No Funds
	Annual Development in Line with Permit	Construction of containment berms, capping of completed cells. Top soil-ing and vegetation of slopes. Cell development		Development of Land-fill Site		All	Achieved.	
	Computerised Systems and Statistical Data	Adequate Equipment and Statistical Data		Computers Weigh-bridge		All	Achieved.	
	IMPROVE SERVICE DELIVERY	Completed Study.	Section 78 Waste Management Study Report	Section 78 Waste Management Study	JUNE 30 2010.	ALL	Not achieved.	CANCELLED AS MUNICIPALITY ENTERED ADMINISTRATION.

KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	ANNUAL ACHIEVED	REASON FOR DEVIATION
BASIC & SUSTAINABLE SERVICES	Maintenance & upgrade of city's main hall facilities.	Provision of proper hall facilities.	New roof.	REFURBISH ROOF IMBALI HALL			Not achieved.	Stopped as per Task Team
	Maintenance & upgrade of city's main hall facilities.	Provision of proper hall facilities.	New roof.	REFURBISH ROOF TRURO COMPLEX			Partially achieved, air-conditioning units completed	Stopped as per Task Team
	Installation of CCTV in the Greater Edendale area	Reduce Crime & Traffic violations	Public Protection	SAFE CITY (PMB) - Edendale			Not achieved.	Lack of funds.
	REDUCE WASTE	LOWER LANDFILL WEIGHTS	TONNES	WASTE RECYCLING PROJECT	30-Jun	TO BE DETERMINED	ORANGE BAG PROJECT IN WESTERN AREAS. REDUCTION +20 TONNES PER MONTH	Stopped as per Task Team due to lack of funds.
	Improve Service Delivery to offline areas	Access to basic service.	Operational Station	NEW VULINDELELA FIRE STATION	June 30 2010	All	Not achieved.	Stopped as per Task Team due to lack of funds.
	Improve Service Delivery to offline areas	Access to basic service.	Operational Station	NEW NORTHDALE FIRE STATION	June 30 2010	All	Not achieved.	
	Maintenance & upgrade of current facilities	Provision of Improved facilities	Operational Station	UPGRADE ASHBURTON FIRE STATION	June 30 2010	All	Not achieved.	
	Maintenance & upgrade of current facilities	Provision of Improved facilities	Operational Station	UPGRADE EDENDALE FIRE STATION	June 30 2010	All	Not achieved.	unable to complete project due to PIT intervention and funding
	Improve Essential Service Delivery	Provision Of communication Services	Operational Requirement	RENOVATIONS TO COMMUNICATIONS	June 30 2010	All	Not achieved.	unable to complete project due to PIT intervention and funding
	Improve Communication Facility	Access to basic service.	Operational Requirement	COMMUNICATIONS RADIO	June 30 2010	All	Not achieved.	unable to complete project due to PIT intervention and funding
Improvement of current Training Facility	Pre requisite for Fire Training School	Operational Training Facilities	COMMUNITY LIFE SAFETY TRAINING	June 30 2010	All	Achieved.		



KEY PERFORMANCE AREA	IDP GOAL/ OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	ANNUAL ACHIEVED	REASON FOR DEVIATION
BASIC & SUSTAINABLE SERVICES	Access to basic Training .	Improved Equipment	Fire Fighter Fitness	GYM EQUIPMENT	June 30 2010	All	Achieved.	
	Maintenance & upgrade of A1 carpark .	Provision of proper Car parking Facilities.	New Improved car park .	CAR PARK RESURFACE / CARPORTS	June 30 2010	All	Not achieved.	unable to complete project due to PIT intervention and funding
	Maintenance & upgrade of Training Tower .	Upgrade of Training Tower	Operational Requirement	REFURBISH TRAINING TOWER	June 30 2010	All	Achieved.	
				2 x New Public Toilets (Raisethorpe & Edendale)				Not achieved.

KEY PERFORMANCE AREA	IDP GOAL/OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	ANNUAL ACHIEVED	REASON FOR DEVIATION
BASIC & SUSTAINABLE SERVICES	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Km of roads completed in relation to budget	Km	Upgrading design of gravel roads – Vulindlela – D1140	1,7 km	9	Partially achieved.	Poor contractor performance
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Km of new or rehabilitated footpaths and kerbing/ channelling	Km	New footpaths, kerbing & channelling in various areas	2 km	10, 15, 19 & 35	Not achieved.	Project deferred due to Municipal financial constraints
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Km of roads completed in relation to budget	Design Report	Upgrading of Magaba Road	Design	10	Achieved.	
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Km of roads completed in relation to budget	Km	Machibisa & Dambuza Roads	4 km	21	Achieved.	
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Km of roads completed in relation to budget	Km	Upgrade Short Retreat Road	0.3 km	36	Achieved.	
	To improve safety of pedestrians	Constructed footbridge	Existing footbridge	Footbridge Eshowe	Complete	4	Achieved.	
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Upgraded road	Complete	Upgrade – Mbuwana Road	1,2 km surfaced road	1	Not achieved.	Project deferred due to Municipal financial constraints
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Upgraded road	Km	Construction – Simelane Road	400 m	1	Not achieved.	Project deferred due to Municipal financial constraints
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Designed upgraded road	Design report	Construction – Mthulane Road (D2015)	Complete road design	2	Achieved.	
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Upgraded road	Km	Construction – Khoza Road	1,2 km gravel road	4	Not achieved.	Project deferred due to Municipal financial constraints
To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Designed upgraded road	Design report	Upgrade – Malida Road	Design	5	Achieved.		





