

ANNUAL REPORT

2006 / 2007

In terms of Section 121 of
the Municipal Finance Management Act
(MFMA)
(Act 56 of 2003)

January 2008

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Foreword by the Executive Mayor

The Overstrand Annual Report for the year 2006/2007 is herewith tabled in the Council of the Overstrand Municipality. This report covers the first full year of the 2006 elected Council.



From 1 July 2006 until 30 June 2007 the following matters were emphasised.

- The restructuring of the Municipal Manager's office and the four directorates and the appointment of more skilled personnel in certain directorates
- The unanimous approval of the 2006/2007 budget focussing on service delivery and infrastructure provision. The investment in infrastructure was the highest in the municipality's history
- Our Waste Management and Cleansing Services were expanded to such an extent that the municipality received many compliments from the public for the cleanliness of our towns. This also made a great contribution to the management of the baboon problem in the affected areas
- Initiatives to enhance local labour promotion and creation of jobs, for example cleansing services in all the residential areas
- The institution of a 24 hour emergency service made it possible to communicate more effectively after hours and during emergencies.
- The winning on Provincial and National levels of the Vuna Award for Institutional Transformation, as well as on Provincial level of Service Delivery. We can be proud as a community on what we have achieved.

We can be very proud of managing an adverse audit report in 2005/2006 to an unqualified report. This demanded a great effort and I congratulate all roleplayers for this achievement. There are still new financial standards to be implemented but planning is on track to achieve the set goals.

My opregte dank aan al die personeel wat betrokke was by die opstel van hierdie verslag. Munisipaliteite moet groot uitdagings bestuur om aan al die verwagtinge van die inwoners te voldoen. Slegs goeie bestuur en spanwerk kan ons laat slaag.

Betreffende die volgende drie jaar se doelwitte sal die nuwe GOP rigting aan die nuwe strategie gee.

TB BEYLEVELDT

CHAPTER 1

INTRODUCTION AND OVERVIEW

In compliance with Section 46 of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000) (Systems Act) and Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)(MFMA) a municipality must prepare an annual report for each financial year.

This document will provide an overview of the progress made in realising Overstrand's strategic objectives, the people who drove our efforts and the unique challenges and opportunities we faced during the financial year July 2006 – June 2007.

1.1 ESTABLISHMENT IMPERATIVES

The Overstrand Local Municipality (LM), established in 2000, is classified as a Category B municipality and afforded the status as a high capacity local authority in terms of the MFMA. It is responsible for basic service provision to the demarcated municipal area that includes the areas of Hangklip/Kleinmond, Greater Hermanus, Greater Gansbaai, Stanford and peri-urban areas such as Buffeljachts and Baardskeedersbos. It covers an area of approximately 2 125 km².

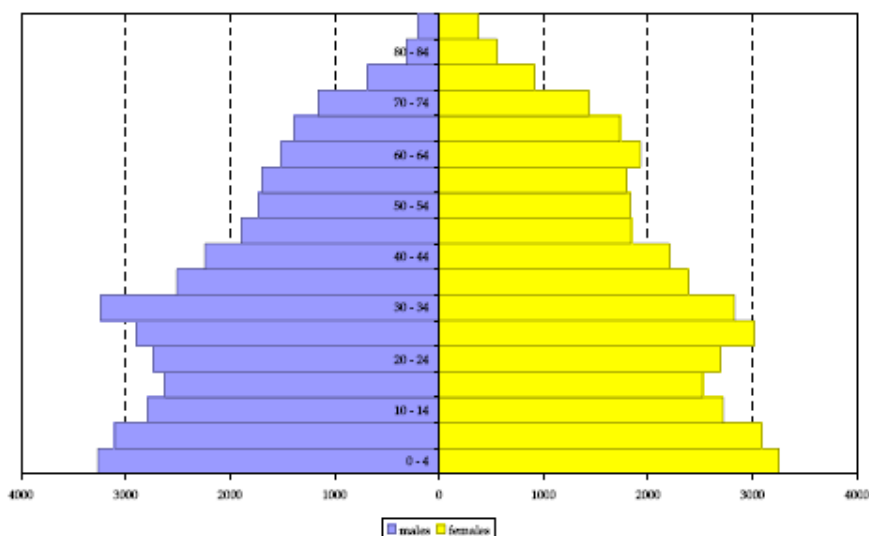
Hermanus hosts the Corporate Head Office of the Overstrand LM.

1.2 DEMOGRAPHIC PROFILE

The Municipality's population of approximately 73 000 people is the second largest of the municipalities in the Overberg District and its 31,4% contribution to the Overberg's GDP makes it the District's second largest economy.

As seen in the figure below, the area has a bell-shaped population pyramid, reflecting a youthful population, with 39,4% of the population under the age of 25.

□ Fig 1: Overstrand age pyramid, 2007



Source: Actuarial Society of South Africa (Provincial Government Western Cape: Provincial Treasury Socio-Economic Profile)

Fig 2: Social Profile

Total Population	2001	58 332	Population Density	42.8 per sq km
	2007	75 031	No. of households (April 2007)	23 427
	2015	91 356		
Socio-economic indicators			Overstrand	Overberg
GDPR 2005			R1,13 billion	R3,61 billion
2006			R1,22 billion	R3,74 billion
Unemployment rate (District)				
Financial indicators			2005	2006
Long/term debt to total income			17.82%	14.49%
Interest coverage			9.27%	10.95%
Surplus/deficit to total income			10.94%	10.19%
Proportion of water lost in distribution				28.50%
Proportion of electricity lost in distribution			13.10%	13.30%
Households			Overstrand	Overberg
Indigent households			3 754	3 139
Proportion of youth and children (2007)			51.8%	
Proportion of children in hunger		See district		
Education			Overstrand	Overberg
			<i>Numeracy</i>	<i>Literacy</i>
Grade 3			45.5	58
Grade 6			48.1	26.1
No-fee schools			10	59
Health (2005)			Overstrand	Overberg
No. of healthcare facilities			11	47
Teenage live births				
HIV prevalence	(2005)		4.5%	4.1%
TB Prevalence per 100 000	(2005)		1 092	1 142
Crime			Overstrand	Overberg
No. of police stations			4	15
Murder			36	112
Rape			55	216
Theft			1 329	3 018
Neglect and ill-treatment of children			4	24
Total number of reported crimes			4 572	13 301
Strengths		Challenges		Opportunities
Strong economic growth		Poor education outcomes		Utilise EPWP to reduce poverty
Diversified economy		CAPEX underspending		Capitalise on tourism

Source: Actuarial Society of South Africa (Provincial Government Western Cape: Provincial Treasury Socio-Economic Profile)

1.3 GEOGRAPHICAL OVERVIEW

Overstrand is a dynamic unity combining great potential and a beautiful setting. Our task is to bring about growth and development to the benefit of all our people, in their different communities, whilst maintaining a balance with nature.

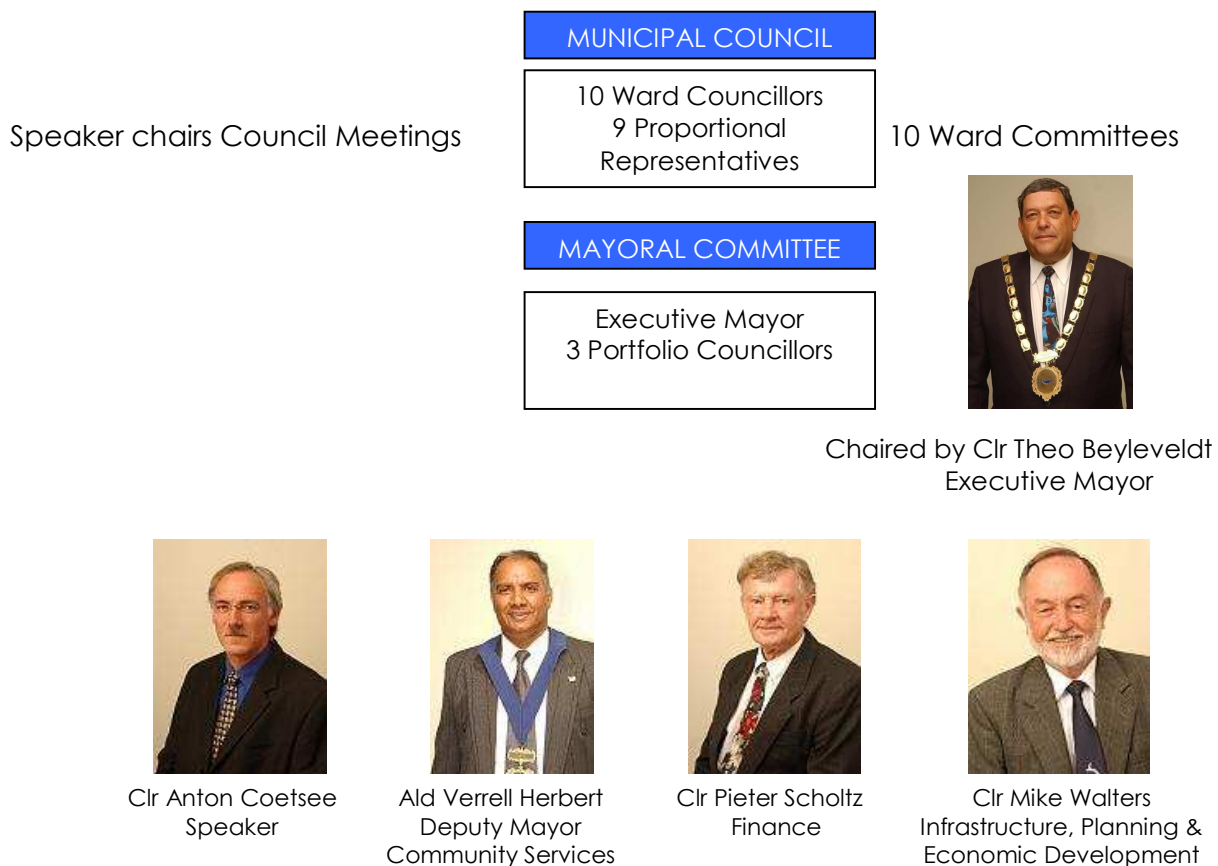
Overstrand LM has a coastline of approximately 200 km, stretching from Rooi Els in the west to Quinn Point in the east, with several well-known beaches such as Hawston, Grotto and Kleinmond. These beaches have been awarded Blue Flag status as three of the top 21 beaches in South Africa. In addition, the Municipality has one of only two biosphere reserves in South Africa, namely the Kogelberg Biosphere Reserve.

Overstrand is home to several tourist hotspots. Approximately 20 per cent of all known fynbos species are to be found in this region, causing it to be known as the heart of the Cape floral kingdom. Apart from several nature reserves that highlight the region's natural beauty, an abundance of whales annually visit Walker Bay to mate and bear their young. Further, the famous Arabella luxury resort, with its international championship Arabella golf course, is located in the region. Just outside of Gansbaai we find the "Grootbos" nature reserve area. As a result of its commitment to excellence and diversity this reserve has already received numerous National and International awards.

Due to the region's natural beauty and the abundance of holiday activities, tourism has become a major economic driver in the area. The population increases fourfold over holiday seasons.

1.4 GOVERNANCE STRUCTURES

EXECUTIVE AND COUNCIL STRUCTURE



As a result of the delimitation of wards in the Overstrand, the municipality also structured its public participation forums by establishing Ward Committees during April 2006 in all of its wards as well as setting up an Overstrand wide Municipal Advisory Forum (OMAF).

The Mayor's Office and Council had an operating budget of R7 667 716

1.5 STAFF AND DIRECTORATES

OFFICE OF THE MUNICIPAL MANAGER

The Municipal Manager as head of the administration is responsible and accountable for tasks and functions as provided for in Section 55 of the Systems Act, other functions/tasks as provided for in legislation, as well as functions delegated by the Executive Mayor and Council.

The office of the Municipal Manager consists of the Municipal Manager and Head: Management Services. The latter office also incorporates Internal Audit, Communication Services, Human Resources, IT Services, Strategic Planning and Legal & Council Support Services.

This office had an operating budget of R12 902 898

DIRECTORATE: FINANCE

The core function of this directorate is to ensure sound financial management.

This directorate consists of the Chief Financial Officer as head of the directorate with the sections Financial Services, Expenditure, Income and Supply Chain Management.

This directorate had an operating budget of R17 672 481 for the financial year under review.

DIRECTORATE: COMMUNITY SERVICES

The main function of this directorate is to ensure that co-operative governance and public participation take place in decentralised administrations and that service delivery takes place.

This directorate consists of a Director, Area Management and the departments Protection Services, Corporate Services and Housing.

This directorate had an operating budget of R227 402 839 for the financial year under review.

DIRECTORATE: ECONOMIC DEVELOPMENT

The main function of this directorate is to promote economic development initiatives, tourism, sustainable job creation, poverty reduction and shared growth that integrates and connects the municipality, its people and its natural resources.

The directorate Economic Development consists of a Director and a Local Economic Development Management section where all job creation activities by the municipality is centred.

This directorate had an operating budget of R3 002 133 for the financial year under review

DIRECTORATE: INFRASTRUCTURE AND PLANNING

This directorate's focus is the provision of planning and basic services.

This directorate consists of a Director, Infrastructural Management, Environmental Services, Town Planning and Building Control.

This directorate had an operating budget of R8 516 094 for the financial year under review

CHAPTER 2

FUNCTIONAL AREA SERVICE DELIVERY REPORTING

FUNCTIONAL ANALYSIS

What follows is an analysis of the respective functional areas in relation to the constraints faced, main priorities and functional strategies. The functional areas are grouped under the relevant directorates.