KEY PERFORMANCE AREA	IDP GOAL/OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	ANNUAL ACHIEVED	REASON FOR DEVIATION
BASIC & SUSTAINABLE SERVICES	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Designed upgraded road	Design report	Upgrade – D2065 Road	Design	6	Not achieved.	Lack of survey funds
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Designed upgraded road	Design report	Upgrade internal roads in Caluza T/ship	Design	20	Achieved.	
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Designed upgraded road	Design report	Link Road between Thembalithle & Tamboville	Design	34	Not achieved.	Project deferred due to Municipal financial constraints
	To improve accessibility and safety.	Paved sidewalks, kerbs & channels	Improved sidewalks, kerbs & channels	Upgrade Crocus Rd (Provide kerbs, channel, speedhumps & paved sidewalks)	Design	28	Achieved.	
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Designed upgraded road	Design report	Upgrade Sbhahmolo Rd – Dambuza Ring	Design	16	Achieved.	
	To improve storm-water management by providing a formal channel & pipe system with catch pits.	700 m	M	Upgrade Storm-water Drainage System in Ash-down.	700m length with 16 catch-pits	23	90% Achieved.	Project affected by Municipal financial constraints
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Designed upgraded road	Km	Construction – Hlatihini Road (approx. 2,1 km)	Design & construct	11	Not achieved.	Project deferred due to Municipal financial constraints
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Designed upgraded road	Design report	Construction – Waterfall Road (approx. 0,7 km)	Complete design	12	Not achieved.	Delayed appointment of the consultant. Payment deferred to 2010/11.
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Upgrade road	Km	Extension – Main road (Willowfontein Rd)	Complete 100% of design	14	Not achieved.	Project deferred due to Municipal financial constraints
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Upgrade road	Km	Upgrade Tar Roads, Phase 3, Unit 13	0,3 km	17	Not achieved.	Delayed appointment of the consultant. Payment deferred to 2010/11.
	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Upgrade road	Km	Tar road – Gordon Road		16	Achieved.	

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BASIC & SUSTAINABLE SERVICES	To improve accessibility and durability of roads by upgrading gravel/ graded roads to surfaced roads	Upgraded road	Km	Tar – Martin's Way Road	Complete	20	95% Achieved.	Poor contractor performance
	To improve accessibility and safety	Paved sidewalks	M	Pavement – Jupiter & Larkspur Road	100 m	28	Achieved.	
	To improve condition of roads by placing black base or regravelling	Improved road condition	Km	Tar – Hanville Internal Roads	0,9k m road + 150m s/w drainage	29	Partially achieved.	Portion of works deferred
	To improve safety of roads by reworking road layer works	Improved road condition	M	Upgrade layer works of Mbulu bridge affected by the landslide.	150 m	26	Achieved.	
	De-silt to improve holding capacity of the canal.	De-silted canal.	M ^ 3	De-silting of Camps Drift Canal.	290 000 m ^ 3	27	31% Achieved.	Poor contractor performance
	To reduce land degradation and improve safety of residents	Design the canalization of the stream.	M	Canalization – Greytown & Baijoo Roads	Completed design & cost estimate	30	Achieved.	
	To reduce land degradation and improve safety of residents	Canalised river	M	Canalisation – Dolphin Avenue / Ishwaroi Road	20 m	30	Not achieved.	Municipal funding & approval of Water Licence caused delays
	To improve accessibility and durability of roads by upgrading gravel/ graded roads	Designed road project	Design report	Upgrade – D638 RD (D1122)	Complete design	6	Achieved.	
	To improve accessibility and durability of roads by upgrading gravel/ graded roads	Upgraded road	KM	Shayamoya Road - 1,0 km - Taxi Route (no formal road reserve)	0,6 km	11	Achieved.	
	To improve accessibility by upgrading the road	Upgraded road	KM	Upgrading of gravel roads through Bisleley Game Reserve – Almond Bank Development – Road	0,8 km	24	Not achieved.	Project deferred due to Municipal financial constraints
	To improve accessibility and road safety	Completed retaining wall	Retaining wall	Upgrading of Willowfontein Road – Phase 1	Completed road retaining wall + Design of the road	14	Partially achieved.	Design portion deferred due to financials
	To improve condition of roads by placing black base or regravelling	Construct black base road	Upgraded road	Construction of footbridge to school – Mfethomusha area (Place Black base on the road)	Construct footbridge	22	Not achieved.	Ward Cllr refused the Community Participation in his Ward





KEY PERFORMANCE AREA	IDP GOAL/OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	PROJECT 2009/2010	ANNUAL TARGET	WARD	ANNUAL ACHIEVED	REASON FOR DEVIATION
BASIC & SUSTAINABLE SERVICES	To improve working conditions of staff	New female changeroom	Change-room	New changeroom for female staff – Doull Road	Female Change-rooms	27	Not achieved.	Implementation of the project deferred due to Municipal financial constraints
	To improve safety	Steel balustrades	Balustrades	Professor Nyembezi Building – external steel balustrades	Balustrades	32	Not achieved.	Project deferred due to Municipal financial constraints
	To improve accessibility and durability and safety of roads	Surfaced roads	KM	Road resurfacing - PMS - Projects to be advised and prioritised according to the results of the Roads Condition Assessment	6 km	Various	Not achieved.	Project portion deferred due to Municipal financial constraints
	To improve mobility by easing congestion	Commence upgrade of interchange	Expenditure	Church Street / N3 Interchange Upgrade	100% expenditure	32	Not achieved.	Due to late start of the project & financial status of Municipality, payment were deferred to 2010/11.
	To improve mobility	Plans	Completed plans	Public Transport (Inter-modal)	Complete plans	Various	Not achieved.	Funds not transferred by DoT.
	To connect poor households to waterborne sewerage system	Reinstatement of roads during sewerage connections	Reinstatements	Sewerage Pipe Site 11	Reinstat all roads	32	Achieved.	
	To protect quality of water	Roof of reservoir	Roofed reservoir	Masons Reservoir	Roofed reservoir	26/27	Partially achieved.	Construction will only be undertaken once MIG has approved the funding.
	To protect quality of water	Roof of reservoir	Roofed reservoir	Copesville Reservoir	Roofed reservoir	29	Partially achieved.	Construction will only be undertaken once MIG has approved the funding.
	To provide basic water	Length of pipeline installed	KM	Extensions to water reticulation	100 m	Various	Not achieved.	Funds reallocated to VIP project as per council resolution.
	To ensure continuous supply of water	Length of pipeline installed	KM	Upgrade existing water capacity	100 m	Various	Achieved.	
To ensure reliable water billing and reduce unaccounted for water	Replace faulty meters	No. of meters	Replace consumer meters	500	Various	Achieved.		
To improve monitoring of reservoirs and reduce water loss and ensure adequate water supply	No. of new telemetry stations	No.	Telemetrying	7	Various	Not achieved.	Additional funds required to purchase telemetry units	

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BASIC & SUSTAINABLE SERVICES	To improve water quality monitoring equipment	No. of equipment upgraded	No.	Waterworks equipment	10	Various	Not achieved.	Funds reallocated
	To rehabilitate 25% of sewer infrastructure by 2012	Sewer pipes laid	KM	Sanitation Infrastructure Asset Renewal	3 km	Various	Partially achieved.	Temp general workers contract were not renewed.
	To provide sewer connections to households in formal settlements for basic sanitation by 2011/12	Sewer connections & design	No. of households	Sewerage Pipes Azalea	20 & design	10	Achieved.	
	To provide sewer connections to households in formal settlements	Sewer connections & length	No. of households connected & km	Sewerage Pipes Unit 'H'	40 & 1,5 km	16	Achieved.	
	To provide sewer connections to households in formal settlements	Sewerage design for Shenstone Ambleton	% Design complete	Shenstone / Ambleton Toilets	Design	18	Achieved.	
	Planning and design of new sewerage treatment works to provide for development capacity	Planning & design report	% completed	Expansion of sewerage treatment works	100% completed	Various	Not achieved.	Project required indepth analysis of Umgeni Water infrastructure. To be completed in October 2010.
	To provide households in formal settlements with waterborne sanitation	Planning & design report, including EIA and Phase 1 construction	% completed & m	Sewerage pipe	% completed & 150 m	12	Not achieved.	Project Deferred until bulk treatment master plan is completed
	To provide 18,300 households in formal settlements with basic sanitation by 2011/2012	Reinstate all affected roads	No. of roads	Toilets – Happy Valley	4	32	Achieved.	
	To provide 18,300 households in formal settlements with basic sanitation by 2011/2012	Design	% construction	Sewerage pipe – France & Kwanyama zone	100%		Achieved.	
	To provide 18,300 households in formal settlements with basic sanitation by 2011/2012	Planning & design	% complete	Sewerage pipes - Wil-lowfontein	100%		Not achieved.	Project Deferred until bulk treatment master plan is completed
To increase capacity of sewer infrastructure	Recommissioning of sewer infrastructure	1 km	Recommissioning of Outfall at Darvill	1 km reconstructed		Not achieved.	Project was deferred	
Design to recommission sewer	Design report	% completed	Grix Road Sewer & Pipe Bridge	100%	36	Not achieved.	Project was deferred by Provincial Intervention team	
To provide households in formal settlements with basic sanitation by 2011/2012	No. of VIP toilets constructed	No. of VIP's	VIP Installation - Vulindlela	6 500	1 – 12	Partially achieved.	Project was slowed down due to the financial situation.	



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BASIC & SUSTAINABLE SERVICES	To increase the number of households served by sewer reticulation.	No. of households connected to sewer	No. of households	Elimination of conservancy tanks	800	Various	Partially achieved.	Project scope was reduced due to funding.
	Conduct condition assessment of sewer pipes	Km of sewer pipes inspected	M	Sanitation infrastructure CCTV Feasibility Study	20 000	Various	Partially achieved.	Project was only approved in February 2010 due to an objection that was received.
	Maintain pumpstations	No. of pumpstations maintained	No.	Pumpstations general	2	Various	Not achieved.	Project deferred.
	To rehabilitate 25% of sewer infrastructure by 2012	Km of sewer pipes upgraded	M	Upgrade existing sewer capacity	200	Various	Achieved.	
	To provide water borne sewage system	No. of households connected	M	Extensions to sewer reticulation	200	Various	Partially achieved.	Funds reallocated.
	To provide individual water connections	No. of households connected	No. of households	Elimination of communal standpipes	150	Various	Not achieved.	Money Reallocated to Vulindlela VIP Project as per EXCO resolution.
	To decrease the number of households served by water tankers.	Provision of standpipes or have connections in areas served by tankers	No. of standpipes	Elimination of water tankers	3	Various	Not achieved.	Design completed.
	To provide households with access to basic water in informal areas and rural areas by 2011/2012	No. of households benefiting from water supplied	No. of standpipes installed	Basic water supply	10	Various	Partially achieved.	Project Deferred by PIT.
	To provide households with access to basic water in informal areas and rural areas by 2011/12	Km of reticulation mains laid	M	Edendale Proper new mains & reticulation	500	Various	Achieved.	
	To provide access to water-borne sanitation	No. of households connected to sewer	No. of meters relocated	Service midblock eradication in Sobantu, Imbali & Ashdown	600	Various	Partially achieved.	Project Scope was completed.
	To reduce water loss	No. of pressure valves installed	No. of valves	Pressure reduction & zoning	4	Various	Not achieved.	Project deferred.
	To reduce unaccounted for water	No. of meters installed	No. of new meters	Reservoir metering	3	Various	Achieved.	
	To protect and maintain water assets	Metres of pipe protected	M	Cathodic protection	330	Various	Achieved.	
	To replace hydrants as part of maintenance	No. of hydrants replaced	No. of hydrants	Hydrants	25	Various	Not achieved.	PIT deferred project due to cash flow constraints