2.1 OFFICE OF THE MUNICIPAL MANAGER

PERFORMANCE MANAGEMENT

A key outcome of this process was the acceptance by the Executive Mayor of the Service Delivery and Budget Implementation Plan (SDBIP) for 2006/2007 in terms of the MFMA in June 2005. This plan encompasses a functional business plan for each management unit as well as a capital budget implementation plan where applicable.

CORPORATE STRATEGY

In order to provide strategic direction to the service delivery efforts of the Municipality the following Corporate Strategy was adopted by Council as part of its IDP for the 2006/2007 financial year. This strategy was confirmed for the year under review.

Vision

To be the most desirable destination to visit, stay and do business.

Mission

To facilitate and sustain an environment for the development of a world-class tourist industry supported by environmentally sensitive development.

Strategic Priorities

Promotion of tourism and economic development
Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment
Management and conservation of the natural environment
Provision of democratic and accountable governance

REVISED IDP 2006/2007

We believe that before we can allocate our available resources, we must first understand the needs and desires of our communities and residents. By looking ahead and asking

our public what they need, we establish a vision for what level of service we will provide, along with which resources will be necessary to provide them.

COMMUNICATION

Main priority:

Improve the public image of the Overstrand Municipality

Functional strategies:

- Empowerment of front line staff
- Facilitate formal and informal communication processes
- Formation of partnerships with stakeholders

The municipality published a newsletter, the Overstrand Bulletin, on five occasions during the year to inform residents about important municipal matters and the latest developments with regard to LED. There is an equal allocation of editorial space to all three official languages of the Western Cape, ensuring that provincial language policy is promoted. The major stories are published in all three languages, but photo's and community-specific matters are changed in the different language sections to provide greater variety and exposure to the municipality in the newsletter.

The municipality website is updated on a regular basis.

The local and provincial media are monitored, especially the letter columns, where many complaints regarding service delivery are picked up. Where possible, incorrect perceptions are rectified (in many instances the editors give the municipality the opportunity to respond immediately to letters). Clipping packs were compiled to keep councillors and senior management abreast of media coverage of municipal affairs.

Media releases and responses to the media were used to compile a quarterly report on municipal activities for the ward committee and public report back meetings.

Constraints:

Negative perception of the Municipality amongst some residents

INTERNAL AUDIT SERVICES

The main function of this service is continuous auditing according to a risk based audit plan and internal audit program.

The main priorities of this service include:

- Promoting appropriate ethics and values within the organisation
- Ensure the implementing and maintaining effective controls
- Communicate with management for their inputs on risk assessment and risk management

- Ensure that internal audit resources are appropriate, sufficient and effectively deployed to execute the approved plan
- Report process to the audit committee

The sound management of a municipality's financial resources is essential for the sustained delivery of services. To ensure compliance with relevant norms and standards the Auditor-General's office conducts an annual audit of the municipality's finances. The outcomes of such audit are subject to public scrutiny to ensure transparency and accountability.

INFORMATION COMMUNICATION AND TECHNOLOGY

The main priority of this function is to establish proper IT management, upgrade of the IT network and communications infrastructures and entrenchment of IT disciplines and training.

• Functional strategies:

- Stabilization, upgrade, development and management of IT, network and communications infrastructures
- Establishment of proper backup, disaster recovery and business continuity procedures
- Establishment of full corporate management of IT by implementation of an IT steering committee, monitoring of usage of IT facilities, measurement of IT service delivery and full corporate participation in the development and integration of IT systems and infrastructure
- Provision of the IT solutions and service delivery required by the business at best cost

Constraints:

- Historical insufficient investment in IT
- Inadequate and partially obsolete IT infrastructure
- Obsolete and unsupported network
- Inadequate network and communications infrastructure
- Historical lack of management of IT resulting in serious risks and backlogs

2.2 INFRASTRUCTURE AND PLANNING

ENVIRONMENTAL CONSERVATION

Sustainable environmental management

Functional strategies:

- Establishment and support of mechanisms for community involvement in environmental conservation

Main priority:

- Management of protected areas
- Annual evaluation to determine effectiveness of all functional processes
- Drafting/revision of environmental conservation policies

The Overstrand area is world renowned for its breathtaking natural beauty. Overstrand Municipality has made considerable gains with its joint ventures with other institutions to further its cause.

TOWN PLANNING**Main priority:**

Ensure a safe, healthy and sustainable environment for inhabitants of Overstrand through proper town planning

Functional strategies:

- To effectively address the social needs and expectations of all sectors of the community
- To develop and sustain a strong local economic base which recognises the importance of tourism in the development of the Overstrand region as a whole
- To facilitate the development of a functional and diverse yet well integrated convenient economically efficient and comprehensive urban environment and region
- To promote a safe and efficient transport network
- To restore and conserve the character of the town
- To restore and conserve the natural and built environment
- To ensure that each town plays a responsible and distinctive role in the economic and social development of the Overstrand region

Planning principles:

In addition to the above, the following planning principles must be taken into account when any development is contemplated:

- Promote integration of built and non-built environments
- Promote compaction and densification
- Promote integration of uses and activities
- Promote continuity of urban development
- Promote environments that break the syndrome of vehicle dependence
- Promote collective places and spaces, as opposed to individual buildings
- Promote multi-functionality

The main focus of this section is ensuring the uniform implementation of the relevant Spatial Development Frameworks and Scheme Regulations as well as the Land Use Planning Ordinance (Ordinance 15 of 1985) (LUPO)

Constraints:

- Lack of uniform town planning schemes
- Lack of planning GIS
- Limited staff capacity
- Low levels of law enforcement
- Sensitive environment
- Urban sprawl
- Inclusion of rural and farm areas in area of responsibility

ROADS INFRASTRUCTURE**Main priorities:**

- Extension and maintenance of existing road infrastructure
- Promotion of public transport in conjunction with ODM and provincial government
- To promote a safe and efficient transport network

Functional strategies:

- Implement road surfacing programme
- Implement planned road maintenance program
- Develop and Implement traffic management plans
- Initiate and implement public and non-motorized transport projects
- Maintain and expand Pavement Management System

The provision of a functional roads and stormwater network is the main focus of this functional area. In respect of the extension and maintenance of the designated provincial roads (R43 and R44), we share dual authority with the Provincial Government as the designated roads authority.

All work undertaken within town boundaries on designated provincial roads, are funded as joint initiatives on a 80/20 basis (Province 80 and Overstrand 20). The regulation of passenger transport services is a function of the ODM in terms of the Municipal Structures Act.

Constraints:

- High increase in vehicle traffic on local as well as Provincial roads
- High cost of road maintenance material
- Limited funds for preventive maintenance and resealing
- Limited funds for surfacing of gravel roads
- Inadequate capacity of road infrastructure resulting in traffic congestion along R43 Hermanus Area

WATER AND SEWERAGE SERVICES

The Overstrand is a leader in the Western Cape in the field of alternative water resource investigation. Studies and tests are being undertaken in respect of the following resources:

- Desalination

Studies have been completed to investigate the potential to desalinate seawater to produce potable water. The Department of Environmental Affairs Development & Planning (DEADP) has authorised the Municipality to erect an 1Ml per day pilot plant as well as an 5Ml per day production plant. These projects have been put on hold due to the cost associated with desalination. At present, desalinated water cost approximately R6 per litre whereas groundwater costs approximately R1.5 per litre.

- Re-use of effluent

The construction of an effluent pipeline from the Hermanus waste water treatment works has been completed and treated effluent is being used by the Golf Club.

- Groundwater

The Gateway well field, consisting of three production boreholes, will be used to supplement the existing water source (The De Bos Dam). The Department of Water Affairs and Forestry has approved a long term pump test of 12 months at approximately 4.4Ml per day. The civil, mechanical and electrical installations at the well field is almost complete and the long term pump test will start early in the new year.

The Overstrand Municipality also continued in the DWAF programme in providing information to guide the tracking, reviewing and improving of water quality. In particular, the system is used for:

- Monthly review of legislative compliance
- Identification of areas requiring urgent attention thus allowing effective and efficient allocation of resources
- Quarterly summary review (trend analysis, effectiveness of remedial actions, etc)

BUILDING CONTROL

Main priority:

Control of all building works in the Overstrand

Functional Strategies:

- To receive and scrutinise all building plans
- To provide information relating to submission of building plans
- To provide reliable building statistics
- To inspect all building works

- To provide building control
- To respond to customer complaints
- To project manage civic buildings, capital projects and building maintenance projects

This division has three distinct functions i.e:

- ❖ The maintenance of existing Council facilities;
- ❖ The regulation of building activities;
- ❖ Awarding and monitoring of municipal capital projects.

The building construction industry in the Overstrand is a thriving business and can be viewed as an indicator of the strong economic growth the area has experienced over the past few years.

The average period of approval for a building plan submitted is fourteen days.

Constraints:

- High levels of vandalism
- Limited maintenance funding
- Limited office accommodation facilities for staff

2.3 COMMUNITY SERVICES

PROTECTION SERVICES

FIRE FIGHTING AND DISASTER MANAGEMENT

Main priority:

Provision of an adequate Fire Protection Service and Disaster Management System

Functional strategies:

- Improve fire-fighting and rescue capabilities
- Improve personal safety of fire-fighters
- Improve public knowledge of fire prevention
- Improve fire safety standards of premises with fire risks
- Maintain and update the Disaster Management Plan

The fire-fighting system utilised by the Overstrand is one that is dependent on volunteers/reservists. It consists of a small component of full time council officials and a large component of volunteer community members and municipal officials.

Additional equipment was purchased and existing equipment was upgraded during this financial year. Ongoing training in first aid, fire fighting and rescue methods were given to staff in order to improve their skill and safety awareness levels.

A limited fire prevention service in respect of permit applications and inspections is offered. This municipality enjoys a good working relationship with the ODM with which we

have concluded a mutual assistance agreement. This division has also compiled an integrated Disaster Management Plan taking into account the uniqueness of each area.

Constraints:

- Primarily based on a volunteer system
- Fire prevention and public education services limited
- Limited safety and fire fighting equipment
- Basic training levels

TRAFFIC AND LAW ENFORCEMENT SERVICES

Main priority:

To plan and execute a sustainable programme of road traffic and by-law enforcement

Functional strategies:

- Implementation of Road Traffic Act (Act 29 of 1989) and Municipal regulations
- Improve public awareness of road safety
- Ensure high payment levels
- Management of Traffic and Law Enforcement resources
- Provision of effective card licence process
- Management of fire services

Traffic Services

This section's main responsibility is the enforcement of the various provisions of Road Traffic Legislation. Other services rendered include motor vehicle licensing, vehicle roadworthy testing as well as learner and driver testing.

Along with the Provincial Road Traffic Authorities we exercise joint responsibility for law enforcement and road safety initiatives in our area and the level of co-operation amongst the staff is excellent.

The traffic centre in Hermanus which houses a Grade "A" testing centre offers residents a "one stop" shop service where one can obtain a learner driver's licence, a driver's licence, roadworthy certificate and payment of traffic offences.

Law Enforcement

The establishment of this unit has improved capacity to enforce the relevant municipal and national legislation. Our traffic and law enforcement staff enjoys a good working relationship with the SAPS and other law enforcement agencies.

The main focus of this section is to enforce municipal by-laws and regulations and they deal with all complaints from uncontrolled dogs, illegal dumping, hawker control and general anti-social behaviour.

Constraints:

- Limited staffing levels
- Disregard for road traffic legislation and municipal by-laws and regulations

ELECTRICITY SERVICES**Main priority:**

To supply reliable, affordable and cost-effective electricity

Functional strategies:

- Measurement of provision of services
- Installation of monitoring equipment
- Inspection and repair of equipment
- Compilation and execution of a master plan for electricity
- Installation of new equipment

The Overstrand Municipality along with ESKOM, are joint suppliers of this service. The rapid development of technology in the electrical field has given rise to an increased demand by consumers for additional capacity to provide for operation of this technology.

The electricity industry is in the process of undergoing a radical transformation. It is intended to change the manner in which electricity is currently supplied and to create Regional Electricity Distribution Suppliers (REDS). The services currently being rendered by Municipalities will be taken over by these REDS. Negotiations in this regard are continuing.

During the year, the key focus of this service area was to comply with the relevant SABS codes (047 and 048) governing the quality of service as well as quality of supply. Various upgrades and or extensions of the existing infrastructure were undertaken within the limit of available resources.

Constraints:

- Backlog in maintenance of existing infrastructure
- Deterioration of networks in coastal areas
- Risk of non-compliance with distribution license conditions
- Rapid development placing enormous strain on existing infrastructure

WASTE MANAGEMENT SERVICES

Main priorities:

Refuse removal, recycling and disposal on landfill site

Functional strategies:

- Develop Integrated Waste Management Strategy
- Implement bulk service planning
- Solid Waste project implementation
- Ensure permit compliance
- Ensure waste minimisation

The service is entrusted with the removal and disposal of refuse be it domestic, business or industrial. The management of dump sites and refuse transfer stations, in terms of the relevant DWAF permit requirements is a key activity.

This division is also actively involved in the Coast Care programme of the Department of Environmental Affairs and Tourism (DEAT) as well as the Western Cape Clean up Campaign (WECCO) run by the Provincial Government.

Constraints:

- Gansbaai and Stanford disposal facilities inadequate
- Development of alternative mechanisms/conventional methods
- Development of rehabilitation sites

RECREATIONAL AMENITIES

Main priority:

Management of sport and recreation, caravan parks, beaches, parks and commonages

Functional strategies:

- Maintain parks and open spaces in the Overstrand
- Manage caravan parks
- Maintain clean and safe beaches
- Maintain the umbrella sports body established for the Overstrand
- Maintain sportfields
- Investigate alternative management methods for caravan parks

The functional areas falling under this heading include beaches, play parks, sportsfields as well as caravan parks. As a popular holiday destination these facilities are well utilized over holiday periods.