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BASIC & SUSTAINABLE SERVICES	To rehabilitate the water reticulation network and reduce water loss	Metres of pipe replaced	M	Rehabilitation of water infrastructure	2 500	Various	Achieved.	
	To maintain water infrastructure	Metres of pipe replaced	M	Ukulunga pipeline relay at Airport	300		Not achieved.	Project deferred to 2010-2011 financial year
	To rehabilitate water reticulation network	Metres of pipe	M	Replace pipe supply to Edendale Hospital	150		Achieved.	
	To replace existing street lighting with energy efficient street-lights	Install new technology on street lights to save energy	No. of streetlights	Street Lighting	3 500	All	Partially achieved (only 4 000 000 has been spent)	Awaiting approval for the rollover of funds - Dept of Energy
	To provide Municipality buildings with efficient lighting through Demand Side Management	Replacement of Municipal building lighting fittings and bulbs with energy efficient ones	% completed	Building Lighting	100%	All	Not achieved.	Awaiting approval for the rollover of funds - Dept of Energy
	To ensure access to provisions of services by communities	Replace obsolete and unsafe MV switchgear and transformers	% completed	Network Refurbishment	100%	All	Achieved.	
	To ensure that electricity supply network availability meets NRS standards	Connect and operate primary substations from the control room	No. of substations connected	Scada	10	All	Not achieved.	Reallocated to Pine street project.
	To ensure access to provisions of services by communities	Extending and reinforcing the network to cater for additional demand	Km of network reinforced	Network Expansion	6 km of 240mm Cu Cable	1 & 2	Partially achieved (3km)	Delay in receiving approval from SAN-RAL
	To ensure access to provisions of services by communities	Rewind the Woodburn 30MVA power transformer + repayment of Northdale substation refurbishment design		Network Replacement/Reinforcement	100%	All	Partially achieved.	Factory delay in rewinding transformers and late approval by P.I.T. for variation.
	To ensure access to provisions of services by communities	Complete the refurbishment of two 33KV lines to Hilton	Km	Refurbishment of 33kv Transmission Lines	13 km	All	Partially achieved.	Stopped in 3rd quarter due to problems with overtime.
To ensure access to provisions of Services by communities	Replace about 1,000 streetlight fittings in town	No. of fittings	Street Lighting Network Replacement	1 000	All	Partially achieved (500).	Shortage of bucket trucks	
To ensure access to provisions of Services by communities	Install and commission of a 30 MVA transformer in Pine Street	No. of transformers	Pine Street Refurbishment	2	26	Achieved.		



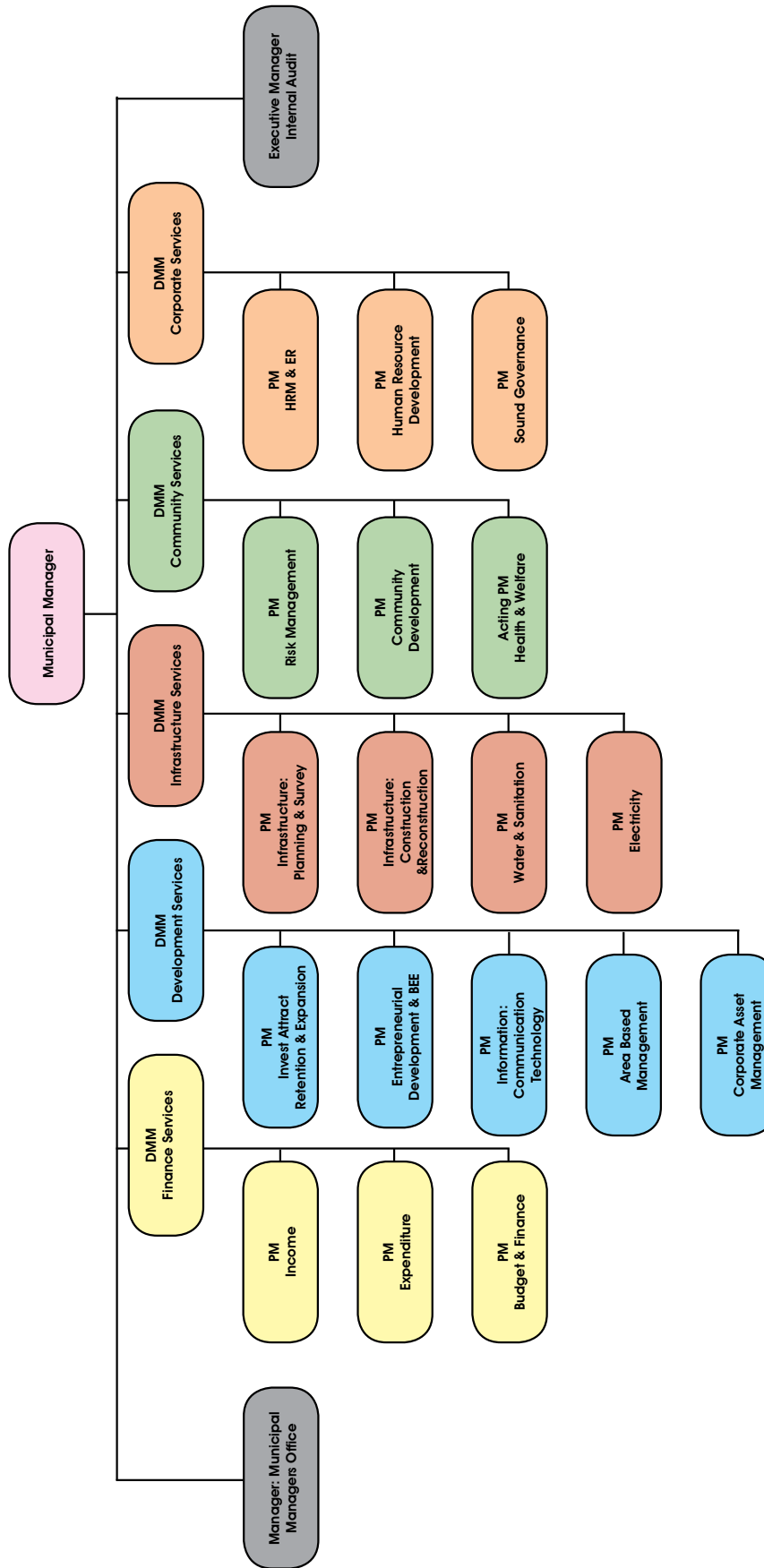
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BASIC & SUSTAINABLE SERVICES	To ensure access to provisions of services by communities	Replace 42 x 132kV insulators from Mersey to Riverside	No. of insulators	Refurbishment of 132kv Transmission Lines	42	All	Partially achieved (37)	5 Replaced during previous faults
	To ensure access to provisions of services by communities	Refurbish faulty 11kV relays	30 relays	Protection/ Test	30 relays	All	Achieved.	
	To ensure effective planning for the position of services	Change the infrastructure labelling due to street name changes	% completed	Name changes/ Diagrams/ Control	100%	All	Not achieved.	Reallocated to Pine street project.
	To ensure access to provisions of services by communities	Refurbishing Northdale substation	No. of transformers	Replace 3 x transformers & associated switch-gear at Northdale Sub-station	3		Not achieved.	No funds available.
	To ensure access to provisions of services by communities	Replace unsafe LV relays in secondary substations	No. of relays	Secondary Substations LV retrofit	20	All	Achieved.	
	To ensure effective Planning for the position of services	To ensure effective planning for the position of services	% completed	Drawing Office Upgrade	100%	Var	Not achieved.	Project cancelled.
	To ensure access to provisions of services by communities	Replace 4 x cage transformers with mini-sub	No.	Replacement of Cage Transformers	4	All	Achieved.	
	To ensure access to provisions of services by communities	Improve safety of Municipal infrastructure	No. of substations secured	Substation security (cameras and fencing)	100%	All	Not achieved.	Project cancelled.
	To ensure that electricity supply network availability meets NRS standards	Monitor quality of supply	Established systems	QOS Systems	100%	All	Achieved.	
	To ensure access to provisions of services by communities	Provide cellphone vending to enable communities easy access to prepaid electricity	Operating cellphone vending software	Cellphone vending	100%	All	Not achieved.	Project cancelled.
	To ensure access to provisions of services by communities	Provide additional vending stations and technology to enable communities easy access to prepaid electricity	No. of stations	Additional vending	5	All	Not achieved.	Project cancelled.
	To ensure access to provision of services by communities	Install 728 streetlights in Edendale, Imballi & Vulindlela + 21 high mast lights	No. of streetlights	Streetlighting in Vulindlela and Eden-dale	728	All	Achieved.	

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BASIC & SUSTAINABLE SERVICES	To ensure access to provision of services by communities	Connect about 1000 houses in Copesville	No. of houses	Electrification – Copesville, Swapo	1000	29	Not achieved.	No agreement with DME - consult with Finance regarding funding
	To ensure access to electricity by poor communities	Connection of 1000 houses in Unit H	No. of houses	Electrification in Ward 16	1000	16	Achieved.	
	To provide a higher level of service to Business Units with regard to vehicle availability and reliability	No. of vehicles	Replacement of vehicles on FVL	142	All	Advertise Tender	Not achieved.	No tenders awarded. Put on hold by Administration Team
		Implementation of Section 78 Assessment (4 month contract)	Progress in weeks	Implementation of Section 78 Assessment	Complete Assessment	All	Partially achieved, Status Quo report completed, presented to EXCO 29_04/2010	Project put on hold by Administration Team



CHAPTER FIVE: FUNCTIONAL AREA SERVICE DELIVERY REPORTING

5.1 ORGANIZATIONAL STRUCTURE



5.2. FINANCE

5.2.1 Sub Functions: Income, Expenditure, Budget and Finance

Overview:

Includes all activities relating to the finance function of the municipality including budget planning & implementation, financial management & reporting and revenue & debt management.

Description of Activities:

The function of finance within the municipality is administered as follows and includes:

1. Revenue Management

The Revenue Department is responsible for the billing, receipting, and customer care activities relating to a wide variety of municipal services.

2. Expenditure Management

The Expenditure Department is responsible for the administration of the payroll management and payment of creditors whilst adhering to budgetary constraints.

3. Budget Management

The Budget Department primary focus of concentration is the optimal implementation and management of all aspects of the MFMA and supporting legislation.

4. Supply Chain Management

The Supply Chain Management Department is responsible for the systematic, strategic co-ordination of procuring goods and services by the municipality in accordance with the MFMA and other relevant legislation. This must always be conducted in a fair, equitable and transparent manner.

5. Financial Control and Cash Management

The financial control and cash management department is primarily responsible for the provision of an effective accounting and financial management service to the Council and ensuring compliance with relevant legislation and regulations governing both the budgets and financial statements. The department also is responsible for providing the municipality with an investment and borrowings capacity in order to invest surplus funds at a maximum return with minimum risk and to secure funding from lending institutions at favourable terms and conditions to finance the service delivery programmes.

These services extend to include:

These services extend to include all business units of the municipality and service the entire Msunduzi jurisdiction.





The Strategic Objectives of the Function are:

1. Measure capacity of the municipality to achieve efficient and effective financial management.
2. To promote ongoing improvements in revenue accounting and management.
3. Maintain an effective expenditure control system.
4. The annual and adjustments budgets are prepared in the prescribed formats and approved on a timely basis.
5. To establish and maintain Supply Chain Management Systems that complies with the Municipal Finance Management Act.
6. The annual and consolidated financial statements are prepared in the prescribed Generally Recognised Accounting Standards and on a timely basis.

The Key Issues for 2009 / 10 are:

Revenue Management

1. Constructive amendments to the Credit Control, Debt Collection and Indigent Policies were done to guide and support progressive revenue collection and debt management.
2. When the municipality went under administration an "Operation Pitbull Team" was established to audit all electricity and water meters and conduct a data clean up, all mini circuit breaker (MCB) values were checked and illegal tampering of meters and theft of electricity and water curtailed.

Expenditure Management

1. The Provincial Intervention Task Team established an expenditure committee so that the expenditure that could be monitored and in line with the 2009/10 budget.

Budget Management

1. The 2009/10 Budget was changed to be Output/Outcomes Revenue Driven and NOT expenditure driven.
2. The recurrent expenditure in the 2009/10 Adjustments Budget was funded by the estimates of revenue that was strictly guided by the standards on actual revenue that was collected between 1 July 2009 to 31 January 2010.
3. The budget was focused on service delivery provision.

Supply Chain Management

1. To review the SCM policy and procedures and align these to National Government mandates.
2. An effective SCM unit was put in place to eliminate corruption and theft.

Financial Control and Cash Management

1. The locomotion, overtime, and travel and subsistence policies were reviewed.
2. When the municipality experienced serious financial challenges and underwent administration the cash flow situation had to be strictly monitored and only Non Discretionary Municipal Commitments and Non Discretionary Professional & Special Services Commitments i.e. Bulk purchases on water and electricity, employee related benefits, redemptions on external loan obligations and only approved service delivery related contracts were paid.