Constraints:

- High sports field maintenance costs
- Some caravan parks operating at a loss
- Vandalism of recreational facilities

HOUSING AND SOCIAL DEVELOPMENT

Main priority:

To facilitate and maintain sustainable low cost housing development in the Overstrand

Functional strategies:

- Development of an integrated plan and housing policy
- Management of informal settlements via an electronic data base
- Management of housing capital projects
- Management of approved 5 year housing plan
- Applications to Province for housing projects in view of completed land audit

The main activities of this section are as follows:

- Administration of existing housing schemes;
- Administration of corporate housing;
- Planning for the development of subsidized housing projects;
- Management of informal housing areas; and
- Creating of social housing development opportunities

The Overstrand Municipality is home to approximately 10 informal settlement areas, the largest one being in Zwelihle.

As part of its management plan in respect of informal housing areas, the municipality has developed a unique method of controlling this activity. All the inhabitants in this area are captured in a central data base which makes management thereof easier. This data base is updated on a regular basis to stay abreast of any changes.

Constraints

- Growing backlog of housing units
- Growing informal housing
- Limited basic services in informal settlements
- Limited availability of suitable land for housing

LIBRARY SERVICES

The Overstrand Municipality maintains eight libraries throughout its area starting from Bettys Bay through to Gansbaai. During the year under review an amount of R304 046 was made available from Province for the appointment of additional staff on a contractual basis for one year.

Libraries have a key role to play in raising the literacy levels of the members of the community which it serves. It also serves as a point of reference for students and members of the public wishing to undertake academic research.

The Hawston library also houses a Library Business Corner (LBC) as part of the Provincial Government's initiative to empower local communities to acquire basic business skills.

The book circulation figures for the 2006/2007 calendar year are reflected below:

	2006/07	2005/06
▪ Bettys Bay	14 878	14 768
▪ Kleinmond	138 726	141 387
▪ Hawston	48 638	52 997
▪ Mount Pleasant	58 877	49 208
▪ Zwelihle	35 800	36 085
▪ Hermanus	263 479	272 661
▪ Stanford	20 333	24 257
▪ Gansbaai	124 726	126 741

2.4 LOCAL ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Main priority:

Promotion of local economic development.

Functional strategies:

- Co-operation with other organs of state to promote economic development
- Adoption of economically friendly policies
- Provide the infrastructure in support of local entrepreneurs
- Empowering local communities to become self employed
- Establishment of network with funding agencies
- Compilation of a local services supplier data base for the Overstrand Area
- Identify opportunities for economic development
- Job creation through Local Labour Promotion Projects (LLPP)

The promotion and stimulation of sound local economic development practices are essential to reduce the levels of unemployment and poverty in the area.

Constraints:

- Lack of reliable readily accessible data
- Limited institutional capacity in respect of LED
- Limited access routes
- Limited control over marine resource depletion

TOURISM

Main priority:

The finalisation of an integrated tourism strategy for the Overstrand

Functional strategies:

- Improvement and enhancement of current tourism initiatives in the Overstrand area
- Improvement of marketing initiatives
- Establish close links with regional tourism bodies
- Compilation of accurate accessible tourism database
- Promote broader community participation in tourism initiatives
- Integration of local tourism bureaus
- Participation in annual tourism indaba
- Encourage the improvement and availability of tourist amenities

Overstrand is renowned for its natural beauty. Protecting and rehabilitating the natural resource heritage of the area is key to the continued economic success of tourism.

Currently there are four tourism bureaus within the Municipal area i.e. Hangklip-Kleinmond, Hermanus, Stanford as well as Gansbaai. An initiative is underway to set up a destination marketing organisation to market the area.

Council provided financial and in-kind support to the respective tourism bureaus as well as festivals during the review period.

Constraints:

- Un co-ordinated marketing of the area
- Limited linkages with the rest of Overberg region
- Limited buy-in to tourism from certain sectors
- Limited economic tourist orientated accommodation
- Limited access routes to and in natural attraction

2.5 FINANCES

SUPPLY CHAIN MANAGEMENT

• Main priorities

- To ensure the provision of a supply chain management system which is transparent, efficient, equitable, competitive, ensures best value for money for the Municipality, applies the highest possible ethical standards and promotes local economic development.
- To ensure professional and legal financial services to manage the supply chain / procurement administration process.

- **Functional strategies**

- To ensure effective co-ordinating supply chain management processes.
- To ensure compliance and consistency with all applicable regulations, policies and other legislation.
- To ensure proper control and management of the municipal stores function.
- To develop and establish a database and skills list of existing and prospective suppliers/tenderers.

- **Managerial priorities**

- Capacity building of functional staff.
- Improvement of internal control measures and systems.
- To promote work ethics.
- Review and implementation of workflow processes and manuals.
- To review and implement effective policies and by-laws.

- **Constraints**

- Lack of proper trained and skilled staff.
- Lack of skilled non-financial managers who are involved in the process.

- **Risks**

- Insufficient internal control systems.
- Transactions that are not processed by the SCM unit.
- Financial implications for Council in awarding tenders and contracts that do not comply with legislation.

INCOME

- **Main priorities**

- To ensure the levying of service charges and property rates and the collection of all income owing to the Municipality.

- **Functional strategies**

- To provide and maintain an effective customer focused service to deal with client queries.
- To ensure a sustainable implementation of Council's indigent policy.
- To ensure proper administration with regards to the annual review and calculation of property rates and tariffs.
- To effectively administrate and maintain debt management including the writing off, of irrecoverable debts.
- To produce regular management performance information relating to income collection.
- To compile and revise tariff policies and structures.
- To ensure the monthly reading of electricity and water meters.
- To timeously send out accurate and understandable service charges and rates bills.
- To commission the valuation of properties for the purpose of property rates assessments.
- To maintain the data input of debtors accounts.

- **Managerial priorities**

- Capacity building of functional staff.
- Improvement of internal control measures and systems.
- Promote work ethics.
- Review and implementation of work flow processes and manuals.
- To review and implement effective policies and by-laws.

- **Constraints**

- Lack of trained staff and skilled personnel.
- Reliability of data.
- Availability of competent and reliable contractors for disconnection of services.
- Absence of by-laws that can be enforced in the entire area for example in the case of tampering.
- Low levels of law enforcing.
- Inadequate information received for services such as sundries, sewerage pumps, etc. rendered.

- **Risks**

- Increase of water and electricity losses due to tampering and theft.
- Loss of property rates due to unauthorised building improvements on private land.
- Income loss due to power failures re Eskom.
- Seasonal changes due to environmental factors.
- Lack of information or incomplete information received that is being obtained from the various departments regarding services rendered resulting in the loss of income.

FINANCIAL SERVICES

- **Main priorities**

- To provide sustainable professional financial services to Council, Management and various external bodies in respect of year-end and in-year financial reporting, financial management, the operational and capital budget, and the implementation of the Municipal Finance Management Act (MFMA) and international accounting standards.

- **Functional strategies**

- Proper co-ordinating of annual budget process.
- Ensure timeous annual closedown of accounts and annual financial statements.
- To produce regular financial reports as required by Council, in accordance with applicable legislation.
- Completion of annual financial report (including response to Auditor-General report).

- **Managerial priorities**

- Capacity building of functional staff.
- Improvement of internal control measures and systems.
- Promote work ethics.
- Review and implementation of workflow processes and manuals.
- Review and implement effective policies and by-laws.

- **Constraints**

- Lack of trained staff due to a loss of skilled personnel.
- Financial implications for Council regarding changes in international financial accounting standards.
- Recruitment of suitably qualified staff to fill vacancies.

- **Risks**

- Continuous changes of financial guidelines in respect of reporting formats.
- Continuous changes in international accounting standards,
- Availability of specialised service providers to implement rapid changes in local government financial accounting.
- Ensure proper financial management support and internal control measures to ensure compliance to financial and accounting legislation.

EXPENDITURE

The main purpose of this service area is the provision of professional financial services to management and council in respect of the salary budget process, payroll and creditors administration.

- **Main priorities**

- Co-ordination of the annual salary budget process
- Staff payroll administration
- Project management/re-engineering
- Creditors payment administration
- Financial management support and control

- **Functional strategies**

- To ensure effective co-ordinating creditors and payroll management processes.
- Strive to ensure compliance and consistency with all applicable regulations, policies and other legislation.
- To provide and maintain an effective stakeholder focused service.
To produce regular information relating to payroll and creditors

- **Managerial priorities**

- Capacity building of functional staff.
- Improvement of internal control measures and systems.
- Promote work ethics.
- Review and implementation of workflow processes.
- Review and implement effective policies and by-laws.

Constraints

- Lack of skilled non-financial managers who are involved in the process.
- Time lost in process to have documentation signed by senior officials.
- Lack of supply chain management policy.

- **Risks**

- The non-compliance to financial and accounting legislation.
- Late payments of creditors due to non compliance documents.

CHAPTER 3

PERFORMANCE MEASURED AGAINST THE (FIVE) 5 NATIONAL KEY PERFORMANCE AREA'S (KPA'S)

3.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

3.1.1 Water Services

The water section was involved in three large projects and numerous smaller projects.

The three main projects were:

- Upgrading of the Water Treatment Works at Buffels River.

The Buffels River Water Works serves Rooiels, Pringle Bay and Betty's Bay. The capacity of the works was increased from 2.8ML to 5.6ML per day at a cost of almost R5 million.

- Upgrading of the Water Treatment Works in Franskraal.

The Franskraal Water Works serves Gansbaai, Blompark, Franskraal, Kleinbaai, Masakhane and Uilenkraalmond. The design, tender documentation and Environmental Impact Assessment to upgrade the works from 2.5ML to 5.2ML per day were completed.

- Development of additional water sources for Hermanus.

The project to secure additional water sources for Hermanus continued. During the year under review, the project focused on obtaining the necessary approvals for long term pump testing of the Gateway Well Field and also to install the required equipment at the three boreholes of the well field.

Smaller projects included:

- Planning, design and tender for water network upgrades in Betty's Bay,
- Construction of the Stanford housing project water pipeline,
- Installation of water infrastructure for 21 erven in Mount Pleasant
- Upgrading of parts of the water reticulation networks in Onrus and Fisherhaven

On the operational side, the Municipality operated the following four Water Treatment Plants:

Plant Name	Town	Average production
		MI per day
Buffels River	Pringle Bay	2.5
Kleinmond	Kleinmond	2.5
Preekstoel	Hermanus	10.0
Franskraal	Franskraal	5.0
Total		20.0

In addition, Stanford was supplied with approximately 1.5MI per day from the spring in Stanford.

Drinking water quality was monitored continually to ensure that the quality of our drinking water meets the required standards (SANS 241). No instances of sub-standard water were found.

	06/07	05/06
New water connections	645	656
Amount of water abstracted or purchased	6,607,301kl	5,748,614kl
Water supplied & metered	6,137,108kl	5,397,760kl
Network bursts and leaks	396	425

No backlogs exist

3.1.2 Electricity

	06/07	05/06
New electricity connections	690	351
Amount of electricity generated or purchased	210,017,158kWh	197,333,818kWh
Electricity supplied & metered	158,125,490kWh	158,961,561kWh
Nr of electricity supply minutes lost	7050	7335

No backlogs exist

3.1.3 Roads

The upgrading and maintenance of roads, storm water systems, sidewalks, walkways and parking areas was a focus area for the period under review.

The following budgets were allocated to these items:

Item	Budget (Rm)
Roads and Parking Area (construction, seal and repairs)	17.5
Storm water	9.6
Sidewalks and walkways	3.7
Total	30.8

Major projects included:

- Hawston – tarring and storm water in Calcutta Road and Marine Drive,
- Zwelihle, Hawston, Sandbaai and Vermont - upgrading the bulk storm water systems,
- Hermanus – tarring Marine Drive,
- Sandbaai – tarring of various streets,
- Zwelihle North – upgrading roads and storm water,
- Hermanuspietersfontein – construction of a boardwalk,
- Hermanus – design and tender for upgrading of Gearings Point parking area,
- Kleinmond – design and tender for upgrading of the parking area at the main beach,

Various meetings were held with the Provincial Department of Public Works and Transport to discuss issues relation to the R43 passing through the Overstrand Area. The most important matters were:

- Installing traffic signals at the intersections with Lynx Rd (Vermont), Vermont Rd (Vermont), Swartdam Rd (Hermanus CTM), Spence St (Hermanus) and at the Gansbaai Spar shopping complex.
- Doubling of the road between Gansbaai and Hermanus,
- Construction of the Inner Relief Road (IRR in Hermanus),
- Tarring of the R320 between Hermanus and Caledon,
- Tarring of the road between Gansbaai and Elim.

3.1.4 Solid Waste Management

The main categories of recycled material were as follows:

	2006/07	2005/06
Paper	263 tons	247 tons
Glass	393 tons	435 tons
Tins	44 tons	49 tons
Carton	83 tons	
Plastic	49 tons	

The amount of waste disposed of increases substantially during the holiday season as a result of the influx of visitors.

3.1.4.1 Bylaw on Solid Waste Management

Overstrand Municipality's Bylaw on Solid Waste Management was published in the Provincial Gazette on Friday 9 March 2007. In this by-law provision is made for the classification of certain areas as problem animal areas by council resolution, which can be revised from time to time, as well as the obligatory use of problem animal proof containers. A duty is also placed on the occupier of an erf to keep the pavement in front of or abutting his erf clean and free of refuse and to see to it that refuse or containers may not be placed there except on collection days. Recycling can also be enforced in areas determined by Council. Occupiers of premises in such areas will be required to sort their waste into separate bags for recyclable items and non-recyclable items (such as food waste).