ANALYSIS OF THE FUNCTION:

1 Number and cost to employer of all Finance personnel:			
		Number	(000's)
	Professional - Directors / Managers	29	12,643,167.33
	Field	40	6,627,911.81
	Office	90	9,484,716.87
	Non professional	6	373,589.21
	Temporary	0	0
	Contract	0	0
		165	29,129,385.22

2 Debtor billings: number and value of monthly billings:		
•	Number and amount billed each month across debtors by function (e.g.: water, electricity etc)	Refer to attached table 1

3 Debtor collections: value of amount received and interest:		R (000s)
•	Value received from monthly billings each month and interest from the previous month across debtors by function (e.g.: water, electricity etc)	Refer to attached table 1

4 Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:		R (000s)
•	Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (e.g.: water, electricity etc)	Refer to attached table 2

5 Write off of debts: number and value of debts written off:		Number	R (000s)
•	Total debts written off each month across debtors by function (e.g.: water, electricity etc)	0	0
There has been no write off since 2007.			

6 Property rates (Residential):		Number	R (000s)
•	Number and value of properties rated	68041	30,444,287,001.00
•	Number and value of properties not rated	0	0
•	Number and value of rate exemptions	0	0
All properties are rated. No exemptions are applied in respect of rates.			
•	Rates collectible for the current year		Refer to attached table 1

7 Property rates (Commercial):		Number	R (000s)
•	Number and value of properties rated	3920	12,815,450,000.00
•	Number and value of properties not rated	0	0
•	Number and value of rate exemptions	0	0
All properties are rated. No exemptions are applied in respect of rates.			
•	Rates collectible for the current year		Refer to attached table 1



8	Property valuation:		
	• Year of last valuation	2009/2010	
	• Regularity of valuation	4 years	
9	Indigent Policy:		
	• Quantity (number of households affected)	Refer to attached table 3	
	• Quantum (total value across municipality)		
10	Creditor Payments:	R (000s)	
		Refer to attached table 4	
11	Credit Rating:	R (000s)	
	Credit rating for June 2010		
	Short term	A3	
	Long term	BBB	
	Rating was received from Global credit rating company.		
12	External Loans:		
	• Total loans received and paid during the year	The table requested is already reflected in the Annual Financial statements as Appendix A	
	Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table.		
13	Delayed and Default Payments:	Refer to attached table 5	

Table 1: Number and amount billed each month by function and value received from monthly billings each month:

(cshirev - promis.xls)	Date	City Grand Total - Revenue Raised excluding UAT		Water	Sewer	Refuse	Rates	2009 - 2010		Total Revenue	Total Cash Less VAT Prtn	Csh/Rev %	Total Cash Received
		Elect	UAT					Sundry Debtors	UAT				
	July	65,309,860.33	17,987,885.68	6,823,812.25	3,981,667.37	38,351,057.19	2,245,300.26	134,699,583.08	98,076,956.41	72.81	108,775,152.99		
	Aug	75,962,591.58	19,857,597.50	6,412,068.67	3,936,389.07	36,024,991.05	1,906,159.46	144,099,797.33	102,305,526.88	71.00	113,656,800.55		
	Sep	70,986,038.90	25,121,814.96	7,840,909.17	3,965,643.90	37,365,014.95	1,917,352.28	147,196,774.16	127,089,015.75	86.34	139,846,301.34		
	Oct	66,513,941.78	17,024,577.59	6,231,388.09	3,949,736.05	33,430,868.19	1,731,752.09	128,882,263.79	158,265,699.27	122.80	171,794,875.65		
	Nov	69,244,887.05	19,111,817.20	7,379,348.02	3,965,374.58	35,619,870.48	1,793,412.79	137,114,710.12	113,098,013.44	82.48	125,567,346.93		
	Dec	67,349,140.44	18,971,028.67	6,582,669.49	3,868,923.79	40,862,236.70	3,793,895.75	141,427,894.84	146,700,727.02	103.73	160,622,606.97		
	Jan	58,565,696.57	16,661,111.95	6,441,419.43	3,910,104.40	36,869,968.95	2,220,638.42	124,668,939.72	113,132,241.96	90.75	125,431,769.50		
	Feb	48,785,306.56	18,343,024.09	6,739,310.03	4,109,881.98	35,463,499.08	1,415,800.13	114,856,821.87	120,509,375.74	104.92	132,268,607.86		
	Mar	78,653,604.34	19,411,643.04	6,008,804.01	3,857,887.57	36,663,043.49	1,831,810.70	146,426,793.15	128,520,865.01	87.77	142,684,113.54		
	Apr	85,727,158.62	19,603,021.06	6,310,336.24	3,919,551.76	36,215,210.53	1,837,100.04	153,612,378.25	118,644,486.98	77.24	131,557,182.25		
	May	-12,703,760.80	19,664,789.56	6,587,670.46	4,012,759.22	36,825,306.01	4,832,174.35	59,218,938.80	129,199,836.87	218.17	143,448,416.70		
	Jun	71,937,699.94	19,215,928.78	6,595,209.45	3,999,252.23	37,195,413.29	-1,288,013.42	137,655,490.27	138,318,148.75	100.48	150,647,657.79		
2009/2010		746,332,165.31	230,974,240.08	79,952,945.31	47,477,171.92	440,886,479.91	24,237,382.85	1,569,860,385.38	1,493,860,894.08	95.16	1,646,300,832.07		