3.1.4.2 Municipality encourages recycling

The Overstrand municipality is increasing its efforts in order to raise awareness about recycling in the community. Recycling is simple, beneficial to the community and helps protect the environment. According to facts released by Overstrand solid waste management, R115 000 is saved per year on landfill costs and an additional R126 000 on transport costs. There are 175 less trips per year to the landfill site (with 90 m³ per load) and recycling projects provide 35 jobs. Recycling saves valuable disposal space at landfill sites. In 2006 the total domestic waste – which doesn't include building rubble or garden waste – produced was 27 000 tons, which is equivalent to 135 000 bakkie loads (a bakkie load is 1 m³). The total recycled waste was 2 625 tons, meaning the percentage recycled (by volume – recycled waste is bulkier than non-recycled waste) was 12%. One of the reasons why waste management in Overstrand is a success, is the existing partnership between the community and Overstrand Municipality.

3.1.4.3 Waste minimisation and Cleaning Programmes

A total of 18 local emerging contractors were appointed by November 2006 in the Overstrand to execute the new cleaning initiative in previously disadvantaged areas and other specified suburbs. In terms of the new initiative contractors are remunerated for the level of cleanliness of the allocated area of work and not for volumes of refuse removed.

3.1.4.5 Sanitation

The main focus was on resolving the Waste Water Treatment crisis in Gansbaai. The capacity of the work was 300kl per day and the demand was 500kl per day. It was decided to upgrade the capacity of the existing Works from 300kl per day to 2,0MI per day.

After considering various options, it was decided to install a Sequential Batch Reactor (SBR) process. It was also decided to design and construct the plant in such a way as to accommodate Nereda technology in the future. Nereda is a new aerobic granular-sludge technology that would increase the capacity of the plant to 3,5MI per day without any major modifications to the plant.

The design, procurement process and Environmental Impact Assessment for the project were completed.

Due to the good progress made with the upgrading of the existing waste water works, it was decided to put the construction of the new waste water works on hold.

The following sewerage pump station projects were started namely:

- Stanford (De Bruyn Str) pump station and Rising Main (design and procurement completed)
- Gansbaai harbour pump station and rising main (design and EIA completed)
- Replacement of two pumps in Kleinmond (design and procurement completed)
- Westcliff pump station and rising main in Hermanus (project completed)

Other smaller projects included:

- Planning, design and tender for sewer network in Gansbaai CBD,
- Planning, design and tender for the extension of the sewer network in Kleinmond,
- Completion of the golf course effluent line.

On the operational side, the Municipality operated the following five Waste Water Treatment Plants:

Town	Capacity	Average volume treated
	MI per day	MI per day
Kleinmond	2.0	0.8
Hawston	1.0	0.6
Hermanus	7.5	5.0
Stanford	0.5	0.3
Gansbaai	0.3	0.5
Total	11.3	7.2

	06/07
New sanitation connections	337

No backlogs exist

3.1.5 Environmental Management

3.1.5.1 Blue Flag honours for Overstrand

Three of the 23 South African beaches that were awarded Blue Flag status for the 2006/7 season are situated in Overstrand Municipality's area of jurisdiction. Grotto Beach received its Blue Flag for the fifth consecutive year, Kleinmond regained it after a lapse last year and Hawston joined the league for the first time. The Blue Flag is an international annual award given only to those beaches that meet excellence in safety, amenities, cleanliness and environmental management. Hoisting ceremonies took place at all three beaches on Friday 1 December at the local Blue Flag beaches.

3.1.6 Housing

Verification of housing waiting lists

An effective and transparent process was completed by September 2006 for all areas in Overstrand. Through this process the figure for applicants was corrected/reduced from 11638 applicants to 4771 applicants. The objective of the initiative is to ensure that the municipality continuously has accurate figures with regard to the housing demand.

3.1.6.1 Low Cost housing projects

The status of the housing project (182 units, Hawston) is as follows:

- Completed and handed over = 112
- Under construction = 70

The selling of the 66 private erven at Hawston was approved by Council on 27 June 2007.

3.1.6.2 Management of Informal Settlements

Over the reporting period, 140 illegal temporary structures were removed. No evictions were done by means of a court order.

The layout of the areas affected by fires has also been changed to minimise future fire disasters. Over period of reporting 6 fire related incidents were attended to.

Fire disasters in Overstrand Area: Period January 2007 – June 2007

Area	Date	Total Number of Shacks Affected	Total Cost to rebuild(Emergency Kits)	Timeframe to complete rebuilding
Gansbaai (Masakane)	26/01/07	22	R33 392.80	3 weeks
Gansbaai (Masakane)	29/03/07	19	R38 549.70	1.5 weeks
Gansbaai (Masakane)	06/05/07	20	R32 345.72	1 weeks
Kleinmond: Overhills	01 Jul	90	R 206 179.87	2 weeks
Zwelihle: Zipunzana	23 Sept	25	R 56 607.09	1 ½ weeks
Zwelihle: Back of School	29 Dec	24	R 50 400.00	1 ½ weeks
TOTAL		139	R 313 186.96	

As part of its management plan in respect of informal housing areas, the municipality has developed a unique method of controlling this activity. All the inhabitants in this area are captured on a central data base which makes management thereof easier. This data base is updated on a regular basis to stay abreast of any changes.

3.1.7 Urban Efficiency and Spatial Planning

3.1.7.1 Overstrand reaches milestone with acceptance of Spatial Development Framework

Overstrand Municipality has reached an important milestone when Council adopted the Spatial Development Framework (SDF) at the end of October 2006. With this document a common set of objectives were set for land use policy for the whole of its area of jurisdiction. The SDF serves to integrate the urban areas and the rural areas. It further strives to integrate and balance the needs, growth and wellbeing of the community with the preservation of its natural heritage in an orderly and sustainable manner. It is a flexible living guideline which provides the council with a strategic path or direction. That is a point of departure from which development applications and ongoing operational challenges can be assessed. The municipality started this planning process in December 2002. The process has been guided by a realistic set of goals and objectives which were contextualised within the overall IDP vision for the municipality as well as within the broader context of the larger region (the Overberg District Municipality) and the Western Cape Province.

3.1.8 Traffic & Law Enforcement

	2006/07	2005/06
Traffic offences	24 115	28 888
Vehicle licences	29 954	38 229
Roadworthy tests	6 843	3 437
Learners licences	1 508	2 026
Driver licences	700	1 112
Card licence conversions	4 492	4 480

3.1.8.1 Alignment of Administration

The individual sections previously reported directly to the Manager, and therefore a strong middle management had to be established to attend to the growing challenges of the department. Functions are grouped as follow:

- Superintendent: Traffic and Law Enforcement
(Traffic, Law Enforcement and Criminal processing)
- Superintendent: Licenses
(Learner's and Drivers licences, Vehicle testing and Licensing registration)
- Fire department

Four new learner traffic and law enforcement officials were appointed. A total of six officials including learner officers were sent for formal training as traffic and law enforcement officials in July 2007.

3.1.9 Town Planning & Building Control

The main priority of the function is to ensure a safe, healthy and sustainable environment for inhabitants of Overstrand through proper town planning.

The following applications were received for the calendar year 2006/07

TYPE OF APPLICATION	2006/7	2005/6
Departures	450	352
Subdivisions	79	137
Rezoning	51	91

3.1.9.1 Building control

The main priority of the function is the control of all building works in the Overstrand.

The following is a reflection of plans approved:

YEAR	AMOUNT OF PLANS	VALUE OF PLANS
2006/7	2 354	R1 046 347 125.00
	2 257	R 996 193 489.00
2005/6		

3.1.10 Information Technology

During the year under review the IT department was established, with the core function of establishment and stabilization of proper IT Management incorporating:-

- IT resource planning by updating and applying the IT Strategy for Overstrand on an ongoing basis.
- Proper expansion and maintenance of the IT Infrastructure by reassessing and updating IT Risk Register and mitigating risks on an ongoing basis using the risk information system.
- Entrench proper IT Administration by ensuring the application of IT Administrator job description duties to a reassessed and updated IT Risk Register thus mitigating administrative risks and creating required control documents such as a PC Inventory Register and Backup Registers and also entrenching IT disciplines.
- The preparation and entrenchment of the Rules of Use of the Overstrand IT Infrastructure including email and the internet for all users
- The Upgrading of the physical network with 4 high capacity Diginet lines vastly improving response times.
- The completion of the Disaster Recovery Server Room and the implementation of the Disaster Recovery Servers for the Financial (Samras) and Payroll (Payday) systems.
- The management of the completion of the new IT Premises including the new Server Room, IT Training room, Workshop and Offices in preparation for the planned upgrades.

3.1.11 Community facilities

3.1.11.1 Multi Purpose Community Centre (MPCC)

Construction of Phase I of the R4,6 million , Hawston Thusong Service Centre, began in July 2006 and was completed in August 2007. Phase 1 of the centre, which included a main hall, three offices, kitchen and ablution facilities has been completed. An amount of R4.6 million of which council contributed R750 000, was spent on phase 1. Council committed itself to a further R1 million for the 07/08 buget for further development of the centre i.e office block, coffee shop and tourism, gymnasium and amphitheatre.

3.1.11.2 Eluxolweni Community Hall – Pearly Beach

The construction of the community hall in Eluxolweni was executed over a period of six (6) months by a team comprising of municipal officials and a local building contractor with the assistance of a number of jobless residents of the village.

The unique design is the result of various inputs from the community and the construction team. The building of approximately 200 m² is representing the different characteristics of the demographics of the local residents. It serves as a one-stop community centre that hosts the office of the resident's association as well as the Dolfyntjie crèche. It was used during the last financial year to train at least 80 jobless people in courses such as garment making, cooking, cloth painting, tourism guides and skills needed in the hospitality industry.

The total project cost of the project was R400 000.00. The centre is well supported by the rest of the Gansbaai community and sponsorships were received from individual residents, welfare organizations as well as the Overberg District Municipality.

3.1.11.3 Buffeljachts Community Hall

The old farmshed that was used for harvesting and processing of dry kelp ("see bamboes") at Buffeljachts was renovated and upgraded to a standard suitable for hosting community meetings, church services and other events.

Approximately R120 000.00 was spent to provide ablution facilities, a kitchen as well as safety doors. Electricity and water were also connected to the building. In the process a community hall of approximately 300 m² was handed over to a very happy and appreciative community. The facility is regularly used for hosting events such as weddings, birthday parties, fashion parades, church services as well as training of jobless people. Currently a sewing project is runned from the facility.

The aim is also to upgrade the facility into an indoor sport and recreation centre to cater for the needs of the youth. The value of this community asset, is estimated at more than R1 mil

3.1.12 Fire Services & Disaster Management

The fire-fighting system utilised by the Overstrand is one that is dependent on volunteers/reservists. It consists of a small component of full time council officials and a large compenent of volunteer community members and municipal officials.

During 2006/07 this service responded to a total of 399 incidents. The main categories were:

Veld and bush fires	177
Residential fires	26
Informal dwellings	49
Commercial fires	6
Vehicle fires	6
Refuse fires	10
MVA	63
Rescues	8
Other fires	5
Veld fires large	5
Special Services	40
Liquid & Gas fires	0
Hazmat	4

Ongoing training in first aid, fire fighting and inspections were offered. This municipality enjoys a good working relationship with the District Municipality with which the municipality has concluded a mutual assistance agreement.

Financial contributions were made to obtain the service of a helicopter to improve fire fighting service over the festive season period from 15 December 2006 until March 2007.

3.1.12.1 Maintenance of local disaster plan

The appointment of various discipline heads within command directives was reviewed by November 2006.

3.1.12.2 Community Fire Safety By-laws adopted

Council approved the adoption of the standard by-law relating to Community Fire Safety, published under Provincial Notice 342 dated 27 October 2006, subject to amendments regarding the regulation of fire works. The purpose of the by-law is to promote the achievement of a fire-safe environment for the benefit of all persons within the area of jurisdiction of the municipality and to provide for procedures, methods and practices to regulate fire safety within the area of jurisdiction of the municipality.

3.1.12.3 Plot Clearing Policy approved

Council approved a plot clearing policy to come into effect on the date of promulgation of the proposed by-law on Community Fire Safety. According to a report poor cooperation of owners of private and state-owned properties regarding the management of plot clearing was a problem up to now. The new by-law on Community Fire Safety, however, created a vehicle to enforce co-operation from property owners where the condition of a piece of property creates a fire hazard. Plot clearing will be rendered as an agency service and all costs will be recovered.

3.1.13 Sport & Recreation

Spaces for Sport

The excitement of the 2010 Soccer World Cup paved the way for the development of an upmarket regional sports facility in Gansbaai. The Overstrand Municipality was, through foresight and pro-active initiatives, in the position to reserve ample land for the construction of a communal sports facility right in the centre of the previously separated Black, White and Coloured communities.

Sport is regarded as a factor capable of uniting communities. With the assistance of sponsors such as Barclays/Absa (International Spaces for Sport Programme), the Department of Cultural Affairs, Sport and Recreation (Western Cape) and the Grootbos Foundation, a multi-million rand project is being launched. Phase 1 of the project will include one soccer field (with a synthetic surface sponsored by the English Premier Soccer League), one rugby field (surrounded by a full-size athletic track) and two more soccer/hockey/cricket fields.

The facility is similar to the community sport sites that Barclays has established across the United Kingdom and is the first flagship outside the UK. The facility is linked to environmental and tourism projects. The facilities will also add value to the education and development of learners from the new high school to be established immediately adjacent to the lovely sport facilities.

The product, regarded as a regional facility for the Overberg region, has been identified as a fan park for the 2010 World Cup and has received full support to be marketed as a base camp for the African Federation Cup to be hosted in 2009 and for the preparatory events planned for 2010.

The facility will indeed satisfy the needs of the sports people of the Overstrand and will be regarded as a proud legacy of the 2010 World Cup.