Table 2: AGE ANALYSIS BY DEBTOR TYPE –

AGE ANALYSIS BY DEBTOR TYPE – JUNE 2010									
Category	Current	30 Days	60 Days	90 Days	120 Days	120 Days Plus	Total		
TOTAL (148838 Debtors, Paid: 152,168,139.21 -)									
GENERAL DEBIT/CREDIT	-27,890,805.29	230,779.82	121,525.36	497,814.21	70,545.23	5,426,668.70	-21,543,471.97		
ASSESSMENT RATES	47,277,740.01	8,813,813.57	6,743,037.44	6,299,370.54	5,904,720.22	126,469,608.37	201,508,290.15		
RATES HANDED OVER	128,888.82	71,944.64	72,130.87	72,201.73	72,369.19	14,058,816.47	14,476,351.72		
LOANS	19.38	9.69	9.69	9.69	9.69	1,304.99	1,363.13		
BUSINESS RENTAL	925,459.00	228,946.19	163,911.68	164,802.33	135,286.58	1,865,248.74	3,483,654.52		
DEPOSIT	-1,038,567.15	4,500.00	2,401.34	500.00	2,000.00	11,233.57	-1,017,932.24		
ELECTRICITY - FIXED CHARGES	1,485,482.96	686,622.97	572,851.69	533,413.40	461,590.59	5,280,284.19	9,020,245.80		
ELECTRICITY BASIC	16,615,543.10	977,547.74	773,477.57	683,617.91	581,588.00	9,184,174.93	28,815,949.25		
ELECTRICITY CONSUMPTION	100,027,669.62	2,464,663.42	1,408,739.87	1,527,506.91	939,938.89	14,888,555.78	121,257,074.49		
HOUSING PURCHASED	57,210.51	24,155.59	22,601.80	21,964.24	21,611.22	412,849.25	560,392.61		
HOUSING RENTAL	710,409.59	338,208.29	336,449.47	334,439.40	329,639.06	13,802,549.67	15,851,695.48		
REFUSE	6,089,605.27	631,436.66	540,910.22	593,637.80	472,464.96	9,535,435.59	17,863,490.50		
SEWERAGE	9,590,075.23	1,375,038.85	1,191,799.91	991,206.24	1,036,512.50	17,603,431.11	31,788,063.84		
TRADE EFFLUENT	284,996.46	4,122.46	72,417.92	4,464.78	4,464.78	812,759.15	1,183,225.55		
SERVICES - BALANCE B/FWD	-933,293.75	47,609.15	49,504.98	49,515.30	49,677.26	6,458,328.39	5,721,341.33		
SUNDRY - SERVICES	-3,013.01	0.00	0.00	0.00	0.00	1,487,700.38	1,484,687.37		
WATER CONSUMPTION	34,256,310.60	8,790,040.96	5,126,326.86	5,909,895.69	5,979,935.67	113,449,037.58	173,511,547.36		
SUNDRY	3,672,482.26	330,880.34	269,301.84	113,555.57	653,059.65	8,406,135.07	13,445,414.73		
	191,256,213.61	25,020,320.34	17,467,398.51	17,797,915.74	16,715,413.49	349,154,121.93	617,411,383.62		

Category	Current	30 Days	60 Days	90 Days	120 Days	120 Days Plus	Total
GOVERNMENT (7816 Debtors, Paid: 9,981,026.05--)							
GENERAL DEBIT/CREDIT	-9,329,480.03	55,414.67	0.63	0.63	0.63	7,991.55	-9,266,071.92
ASSESSMENT RATES	4,033,213.27	1,512,276.86	1,349,862.76	1,287,816.36	1,267,428.46	44,090,039.33	53,540,637.04
RATES HANDED OVER	14,075.74	7,037.87	7,052.50	7,052.50	7,052.50	1,270,710.88	1,312,981.99
BUSINESS RENTAL	277,405.09	120,541.15	105,351.81	101,410.26	96,143.65	63,189.45	764,041.41
DEPOSIT	-1,037.84	0.00	0.00	0.00	0.00	0.00	-1,037.84
ELECTRICITY - FIXED CHARGES	9,689.01	7,095.11	2,808.51	3,123.62	1,474.63	16,217.62	40,408.50
ELECTRICITY BASIC	350,426.49	68,132.58	54,497.73	49,293.49	45,749.74	834,182.64	1,402,282.67
ELECTRICITY CONSUMPTION	10,268,233.90	208,260.44	44,987.58	24,009.15	21,639.19	733,571.86	11,300,702.12
REFUSE	519,663.77	59,235.86	41,061.03	39,608.80	38,072.12	978,790.09	1,676,431.67
SEWERAGE	1,579,977.34	377,682.31	377,568.29	125,414.95	307,699.09	4,192,068.14	6,960,410.12
SERVICES - BALANCE B/FWD	-121,478.65	7,966.54	7,979.70	7,979.70	7,979.70	1,160,339.16	1,070,766.15
WATER CONSUMPTION	3,670,019.43	1,143,842.59	1,082,469.52	456,365.71	915,084.31	13,822,742.92	21,090,524.48
SUNDRY	3,042,521.65	1,808.15	1,162.52	827.23	1,182.18	81,099.29	3,128,601.02
	14,313,229.17	3,569,294.13	3,074,802.58	2,102,902.40	2,709,506.20	67,250,942.93	93,020,677.41
RESIDENTIAL (112923 Debtors, Paid: 59,375,851.31--)							
GENERAL DEBIT/CREDIT	-15,409,256.62	123,776.73	58,396.62	63,529.85	49,407.03	3,972,656.77	-11,141,489.62
ASSESSMENT RATES	22,785,117.14	4,082,084.07	3,487,531.64	3,240,505.87	2,935,224.16	54,058,225.33	90,588,688.21
RATES HANDED OVER	55,770.63	34,267.66	34,486.96	34,539.50	34,693.38	7,124,730.71	7,318,488.84
LOANS	19.38	9.69	9.69	9.69	9.69	1,304.99	1,363.13
BUSINESS RENTAL	14,491.74	233.00	233.00	233.00	233.00	9,087.00	24,510.74
DEPOSIT	-750,839.06	3,000.00	401.34	500.00	2,000.00	6,588.12	-738,349.60
ELECTRICITY - FIXED CHARGES	1,219,322.34	548,252.76	469,841.78	450,541.20	379,289.39	3,864,068.95	6,931,316.42
ELECTRICITY BASIC	9,613,592.46	496,357.58	375,214.05	363,925.40	290,320.20	3,448,750.63	14,588,160.32
ELECTRICITY CONSUMPTION	17,448,659.74	894,897.55	809,081.08	1,012,755.60	591,387.10	7,070,795.66	27,827,576.73
HOUSING PURCHASED	805.86	195.12	62.04	62.04	62.04	1,734.08	2,921.18
HOUSING RENTAL	7,888.04	770.57	624.31	624.31	624.31	8,448.74	18,980.28
REFUSE	3,840,133.11	423,760.24	367,418.42	425,798.59	317,601.09	4,785,450.31	10,160,161.76
SEWERAGE	5,327,265.66	682,559.05	585,572.93	644,208.45	522,470.84	8,120,243.82	15,882,320.75
TRADE EFFLUENT	15,908.64	4,122.46	4,464.78	4,464.78	4,464.78	294,874.74	328,300.18
SERVICES - BALANCE B/FWD	-830,473.97	3,705.88	5,588.55	5,593.83	5,593.83	583,968.68	-226,023.20
WATER CONSUMPTION	22,014,998.21	6,681,279.71	3,388,624.93	4,801,302.57	4,388,739.84	81,387,826.93	122,662,772.19
SUNDRY	395,887.48	100,632.72	95,853.93	31,900.84	71,196.09	2,395,397.60	3,090,868.66
	65,749,290.78	14,079,904.79	9,683,406.05	11,080,495.52	9,593,316.77	177,134,153.06	287,320,566.97