3.2 KPA 2: LOCAL ECONOMIC DEVELOPMENT

The vision for this KPA is *"Shared growth that integrates and connects the municipality, its people and its natural resources"*

3.2.1. Economic Growth

3.2.1.1 Council approves Local Economic Development Strategy

Overstrand Municipality's Local Economic Development Strategy was approved at the March 2007 Council meeting, with the understanding that it may be amended from time to time. This document is regarded as the blueprint and guide to implement business orientated initiatives with the aim of promoting emerging enterprises. It will assist the Council in its aim to provide jobs and to make an impact on the eradication of poverty. An implementation plan has been developed that comprises both quick wins and critical high impact interventions.

3.2.1.2 The Overstrand Municipal area is rated one of the areas with the highest potential for economic growth. Over the past years the economic growth has improved significantly due to many factors as described in the socio-economic profile. In the past year Council has approved building plans worth a whopping R 1 billion, with construction growing along with manufacturing. This has proven to be beneficial to the unemployment rate which stood at 24%. Economic growth is enhanced by the increase in direct and indirect investment – this is evident from the increase in growth rate of 5,9% which also has potential to create additional job opportunities. The year under review has been very exciting for the economic growth in the area but this has still to make sense in terms of social capital, poverty eradication, unequal distribution of income and low levels of wages that have the potential of perpetuating poverty in the municipal area.

3.2.2 Job Creation and Poverty Alleviation

The Municipality has initiated projects aimed at poverty alleviation and job creation to directly benefit communities and build sustainable families. Many people who have been part of these projects were able to improve their lifestyles themselves and were able to pay municipal services, open bank accounts, save and provide for their families. These projects also build confidence in people to either initiate own enterprises or join the formal labour force.

3.2.2.1 Local Labour Promotion Project (LLPP)

The LLPP project was set up with the aim of providing needed jobs for the unemployed who cannot afford to pay municipal services. This project also attempts to promote small scale contractors who are emerging entrepreneurs from disadvantaged backgrounds. This is in preparation towards building experience and growing to doing business with the municipality and benefit through the Preferential Procurement Policy.

3.2.2.2 Building social cohesion through community based projects as a means for food security.

This is done in collaboration with other spheres of government i.e. Department of Agriculture and Land Affairs. The municipality has made land available for community based initiatives for small scale agriculture purposes. Funding and technical advice is provided by the respective department's outreach programmes. More than 40 participants benefit through these community based projects.

3.2.2.3 The Local Labour Promotion Project (LLPP) – 13 contractors and 276 jobs created through capital projects performed in-house;

3.2.2.3.1 Working for Water Programme – 16 contractors (teams) and 232 jobs created;

3.2.2.3.2 Parking Management in the CBD – 1 Service Provider who in turn employs 45 marshals and 6 supervisors (51 job opportunities)

3.2.2.3.3 More than 7 500 jobs were created through Capital Projects and private sector involvement

3.2.3 Mayoral Social Upliftment project

An amount of R700 000 was made available for the following projects:

Early Childhood development programme: Upgrading of crèches and provision of educational equipment

Health Care: Upgrading of Clinics and provision of equipment

Old age homes/Frail care centre: Upgrading and provision of equipment

3.2.4 Creating a conducive environment for SMME's to grow

SMME's form critical partners in improving job creation and poverty alleviation. The key to success is having up to standard facilities, entrepreneurial spirit, and enterprises with potential to grow and demonstrate viability. The Municipality has assisted in converting old buildings and/or made funds available to build new facilities to house local SMME's.

3.2.4.1 The Selfbou Stoor

Situated in Mt Pleasant this facility accommodates thirteen (13) enterprises offering a variety of services to the community. The building is being renovated and modified to reflect an oriental plaza theme to promote formal and informal trading.

3.2.4.2 Zwelihle Junction (Beehive facility)

The beehive facilities worked well in the past but had challenges of management and maintenance of facilities. Through this approach one can reduce the time of planning and implementation and assist in keeping the energy of entrepreneurs by providing targeted inputs geared for growing businesses. The municipality made land and funding available to build a beehive facility in a local township – Zwelihle.

More of these are planned in coming years for other areas such as Gansbaai, Kleinmond and Pearly Beach as a strategy of promoting micro enterprises and growing the second economy.

3.2.4.3 Market Places

The existence of market places plays a key role in promoting tourism and local product offering. Hermanus has in the centre of town a well developed market place accommodating 80 Traders supplying local and international customers. The Zwelihle Market Village focusing mainly on supporting the second economy accommodates 24 enterprises.

3.2.5 Flagship Projects

3.2.5.1 The Development Agency

Overstrand Municipality has entered into a partnership with the Industrial Development Agency to establish a Development Agency. The role of the Agency will be to stimulate economic growth in the area by identifying bankable projects that addresses unemployment and shared growth. Its key objectives are Local Economic Development

(LED) job creation, promotion of Broad Based Black Economic Enterprise (BBBEE) and Black Economic Empowerment (BEE).

3.2.5.2 Aquaculture Development

The Government ban on abalone harvesting will have a huge impact on coastal communities leaving many without jobs and food security. The municipality has commissioned a study on potential economic activities with regard to Mariculture. The study will identify a host of species with potential for offshore and onshore farm development. Partnerships will be entered into with different stakeholders such as the private sector and MCM to access needed resources and technical know-how.

3.2.5.3 Hiking Trails and Eco-Tourism Development

The Municipality in partnership with DBSA is undertaking a feasibility study on identifying and developing hiking trail incorporating the Biosphere. The study will investigate possible Eco-Tourism enterprises as an integral part of the process. The work is in progress and should take about eleven (11) months to complete.

3.2.5.4 Stony Point (Penguin Colony Development)

Financial support to the tune of R3 million was received from DEAT to develop the tourism potential of one of the two land-based African penguin colonies which attracts visitors from all over the world. The colony is an asset to the local communities and is geared to benefit the locals through a joint management plan with an established community trust.

3.2.5.5 Skills Development

The absence of relevant skills hinders economic development and creates dependency on outside sources. On the other hand an investment into human capital and improved educational levels impacts positively on the labour market. The municipality promotes strong links to matching of development initiatives with skills requirements. A skills gap analysis is to be undertaken in partnership with local skills providers, collaboration with the private sector to enhance the availability of skills and increase people's potential in the labour market.

3.2.6. Tourism

The Overstrand has 250 km of high-energy coast, coastal mountain catchments and the best Whale watching and Shark diving in the world. Our infrastructure rates amongst the best in terms of tourism offerings. A strong partnership exists between the private sector and the municipality through the four (4) Local Tourism Organisations (LTO's) existing in the area. This has benefited the visitors in terms of client relations and provision of relevant packaged information. The LTO's play a very important role in marketing and exposing the area to visitors making use of different avenues. The area has also benefited by the provision of highly visible law enforcement. It rates as one of the safest areas to visit with low crime incidence.

3.2.6.1 Marketing

Our approach to marketing is to ensure that we increase the number of visitors coming to the area by exposing our tourism potential in terms of services, products and hospitality. This has had made a huge difference to direct and indirect investment to the areas. The positive growth rate achieved can be attributed to the tourism industry that has improved and grown from strength to strength.

3.3. KPA 3: MUNICIPAL FINANCIAL VIABILITY

3.3.1 Financial Planning

3.3.1.1 Indigent households

A register to monitor indigent households were compiled. During the year under review 2781 households were registered. This register is continuously checked and updated, and the consumption of water and electricity is monitored as per indigent policy.

3.3.1.2 Writing off of irrecoverable debt

The writing off of irrecoverable debt to the value of R2,634,093.84 was done during this financial year. This process enables management to identify trends in the causes of debt and the introduction of corrective measures. Three categories of bad debt were identified, namely debts on indigent accounts where account holders qualified for the indigent grant but the arrears were not written off, inactive accounts with amounts less than R250,00 and where there is no forwarding address and lastly sundry debts and insolvent debtors. In many instances in the last category plot clearing charges were raised on accounts after the sale of properties and the charges could not be collected before the clearance certificates were issued.

3.3.1.3 Customer Care, Credit Control and Debt Collection Policy

Council approved amendments to the year old Customer Care, Credit Control and Debt Collection Policy for implementation from 1 July 2007. This had to be done to conform to the Municipal Finance Management Act, in terms of which proposed budget related policies of a municipality must accompany the annual budgets. About fifteen changes were made to clarify aspects such as the definition of municipal services, the right of the municipality to deny or restrict the sale of electricity or water to consumers who are in arrears with their rates or other municipal charges, to enforce satisfactory arrangements with consumers by blocking access to pre-paid meters and to describe the arrangements that defaulting domestic customers can enter into.

During the year under review, tenders were called for an institution to do Debt collecting on a professional basis from normal disconnection of services to legal action. The monitoring of indigent households will also be monitored through this system.

The current collection rate is as follows:

90 days =	94.98%
60 days =	91.26%
30 days =	71.34%

The four decentralised administration debtor's databasis was consolidated into one database for the whole Overstrand. All services and tariffs were equalised.

The debt of debtors using the pre-paid electricity metering system can be recovered on a percentage basis from their transactions.

A project was launched to clean-up all names and addresses of consumers and it resulted in the Post Offices giving us an A-rating on our addresses, which means that all addresses are acceptable by the Post Office, for mailing purposes. The community is sensitised with regard to language of preference on monthly accounts.

3.3.1.4 Arrear municipal account deductions from Creditors

The deduction of arrear municipal accounts from payments to Creditors was implemented by the Accountant: Creditors. The implementation resulted that the Creditors Department collected R13 254.63 for Council from the payments to Creditors. According to the Supply Chain Management Policy and Regulations, a creditor's municipal account must be up to date before being able to deliver goods or services to the Municipality.

3.3.1.5 Age analysis of payments to Creditors

The current status of payments of Creditor accounts are within 30 days of statement according to the Municipal Finance Management Act, No. 56 of 2003. Staff pay all invoices that reflect on the creditor's statements to ensure that invoices are all paid within 30 days of statement. Queries on the accounts get resolved timeously.

3.3.1.6 Hand terminals for meter reading capturing

A tender was allocated and CAD. This resulted in all meter readings being downloaded electronically and eliminating all data capturing as well. This empowered the meter reader in the field with the necessary control, e.g informing him that the reading is too high or too low. Extensive training was done on the hand terminals as well as office personnel.

3.3.1.7 Internal staff training

Ongoing one on one training takes place between staff and the project manager, financial systems.

3.4 KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

3.4.1 Organisational design

The organisation was restructured in order to align the macro structure of the municipality with the five strategic priorities for local government for its term of office (2006 – 2011) in the following way:

- Municipal Transformation, Institutional Development and Good Governance : Office of the Municipal Manager;
- Basic Service Delivery and Public Participation : Director: Community Development;
- Financial Viability and Financial Management : Director: Finance;
- Local Economic Development : Director Economic Development; and
- Infrastructure for Service Delivery : Director Infrastructure and Planning

3.4.2 Employment Equity

During the restructuring process the implementation of EE principles was limited as a result of various collective agreements (i.e. Placement). In spite of this the municipality has made great strides in improving its employee profile at all levels in order to be more representative of the community it serves. Training of designated employees is also creating opportunities to acquire the necessary skills to enable them to function as key role players in the municipality.

The top management of the Municipality is fully compliant with employment equity standards, consisting of the Municipal Manager and 4 Directors. It exists of one ethnic Black, two Coloured and two white persons. Due to the placement process white persons are over represented in the rest of the senior management and this will be addressed when vacancies occur, subject to the competency of applicants. (In this paragraph top management refers to the Municipal Manager and Directors and senior management to the rest of the management cadre).

An interim EE policy has been finalized and cognizance of the demographics of the population is taken into account during the recruitment and selection processes.

3.4.3 Skills Development

Overstrand Municipality endorses the need to combine skills challenges beyond legislative compliance by budgeting more than the 1% prescribed and also takes on the broader skills demands of the Integrated Development Plan (IDP) and economic development.

When compiling the Skills Plan cognizance is taken of the essential need to link the skills requirements to the Municipality's IDP as well as its strategic priorities and its service delivery focus areas

TRAINING 2006/2007	AMOUNT
ABC COURSE & LOW VOLTAGE	10
ABET	35
OCCUPATIONAL HEALTH & SAFETY	40
CABLE JOINTING	2
CONFLICT MANAGEMENT	21
CORRESPONDENCE	1
DRIVING ASSESSMENTS	30
DRIVING LESSONS	1
FIXED ASSETS REGISTERS	3
HAZMENT AWARENESS	13
INCAPACITY IN THE WORKPLACE	2
INTRODUCTION TO SCM	57
LINUX DB 4 SYSTEM ADMINISTRATION	2
MASTERCLASS SEMINAR WITH ANDREW LEVY	2
MATRIC	1
MODEL MAKER SYSTEMS	2
FIRST AID	22
ORG PLUS TRAINING	1
GRADER TRAINING	4
PAYDAY	1
POWER TRANSFORMER MAINTENANCE	1
COMPUTER	5
SDF TRAINING	1
STUDY LOANS	14
SUPERVISOR TRAINING	20
TRADE TEST	2
TRAFFIC	4
WATER & WASTEWATER TREATMENT	2
OPERATOR TRAINING	5

3.4.4 Integrated Development Plan (IDP)

The IDP for the next five year cycle was approved and implemented by Council. The IDP for the Overstrand Municipality is seen as the single, inclusive and strategic plan for the municipality. The IDP was prepared in line with set timeframes approved by Council in August 2005. Community needs were addressed and prioritised at ward level.

3.4.5 Performance Management

The Service Delivery Budget Implementation Plan (SDBIP) is being used as a performance management, implementation and monitoring tool that will assist and guide the Executive Mayor, Councillors, Municipal Manager, Senior Managers and the community. The plan serves as the basis of the performance assessments of the Municipal Manager and directors. It also forms the basis for the monthly, quarterly, mid-year and the annual assessment report.

The SDBIP provides in-year information such as quarterly service delivery and monthly budget targets and links each service delivery output to the budget of the municipality.

The SDBIP provides the vital link between the Executive Mayor, the Council and the Administration and facilitates the process of holding management accountable for its performance.

3.5 KPA 5: GOOD GOVERNANCE

3.5.1 Third Junior Council inaugurated

Overstrand's third junior council was inaugurated on Thursday 27 July 2006. Consisting of 32 scholars from grade 9 to 11 at various schools, the group is representing the school going youth of 10 communities in the municipal area. They are also representative of all major race and culture groups in the area

3.5.2 Mail Registration

The implementation of an electronic mail system at the corporate head office, Hermanus, Kleinmond administration, Housing Department and Traffic Department in order to enable proper control over flow, execution and record keeping of incoming mail commenced on 27 June 2007.

3.5.3 Timeous response on reported disruption of service delivery

Operational staff is successfully attending to incidents (also after hours). The capacity to effectively implement and operate the works order system (Engineering Management Information System) was increased in the form of appointment of additional administrative staff.

Abovementioned staff will also assist superintendents to administer works orders and perform other duties

3.5.4 Achievement /Accolades

The organisation was awarded the Vuna Awards for Municipal Performance Excellence (2006) on both Provincial and National level in December 2006. Out of the 5 National Key Performance Areas (KPA's), the Municipality was also awarded 2 of the KPA's namely; Municipal Financial Viability and Good Governance.

3.5.5 Public Participation, Accountability and Transparency

3.5.5.1 Administrative support services and customer care services

Help desks were rolled out at Hermanus, Gansbaai, Stanford, Kleinmond, Traffic and Law Enforcement sections by appointing dedicated personnel and by equipping staff with computer programmes, (works order systems and electronic mail).

3.5.5.2 Standardized picture signage on Batho Pele principles were also made in portrait format for all helpdesks and other departments.

3.5.5.3 A centralised 24-hour control room, was created at the Corporate head Office. The facility is in use as from 30 June 2007. Two new personnel members were also

appointed to create capacity in the centre. The telephone switchboard also moved into the centre to render an integrated service. The centre monitors after-hours access control and improves security at the two corporate buildings. A total of 30 incoming calls can be simultaneously attended to by means of a pre-recorded voicemailing system. The facility reduces customer's/callers frustration in instances where operators are not available.

3.5.6 Ward Committee System

Public participation processes were successfully maintained through the ward committees. On average nine scheduled meetings were held in each of the ten respective wards. The overall average turnout rate per committee was 8 (taking into consideration that wards 1 and 2 have joint meetings. Reports are also produced for the Speaker to monitor ward committees.

3.5.7 Intergovernmental Relations

Numerous intergovernmental relations structures exists, inter alia Premiers Intergovernmental Forum (PIF) – where all municipalities meet on Provincial level with Provincial members, with the Premier chairing these meetings. The Provincial Advisory Forum (PAF) – where all municipalities meet with the Provincial Minister of Local Government and Housing. District Advisory Forum (DIF) – where municipalities in the district meet, with the District Mayor chairing the meeting. This meeting was seldom held and is a cause for concern.

The above meetings are normally attended by the Executive Mayor and Municipal Manager. They also have an operational and technical leg, especially PAFTECH and DIFTECH where officials (normally Municipal Managers) meet to give effect to the decisions of the political leg and to inform the agendas. LGMTECH meetings are also attended where budgetary and financial matters are discussed culminating in a meeting with 3 provincial Ministers (Finance, Planning and Economic Development and Local Government) where the budgets of all municipalities are discussed in detail with each municipality.

3.5.8 Vehicle Fleet management

The total number of vehicles to the value of R9,122,953 were purchased. Vehicles include an additional sewer tanker, refuse compactor, mechanical sweeper etc. Vehicles are also fitted with tracking devices to monitor usage.

CHAPTER 4

HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

The Human Resources component plays a supportive administrative function to furnish the Office of the Municipal Manager and the different directorates with accurate and comprehensive information.

The Manager: Human Resources is assisted by four Human Resource Practitioners specializing in the following fields:

- Personnel Administration
- Recruitment and Selection
- Employment Equity
- Training and Development (Budget of R800 000)
- Organizational Development (Job Descriptions for 914 permanent approved positions on the Organization Structure)
- Labour Relations including disciplinary hearings in accordance with Disciplinary Code
- Occupational Health and Safety

Staff is governed in terms of various legislative enactments e.g the Labour Relations Act, (Act 66 of 1995) the Basic Conditions of Employment Act, (Act 55 of 1998) the Systems Act (Act 32 of 2000) as well as various collective agreements concluded between the recognized employer and employee parties.

All negotiations between the parties are conducted under the auspices of the South African Local Government Bargaining Council (SALGBC) the recognized sector institution for Local Government in South Africa. The Employer is represented by the South African Local Government Association (SALGA) and the employees by either IMATU or SAMWU, the recognized trade unions in this sector.

The following are some of the key outcomes in respect of this area:

4.1 TRAINING AND DEVELOPMENT

Overstrand Municipality endorses the need to combine skills challenges beyond legislative compliance by budgeting more than the 1% prescribed and also takes on the broader skills demands of strategic objectives written into the Integrated Development Plan (IDP) and department objectives of the Service Delivery and Budget Implementation Plan (SDBIP). It is the objective of this section to improve service delivery by creating a learning culture in the organisation.

The Overstrand Municipality, like all other local authorities, must submit a Workplace Skills Plan to LGSETA in terms of the Skills Development Act, (Act 97 of 1998) and related legislation.

It is the role and function of the Skills Development Facilitator to gather, facilitate and analyse information in relation to the Workplace Skills Plans which will meet the needs of the organization, individual learners, the sector and national skills priorities. In compiling the Skills Plan for 2007/2008 cognizance was taken of the essential need to link the skills requirements to the Municipality's IDP as well as its strategic priorities and its service delivery focus areas.

As from 2008 the focus of training will shift to entering employees for learnerships. These learnerships are occupationally based learning pathways which will result in employees receiving certificates for accredited training. Learnerships are designed to meet the needs of Municipalities at all levels. Due to the structured combination of theory and workplace experience the learners are operational and employable after the learnership training. Moreover, Learnerships are a tool for sound staff development. It will help develop a competent workforce at the middle and upper management levels.

At present there are 36 lower level employees receiving Adult Basic Education training that will eventually capacitate them to enter learnerships on NQF level 4. The design of ABET programmes are changed to have workplace relevance.

4.2 HEALTH AND SAFETY COMPLIANCE

Legislative provisions regulate health and safety matters in the Local Government Sector. Health and Safety Committees were established according to the requirements of the Occupational Health and Safety Act. Managers appointed by the Municipal Manager in terms of Section 16(2) and Health and Safety Representatives elected by the employees are responsible for the functioning of the Safety Committees.

Recently a Senior Professional Nurse was employed to ensure compliance with statutory requirements by providing a Primary Health Care Service and managing effective Occupational Health Programs. An Alcohol and Drug Policy was implemented during 2007 in order to improve the social well being of employees and to limit absenteeism.

4.3 LABOUR RELATIONS: COLLECTIVE BARGAINING / DISCIPLINARY CODE

Parties to the SALGBC (SALGA, IMATU and SAMWU) concluded an Organizational Right Agreement in 2003. This was done to create an environment conducive to sound industrial relations in local government in South Africa.

The following matters are some of those which are subject to collective bargaining at national level only:

- Remuneration
- Medical Aid
- Retirement Funds
- Hours of work
- Leave

In terms of the Organisational Rights Agreement a Local Labour Forum must be established to discuss labour matters of a local nature. During 2007 the Overstrand LLF

resumed its monthly meetings. The position of chairperson rotates annually between the two parties for the employer and employees respectively.

Structures are in place to promote uniformity and consistency for managing discipline and grievances.

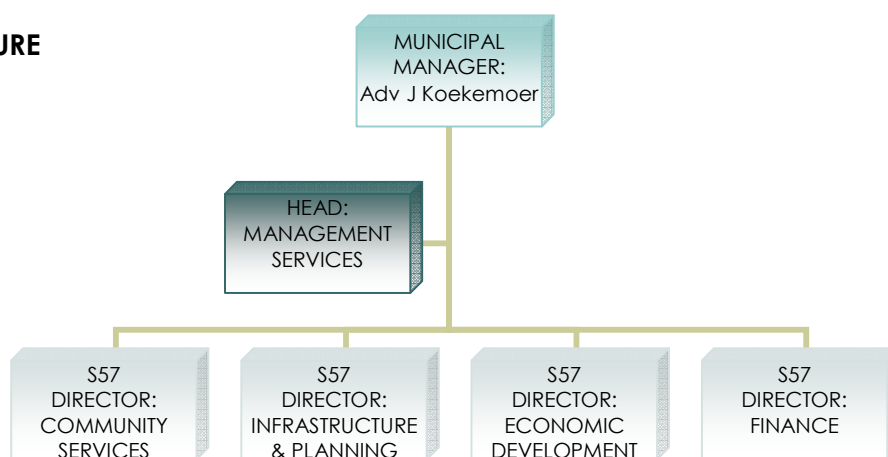
4.4 ORGANISATIONAL RESTRUCTURING AND RECRUITMENT

Ongoing recruitment and selection process have been followed since final restructuring in 2004. . The focus was firstly on internal staff in order to provide them with promotional opportunities based on their qualifications and/or experience in respect of acquired learning, as well as the fact that many of them already performed the function for a long time as temporary employees.

During this process it became apparent that certain scarce skills are in short supply be it internal or external. Examples of this are: electricians technicians, town planning, financial management and general technical skills i.e. water and sewerage, cleansing and roads. In some cases external recruitments were undertaken at great cost to the municipality in order to ensure that it could maintain delivery. The shortage of certain skills in the marketplace was an inhibiting factor.

Restructuring caused the organograms to be changed from time to time. By its nature an organization as diverse as a municipality has to constantly review its structure in order to ensure that it meets its service delivery objectives. Any changes to the organizational structure will be managed within the confines of the prevailing labour dispensation

MACRO STRUCTURE



4.5 EMPLOYMENT EQUITY (EE)

During the restructuring process the implementation of EE principles was limited as a result of various collective agreements (i.e. Placement). In spite of this the municipality has made great strides in improving its employee profile at all levels in order to be more representative of the community it serves. Training of designated employees is also creating opportunities to acquire the necessary skills to enable them to function as key role players in the municipality.

The top management of the Municipality is fully compliant with employment equity standards. Due to the placement process white persons are over represented in the rest

of the senior management and thus will be addressed when vacancies occur, subject to the competency of applicants.

An interim EE policy has been finalized and cognizance of the demographics of the population is taken into account during the recruitment and selection processes.

Workforce Profile

1. Occupational Categories

Total number of **employees** (including employees with disabilities) in each of the following **occupational categories**: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Categories: Note: A=Asians, C=Coloureds, I=Indians and W=Whites

Occupational Categories											TOTAL
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male	Female	
Legislators, senior officials and managers	1	3	-	-	1		3	22			30
Professionals	1	2	-	-	2	-	6	2			13
Technicians and associate professionals	2	8	-	2	2		9	25			48
Clerks	10	30	-	13	55		47	3			158
Service and sales workers	1	22	-	1	2		1	13			40
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-			-
Craft and related trades workers	3	10	-	1	-	-	-	6			20
Plant and machine operators and assemblers	34	52	-	-	-	-	-	12			98
Elementary occupations	190	162	-	7	17	-	2	12			390
TOTAL PERMANENT	242	289	-	24	79	-	68	95			797
Non – permanent employees	38	28	-	4	11	-	7	29			117
GRAND TOTAL	280	317	-	28	90	-	75	124			914

Total number of **employees with disabilities only** in each of the following occupational categories: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Categories											TOTAL
	Male				Female				Foreign Nationals		
	A	C	I	W	A	C	I	W	Male	Female	
Legislators, senior officials and managers		1									
Professionals											
Technicians and associate professionals											
Clerks											
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades workers											
Plant and machine operators and assemblers											
Elementary occupations											
TOTAL PERMANENT		1									1
Non – permanent employees											
GRAND TOTAL		1									1

2. Occupational levels

Total number of **employees** (including employees with disabilities) in each of the following **occupational levels**: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels											TOTAL
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male	Female	
Top management	1	2	-	-	-	-	-	3	-	-	6
Senior management	-	2	-	-	1	-	3	19			25
Professionally qualified and experienced specialists and mid-management	1	2	-	-	1	-	3	11	-	-	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	15	-	2	4	-	15	29	-	-	67
Semi-skilled and discretionary decision making	47	106	-	15	56	-	45	20	-	-	289
Unskilled and defined decision making	191	162	-	7	17	-	2	13	-	-	392
TOTAL PERMANENT	242	289	-	24	79	-	68	95	-	-	797
Non – permanent employees	38	28	-	4	11	-	7	29	-	-	117
GRAND TOTAL	280	317	-	28	90	-	75	124	-	-	914

4.6 BIOMETRIC TIME AND ATTENDANCE

Overstrand Municipality is one of the first government institutions to embrace biometrics to comply with the requirements of the Basic Conditions of Employment Act that an employer must keep record of time worked by employees. Biometric Time and Attendance was an obvious choice to replace the municipality's previous manual registers to record the hours worked by its 914 employees at 37 different sites. By making use of finger print authentication this system enables the organisation to accurately capture staff attendance on a daily basis.

4.7 INTEGRATION WITH THE PUBLIC SECTOR

Movements have started at Central Government and SALGA towards creating a single public service. Many problems, legal and otherwise, are foreseen in this regard, depending on the manner in which this is handled by either collective bargaining or the Central Government.