Category	Current	30 Days	60 Days	90 Days	120 Days	120 Days Plus	Total
BUSINESS (9708 Debtors, Paid: 74,250,154.55-)							
GENERAL DEBIT/CREDIT	-2,489.41	42,999.79	43,216.97	425,288.48	9,185.26	1,109,386.19	1,627,587.28
ASSESSMENT RATES	17,865,889.34	2,354,848.99	1,088,630.92	922,176.47	948,317.28	14,326,017.80	37,505,880.80
RATES HANDED OVER	26,692.02	13,383.51	13,383.51	13,383.51	13,383.51	2,676,709.68	2,756,935.74
BUSINESS RENTAL	410,083.69	45,494.00	43,440.57	17,544.70	32,892.10	1,477,991.95	2,027,447.01
DEPOSIT	-177,834.22	1,500.00	2,000.00	0.00	0.00	4,445.45	-169,888.77
ELECTRICITY - FIXED CHARGES	191,484.68	112,882.37	88,035.97	69,298.89	66,221.86	1,084,964.93	1,612,888.70
ELECTRICITY BASIC	6,038,062.31	375,647.10	319,728.54	251,305.15	229,008.73	4,337,128.59	11,550,880.42
ELECTRICITY CONSUMPTION	63,986,448.52	1,281,149.16	501,803.83	341,871.67	294,368.91	6,315,933.90	72,721,575.99
REFUSE	1,479,646.04	83,852.17	71,646.37	64,451.61	61,169.47	1,620,789.42	3,381,555.08
SEWERAGE	1,955,433.37	155,084.16	93,657.21	105,623.99	86,280.47	1,737,567.87	4,133,647.07
TRADE EFFLUENT	255,737.01	0.00	67,953.14	0.00	0.00	517,884.41	841,574.56
SERVICES - BALANCE B/FWD	18,679.98	11,039.31	11,039.31	11,039.31	11,039.31	1,593,331.18	1,656,168.40
WATER CONSUMPTION	6,386,558.23	490,524.15	256,479.37	269,249.34	258,024.63	5,876,240.75	13,537,076.47
SUNDRY	829,796.26	99,971.95	50,775.83	42,367.57	537,035.90	4,288,191.80	5,848,139.31
	99,264,187.82	5,068,376.66	2,651,791.54	2,533,600.69	2,546,927.43	46,966,583.92	159,031,468.06
OTHER (18391 Debtors, Paid: 8,561,107.30-)							
GENERAL DEBIT/CREDIT	-3,149,579.23	8,588.63	19,911.14	8,995.25	11,952.31	336,634.19	-2,763,497.71
ASSESSMENT RATES	2,593,520.26	864,603.65	817,012.12	848,871.84	753,750.32	13,995,325.91	19,873,084.10
RATES HANDED OVER	32,350.43	17,255.60	17,207.90	17,226.22	17,239.80	2,986,665.20	3,087,945.15
BUSINESS RENTAL	223,478.48	62,678.04	14,886.30	45,614.37	6,017.83	314,980.34	667,655.36
DEPOSIT	-108,856.03	0.00	0.00	0.00	0.00	200.00	-108,656.03
ELECTRICITY - FIXED CHARGES	64,986.93	18,392.73	12,165.43	10,449.69	14,604.71	315,032.69	435,632.18
ELECTRICITY BASIC	613,461.84	37,410.48	24,037.25	19,093.87	16,509.33	564,113.07	1,274,625.84
ELECTRICITY CONSUMPTION	8,324,327.46	80,356.27	52,867.38	148,870.49	32,543.69	768,254.36	9,407,219.65
HOUSING PURCHASED	56,404.65	23,960.47	22,539.76	21,902.20	21,549.18	411,115.17	557,471.43
HOUSING RENTAL	702,521.55	337,437.72	335,825.16	333,815.09	329,014.75	13,794,100.93	15,832,715.20
REFUSE	250,162.35	64,588.39	60,784.40	63,778.80	55,622.28	2,150,405.77	2,645,341.99
SEWERAGE	727,398.86	159,713.33	135,001.48	115,958.85	120,062.10	3,553,551.28	4,811,685.90
TRADE EFFLUENT	13,350.81	0.00	0.00	0.00	0.00	0.00	13,350.81
SERVICES - BALANCE B/FWD	-21.11	24,897.42	24,897.42	24,902.46	25,064.42	3,120,689.37	3,220,429.98
SUNDRY - SERVICES	-3,013.01	0.00	0.00	0.00	0.00	1,487,700.38	1,484,687.37
WATER CONSUMPTION	2,184,734.73	474,394.51	398,753.04	382,978.07	418,086.89	12,362,226.98	16,221,174.22
SUNDRY	-595,723.13	128,467.52	121,509.56	38,459.93	43,645.48	1,641,446.38	1,377,805.74
	11,929,505.84	2,302,744.76	2,057,398.34	2,080,917.13	1,865,663.09	57,802,442.02	78,038,671.18