CHAPTER 5

AAUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION

The annual financial statements of the Overstrand Municipality are attached hereto. This was submitted to the Auditor-General on 31 August 2007 as required by Section 126(1)(a) of the MFMA

**OVERSTRAND
MUNICIPALITY**

**ANNUAL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2007**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 42, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 25 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.


Adv. J F Koekemoer
Municipal Manager

31/08/07
Date

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Appendix C: Segmental Analysis of Property, Plant and Equipment

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Appendix E(1): Actual versus Budget (Revenue and Expenditure)

Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)

Appendix F: Disclosures of Grants and subsidies in Terms of the Municipal Finance Management Act

Appendix G: MFMA Exemptions - Implementation Plan

OVERSTRAND MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007

	Note	2007 R	2006 R
NET ASSETS AND LIABILITIES			
Net assets		364 021 306	277 777 374
Housing Development Fund	1	3 305 463	3 210 167
Capital replacement reserve		66 436 547	38 501 673
Capitalisation reserve		92 875 447	101 749 081
Government grant reserve		45 547 140	31 839 296
Donations and public contribution reserves		5 848 966	2 896 133
Self-Insurance reserve		27 080	80 980
Revaluation Reserve		0	18 000 000
Accumulated Surplus/(Deficit)		149 980 663	81 500 044
Non-current liabilities		100 284 103	87 669 606
Long-term liabilities	2	50 554 981	40 542 084
Non-current provisions	3	49 729 122	47 127 522
Current liabilities		142 809 729	103 507 073
Consumer deposits	4	8 861 602	7 730 722
Provisions	5	3 363 498	1 213 498
Creditors	6	98 742 699	25 776 186
Unspent conditional grants and receipts	7	24 852 485	23 739 502
Current portion of long-term liabilities	2	6 989 445	45 047 165
Total Net Assets and Liabilities		607 115 138	468 954 053
ASSETS			
Non-current assets		373 181 895	308 797 400
Property, plant and equipment	9	364 143 707	265 378 325
Investment Property	10	0	33 645 323
Investments	11	8 134 323	7 962 693
Long-term receivables	12	903 866	1 811 059
Current assets		233 933 243	160 156 653
Inventory	13	1 899 515	1 468 994
Consumer debtors	14	25 521 252	20 171 612
Other debtors	15	61 013 034	6 886 443
Current portion of long-term debtors	12	498 059	758 190
VAT	8	4 939 750	22 992
Call investment deposits	16	55 017 454	109 455 591
Bank balances and cash	17	85 044 179	21 392 831
Total Assets		607 115 138	468 954 053

OVERSTRAND MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2007

		Actual	
	Not e	2007 R	2006 R
REVENUE			
Property rates	18	71 981 101	62 414 355
Property rates - penalties imposed and collection charges		335 289	483 309
Service charges	19	174 696 958	152 708 429
	21		
Leases : Operating leases	a	5 371 142	5 015 792
Interest earned - external investments		12 884 506	8 030 838
Interest earned - outstanding debtors		1 139 731	1 270 799
Dividends received		7 075	3 504
Fines		2 718 379	2 879 543
Licences and permits		1 569 973	1 841 462
Income for agency services		4 256 760	12 457 873
Government grants and subsidies	20	30 599 252	20 617 664
Other income	21	10 165 264	8 127 390
Public contributions, donated and contributed property, plant and equipment		3 111 588	3 538 641
Gains on disposal of property, plant and equipment		38 430 776	640 609
Total Revenue		357 267 794	280 030 208
EXPENDITURE			
Employee related costs	22	88 058 032	80 469 030
Remuneration of Councillors	25	3 882 186	2 273 433
Bad debts		315 963	3 500 000
Collection costs			284 892
Depreciation		25 007 753	20 251 468
Repairs and maintenance		33 088 279	19 204 094
Interest paid	23	6 397 901	5 646 720
Bulk purchases	24	39 256 492	34 106 609
Contracted services		5 106 079	4 993 359
Grants and subsidies paid	26	12 778 026	6 902 837
General expenses		55 824 884	73 658 214
Total Expenditure		269 715 595	251 290 656
SURPLUS/(DEFICIT) FOR THE YEAR		87 552 199	28 739 552

Refer to Appendix E(1) for the comparison with the approved budget

Due to GRAP/GAMAP reporting framework it appears as if a large surplus has realised for the financial year. The appropriations against the surplus are reflected in the statement of Change in Net Assets and amounts to R79 668 050. The realisable surplus for the year under review amounts to R7 884 149

OVERSTRAND MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007

	Housing Development Fund R	Capital Replacement Reserve R	Capitalisation Reserve R	Government Grant Reserve R	Donations and Public Contribution Reserve R	Self Insurance Reserve R	Revaluation Reserve R	Accumulated Surplus/ (Deficit) R	Total R
2006									
Balance at 1 July 2005	9 857 444	13 553 751	110 465 115	27 427 213	927 572	15 985	0	89 716 325	251 963 406
Correction of error (Note 27 & 28)							18 000 000	-20 925 583	-2 925 583
Change in accounting policy									0
Restated balance	9 857 444	13 553 751	110 465 115	27 427 213	927 572	15 985	18 000 000	68 790 742	249 037 823
Net surplus/(deficit) for the year								28 739 552	28 739 552
Transfer to CRR		37 790 689						-37 790 689	0
Property, plant and equipment purchased		-12 842 767						12 842 767	0
Capital grants used to purchase PPE				6 440 886				-6 440 886	0
Donated/contributed PPE					2 020 189			-2 020 189	0
Contribution to Insurance Reserve						192 953		-192 953	0
Insurance claims processed						-127 959		127 959	0
Transfer to Housing Development Fund	-6 647 277							6 647 277	-0
Asset disposals									0
Offsetting of depreciation			-8 716 035	-2 028 803	-51 628			10 796 465	0
Balance at 30 June 2006	3 210 167	38 501 673	101 749 081	31 839 296	2 896 133	80 980	18 000 000	81 500 044	277 777 374
2007									
Correction of error (Note 27 & 28)								-1 308 267	16 691 733
Change in accounting policy								0	0
Restated balance at 1 July 2006	3 210 167	38 501 673	101 749 081	31 839 296	2 896 133	80 980	18 000 000	80 191 777	294 469 107
Net surplus/(deficit) for the year								87 552 199	87 552 199
Transfer to CRR		60 538 517						-60 538 517	0
Property, plant and equipment purchased		-50 603 644						50 603 644	0
Capital grants used to purchase PPE				15 976 549				-15 976 549	0
Donated/contributed PPE					3 111 588			-3 111 588	0
Contribution to Insurance Reserve						2 216		-2 216	0
Insurance claims processed						-56 116		56 116	0
Transfer to Housing Development Fund	95 296							-95 296	0
Asset disposals		18 000 000					-18 000 000	0	0
Offsetting of depreciation			-8 873 634	-2 268 705	-158 755			11 301 094	0
Balance at 30 June 2007	3 305 463	66 436 547	92 875 447	45 547 140	5 848 966	27 080	0	149 980 663	382 021 306

OVERSTRAND MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		240 745 929	248 592 061
Cash paid to suppliers and employees		161 550 845	203 416 592
Cash generated from/(utilised in) operations	29	79 195 084	45 175 469
Dividends received		7 075	3 504
Interest received		14 024 237	9 301 636
Interest paid		(6 397 901)	(5 646 720)
NET CASH FROM OPERATING ACTIVITIES		<u>86 828 494</u>	<u>48 833 890</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(108 127 813)	(38 974 225)
Proceeds on disposal of property, plant and equipment		56 430 776	640 609
(Increase)/decrease in PPE due to correction of error		(33 645 323)	
(Increase)/decrease in investment properties		33 645 323	(7 475 054)
(Increase)/decrease in non-current receivables		1 167 324	6 738 752
(Increase)/decrease in non-current investments		(171 630)	32 718 818
(Increase)/decrease in call investment deposits		54 438 137	(20 692 581)
NET CASH FROM INVESTING ACTIVITIES		<u>3 736 794</u>	<u>(27 043 681)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(28 044 822)	299 333
Increase/(decrease) in consumer deposits		1 130 880	1 088 371
(Increase)/decrease in short-term loans		-	-
NET CASH FROM FINANCING ACTIVITIES		<u>(26 913 942)</u>	<u>1 387 704</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>63 651 346</u>	<u>23 177 912</u>
Cash and cash equivalents at the beginning of the year	17	21 392 831	(1 785 081)
Cash and cash equivalents at the end of the year	17	85 044 179	21 392 831

The Cash Flow Statement has been restated for 2006 to correct the errors that were reported in the audit report for the year ended 30 June 2006

**OVERSTRAND MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention.

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

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interest in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Assets
GAMAP 6, 7, and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.	

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

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality are attached as Annexure A and have been provided for in the notes to the annual financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

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

2. PRESENTATION CURRENCY

The annual financial statements are presented in South African Rand and are rounded off to the nearest R1.

3. GOING CONCERN ASSUMPTION

The annual financial statements have been prepared on the assumption that the municipality is a going concern and will continue in operation for the foreseeable future.

4. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

5. RESERVES

5.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/ (deficit) to the CRR in terms of the Annual Budget. The cash in the CRR Account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/ (deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

5.2 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/ (deficit) in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

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

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

5.3 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/ (deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/ (deficit). When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

5.4 Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/ (deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

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

5.5 Self-Insurance Reserve

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

5.6 Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/ (deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus/ (deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Fixed Assets

Property, plant and equipment, is stated at cost, less accumulated depreciation.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The recognition of impairment losses has not been done as it is exempted. It is expected that an assessment of impairments will be done by 30 June 2009.

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

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended is examples of subsequent expenditure which should be capitalised.

7.2 Depreciation

Depreciation is calculated on cost, using the straight line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives (unless a technical assessment of an individual asset concludes that a material variation is necessary):

	Years		Years
Infrastructure		Other	
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	1-7
Sewerage	15-20	Furniture and fittings	1-10
Housing	30	Watercraft	15
		Bins and containers	5
Community		Specialized plant and equipment	10-15
Improvements	30	Other plant and equipment	2-5
Recreational Facilities	20-30	Intangible assets	2-5
Security	5		

The review of the useful life and the depreciation method of recognised assets were not assessed. It is expected that this assessment will be done by 30 June 2009.

7.2.1 Heritage assets

These are assets that are defined as culturally significant resources which are not depreciated owing to the uncertainty regarding their estimated useful lives.

7.2.2 Land

Land is not depreciated as it is deemed to have an indefinite life.

7.2.3 Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is commissioned into use.

7.2.4 Non-current assets held for sale

The re-classification of non-current assets to current assets when it is held for sale was not done as this Standard, IFRS 5 has been exempted. This will be done by 30 June 2009.

The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Performance as gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale, is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset or the disposal group.

7.2.5 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, where applicable.

In terms of IAS 38, intangible assets are distinguished between internally generated intangible assets and other intangible assets. It is further distinguished between indefinite or finite useful lives.

Intangible assets with finite useful lives are amortised over its useful life.

7.3 Landfill sites

The Municipality has an obligation to rehabilitate its landfill sites in terms of its licence stipulations. Provision is made for this obligation in accordance with the Municipality's accounting policy on non-current provisions – see Accounting Policy 13 on Provisions.

7.4 Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance. The Municipality has not assessed whether items of property, plant and equipment are impaired. It is expected that an assessment of impairments will be done by 30 June 2009.

8. INVESTMENT PROPERTY

Investment property is property held to earn rental revenue or for capital appreciation or both. The assets that were incorrectly classified as Investment Properties have been reverted back to Property, Plant and Equipment. It is expected that assets recognised as Investment Property, will be done by 30 June 2009.

9. FINANCIAL INSTRUMENTS

The municipality has various types of financial instruments and these can be broadly categorised as either financial assets or financial liabilities.

9.1 Financial Assets

In accordance with IAS 32 and IAS 39, the municipality classifies its investments in the following categories:

- Loans and Debtors,
- Investments to be kept until maturity and
- Financial assets available for sale.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. This will be done by 30 June 2009.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

9.1.1 Loans and Debtors

Loans and debtors are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the municipality provides money, goods or services directly to a debtor without any intention of trading such debtors. Loans and debtors are included in consumer and other debtors in the balance sheet and carried at amortised cost.

An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

9.1.2 Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are included under non-current and current assets in the balance sheet and carried at cost.

9.1.3 Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that designated as available-for-sale and comprises of cash and equity instruments held in shares. They are included under current assets in the balance sheet and are carried at cost.

9.2 Financial Liabilities

In accordance with IAS 32 and IAS 39, financial liabilities are classified in the following categories:

- Contracted obligations and
- Loans to be kept until maturity.

9.2.1 Contractual Obligations

Financial liabilities representing a contractual obligation to deliver cash in the future are reflected as creditors payable in the balance sheet under current liabilities. They are stated at fair value through profit and loss.

9.2.2 Loans Held-to-maturity

Loans held-to-maturity are long term financial liabilities with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are included under non-current liabilities in the balance sheet and are carried at amortised cost.

10. INVENTORIES

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs. Unsold properties that meet the definition of Inventory need not be re-classified or recorded as inventories. They are being disclosed along with property, plant and equipment in the annual financial statements.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

11. REVENUE RECOGNITION

Revenue involves the fair value of the remuneration received or receivable for the sale of services or goods in the ordinary course of the municipality's activities.

Revenue is shown net of value-added tax and allowances and discounts. Revenue is recognised as follows:

11.1 Revenue from Exchange Transactions

11.1.1 Service Charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced.

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

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

11.1.2 Pre-paid electricity

Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

11.1.3 Interest earned

Interest and rentals are recognised on a time proportion basis.

11.1.4 Dividends

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

11.1.5 Charges

Revenue arising from the application of the approved tariff of charges is recognised when the service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

11.1.6 Income from agency services

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

11.1.7 Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

11.1.8 Sale of goods

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

- ◆ The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- ◆ The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- ◆ The amount of revenue can be measured reliably.
- ◆ It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- ◆ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

11.1.9 Public contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

11.2 Revenue from non-exchange transactions

11.2.1 Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

11.2.2 Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

11.2.3 Donations and Contributions

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

Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

11.2.4 Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

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

12. CONDITIONAL GRANTS AND RECEIPTS

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

13. PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the municipality.

14 POST RETIREMENT BENEFITS

14.1 Pension, Provident and Retirement Funds

The Municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

14.2 Medical Aid: Continued Members

The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds, with which the Municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

15. LEASES

The Municipality as Lessee

In terms of IAS 17, leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

16. BORROWING COSTS

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

17. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

18. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

19. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

20. FRUITLESS AND WASTEFUL EXPENDITURE

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

21. FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

22. COMPARATIVE INFORMATION

22.1 Current year comparatives:

Budgeted amounts have been included in the annual financial statements.

22.2 Prior year comparatives:

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

ANNEXURE

EXEMPTIONS FOR HIGH CAPACITY MUNICIPALITIES IN TERMS OF CLAUSE 2(2) OF THIS NOTICE

High capacity municipalities must comply with GRAP and GAMAP standards prescribed in General Notice 991 and 982 of 2005, except for the standards or parts of standards as set out below.

Financial reporting standard		Extent of exemption from standard	Exemption period
GRAP 3	Accounting policies, changes in accounting estimates and errors	Identification and impact of GRAP standards that have been issued but are not yet effective and changes to accounting policies (paragraphs 14, 19 and 30 - 31)	For the 2006/07 and 2007/08 financial years
GAMAP 17	Property, plant and equipment (PPE)	Review of useful life of items of PPE recognized in the annual financial statements (paragraphs 69 - 61, and 77)	For the 2006/07 and 2007/08 financial years
		Review of depreciation method applied to PPE recognized in the annual financial statements (paragraphs 62 and 77)	For the 2006/07 and 2007/08 financial years
		Impairment of non-cash-generating assets (paragraphs 64 - 69 and 75(e)(v) - (vi))	For the 2006/07 and 2007/08 financial years
		Impairment of cash-generating assets (paragraphs 63 and 75(e)(v) - (vi))	For the 2006/07 and 2007/08 financial years
IAS 36 (AC 128)	Impairment of assets	Entire standard	For the 2006/07 and 2007/08 financial years
GAMAP 12	Inventories	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17	For the 2006/07 and 2007/08 financial years
		The entire standard to the extent that it relates to water stock that was not purchased by the municipality	For the 2006/07 and 2007/08 financial years
IAS 40 (AC 135)	Investment property	The entire standard to the extent that the property is accounted for in terms of GAMAP 17	For the 2006/07 and 2007/08 financial years
		Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of this standard (paragraphs 79(e)(i) - (iii))	For the 2006/07 and 2007/08 financial years

ANNEXURE

Financial reporting standard		Extent of exemption from standard	Exemption period
IAS 17 (AC 105)	Leases	Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement. (SAICA circular 12/06 paragraphs 8 – 11 and paragraphs 33, 34, 50, 51 of IAS 17 / AC 105)	For the 2006/07 and 2007/08 financial years
IAS 38 (AC 128)	Intangible assets	The entire standard except for the recognition, measurement and disclosure of computer software and website costs (SIC 32/AC 432) and all other costs are expensed.	For the 2006/07 and 2007/08 financial years
IAS 19 (AC 116)	Employee benefits	Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. (paragraphs 29, 48 - 119, 120A(c) – (q))	For the 2006/07 and 2007/08 financial years
GAAP 9	Revenue	Initial measurement of fair value discounting all future receipts using an imputed rate of interest. (SAICA circular 09/06 and paragraph 12)	For the 2006/07 and 2007/08 financial years
IAS 39 (AC 133)	Financial instruments: Recognition and measurement	Initially measuring financial assets and financial liabilities at fair value. (SAICA circular 09/06, paragraph 43, AG 79, AG84 and AG85 of IAS 39 / AC 133)	For the 2006/07 and 2007/08 financial years
IFRS 5 (AC 142)	Non-current assets held for sale and discontinued operations	Classification, measurement and disclosure of non-current assets held for sale (paragraphs 6 – 14, 15 – 29 (in so far as it relates to non-current assets held for sale), 38 – 42)	For the 2006/07 and 2007/08 financial years
IFRS 7 (AC144)	Financial instruments: Disclosures	Entire Standard to be replaced by IAS 32 (AC125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998	For the 2006/07 and 2007/08 financial years
IAS 14 (AC 115)	Segment reporting	Entire Standard	For the 2006/07 and 2007/08 financial years
IFRS 8 (AC 145)	Operating segments	Entire Standard	For the 2006/07 and 2007/08 financial years

ANNEXURE

Financial reporting standard		Extent of exemption from standard	Exemption period
IAS 11 (AC 108)	Construction contracts	Entire standard	For the 2006/07 and 2007/08 financial years
IFRS 3 (AC 140)	Business combinations	Entire standard	For the 2006/07 and 2007/08 financial years
IAS 20 (AC 134)	Accounting for government grants and disclosure of government assistance	Entire standard excluding paragraph 24 and 28, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 - 46 of GAMAP 9	For the 2006/07 and 2007/08 financial years

OVERSTRAND MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
1 HOUSING DEVELOPMENT FUND		
Housing Development Fund	3 305 463	3 210 167
Unappropriated Surplus	<u>3 305 463</u>	<u>3 210 167</u>
The Housing Development Fund is represented by the following assets and liabilities		
Instalment Sales Debtors (see note 12)	49 700	50 401
Consumer Debtors (see note 14)	9 942	979 384
Cash and cash equivalents	3 245 821	2 180 382
Total Housing Development Fund Assets and Liabilities	<u><u>3 305 463</u></u>	<u><u>3 210 167</u></u>
2 LONG TERM LIABILITIES		
	(Classification : held to maturity)	
Annuity Loans	57 544 426	47 449 750
Capitalised Lease Liability	0	38 139 498
Sub-Total	<u>57 544 426</u>	<u>85 589 248</u>
Less: Current portion transferred to current liabilities	6 989 445	45 047 165
Annuity Loans	<u>6 989 445</u>	<u>45 047 165</u>
Total External Loans	<u><u>50 554 981</u></u>	<u><u>40 542 084</u></u>
Refer to Appendix A for more detail on long-term liabilities.		
3 NON-CURRENT PROVISIONS		
Provision for rehabilitation of tip sites	3 282 000	4 432 000
Provision for the clearing out of alien vegetation	5 100 000	1 225 000
Provision for the cleaning up of illegal dumping	4 282 000	4 405 400
Provision for post retirement benefits	37 065 122	37 065 122
Total Non-Current Provisions	<u><u>49 729 122</u></u>	<u><u>47 127 522</u></u>
Provision for rehabilitation of tip sites		
Balance at beginning of year	4 432 000	4 432 000
Transfer from non-current		
Contributions to provision	0	0
Transfer to current provisions	-1 150 000	0
Balance at end of year	<u><u>3 282 000</u></u>	<u><u>4 432 000</u></u>
The cost to rehabilitate the site is earmarked at R4 432 000. Provision for R1 150 000 has been made for this program in the 2007/2008 operating budget		
Provision for the clearing out of alien vegetation		
Balance at beginning of year	1 225 000	1 225 000
Transfer from non-current		
Contributions to provision	4 875 000	0
Transfer to current provisions	(1 000 000)	0
Balance at end of year	<u><u>5 100 000</u></u>	<u><u>1 225 000</u></u>
A total area of 26 154ha must be cleared during the next five years and the estimated cost amounts to R5,1m of which an amount of R1m has been provided for in the 2007/2008 operating budget		

	2007 R	2006 R
Provision for the cleaning up of Illegal dumping		
Balance at beginning of year	4 405 400	4 405 400
Transfer from non-current	(123 400)	
Contributions to provision	0	0
Transfer to current provisions	0	0
Balance at end of year	4 282 000	4 405 400

The estimated cost to clean up all illegal dumping in Overstrand amounts to R4 282 000

Provision for post retirement benefits		
Balance at beginning of year	37 065 122	
Transfer to current provisions	0	(1 213 498)
Contributions to provision		21 500
		000
		16 778
Adjustment for actuarial valuation	0	620
Balance at end of year	37 065 122	37 065 122

Post retirement benefits relating to health care benefits and long service bonuses have been provided for. An actuarial valuation has been carried out by a professional actuary as at 30 June 2006 to substantiate the amount previously reported. As the municipality is currently exempted from complying with certain aspects of IAS 19, no adjustment has been made for the current reporting period.

4 CONSUMER DEPOSITS

Electricity and water	8 861 602	7 730 722
Total Consumer Deposits	8 861 602	7 730 722

5 CURRENT PROVISIONS

Rehabilitation of tip sites	1 150 000	
Clearing out of alien vegetation	1 000 000	
Cleaning up of illegal dumping	0	0
Post retirement benefits	1 213 498	1 213 498
Total Provisions	3 363 498	1 213 498

The movement in current provisions are reconciled as follows:

Balance at beginning of year	1 213 498	0
Transfer from non-current	2 150 000	1 213 498
Contributions to provision	0	0
Expenditure incurred	0	0
Balance at end of year	3 363 498	1 213 498

6 CREDITORS

(Classification: Contractual obligations at fair value)

Trade creditors	31 559 935	7 550 630
Staff leave	4 842 455	4 054 237
Payments received in advance	4 476 392	4 534 701
Suspense accounts	2 255 447	1 207 107
Control account - salaries	0	55 643
Control account - sundry	42 274 750	938 912
Control account - Creditors	2 890 287	834
Retention money	3 837 508	1 483 853
Deposits - Builders	6 093 709	5 695 259
Deposits - Other	154 553	157 909
Insurance claims	19 366	7 856
Prepaid Vending	338 298	89 245
Total Creditors	98 742 699	25 776 186

2007
R

2006
R

UNSPENT CONDITIONAL GRANTS AND RECEIPTS

7.1 Conditional Grants from other spheres of Government

National Government Grants
Provincial Government Grants
District Municipality Grants

7 400 367

8 184 174

1 172 647
6 225 996
1 724

1 898 597
6 183 853
101 724

7.2 Other Conditional Receipts

Developers Contribution - Electricity
Developers Contribution - Water
Developers Contribution - Sewerage
Developers Contribution - Roads
Developers Contribution - Storm Water
Developers Contribution - Sandbaai Erf 1448 - 14 Units
Developers Contribution - Parking
Public contributions

17 452 118

15 555 328

3 159 542
6 936 989
4 060 339
16 702
24 612
731 245
1 888 608
634 080

3 116 363
5 300 929
3 047 409
0
450 900
257 089
1 915 759
1 466 878

Total Conditional Grants and Receipts

24 852 485

23 739 502

VAT

(Classification : loans and receivables)

Vat receivable/ (payable)

4 939 750

22 991

Vat is payable on the receipts basis. Only when payment is received from debtors, VAT is paid over to SARS.

OVERSTRAND MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

9 PROPERTY, PLANT AND EQUIPMENT

30 June 2007

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2006	51 645 323	174 294 505	17 057 938	1 088 522	54 937 357	299 023 646
Cost	0	247 818 118	21 411 459	1 088 522	88 647 773	358 965 873
Correction of error	33 645 323	0	0	0	0	33 645 323
Revaluation	18 000 000	0	0	0	0	18 000 000
Accumulated depreciation	0	-73 523 613	-4 353 521	0	-33 710 416	-111 587 549
- Cost	0	-73 523 613	-4 353 521	0	-33 710 416	-111 587 549
- Revaluation	0	0	0	0	0	0
Acquisitions	1 250 000	56 106 047	2 605 343	0	23 286 819	83 248 209
Capital under Construction	0	17 898 943	5 730 304	0	1 250 357	24 879 605
Increases/decreases in revaluation	0	0	0	0	0	0
Depreciation	0	-14 037 314	-797 685	0	-10 172 754	-25 007 753
- based on cost	0	-14 037 314	-797 685	0	-10 172 754	-25 007 753
- based on revaluation	0	0	0	0	0	0
Carrying value of disposals	-18 000 000	0	0	0	0	-18 000 000
Cost/revaluation	-18 000 000	0	0	0	0	-18 000 000
Accumulated depreciation	0	0	0	0	0	0
Impaired losses	0	0	0	0	0	0
Other movements	0	0	0	0	0	0
Carrying values at 30 June 2007	34 895 323	234 262 182	24 595 900	1 088 522	69 301 779	364 143 707
Cost	34 895 323	321 823 109	29 747 106	1 088 522	113 184 950	500 739 009
Revaluation	0	0	0	0	0	0
Accumulated depreciation	0	-87 560 927	-5 151 206	0	-43 883 170	-136 595 302
- Cost	0	-87 560 927	-5 151 206	0	-43 883 170	-136 595 302
- Revaluation	0	0	0	0	0	0

30 June 2006

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2005	18 000 000	163 378 854	13 719 717	1 088 522	50 594 088	246 781 181
Cost	0	224 137 262	17 455 501	1 088 522	77 310 361	319 991 646
Correction of error	0	0	0	0	0	0
Revaluation	18 000 000	0	0	0	0	18 000 000
Accumulated depreciation	0	-60 758 408	-3 735 784	0	-26 716 274	-91 210 465
- Cost	0	-60 758 408	-3 735 784	0	-26 716 274	-91 210 465
- Revaluation	0	0	0	0	0	0
Acquisitions	0	20 654 045	3 609 629	95 999	10 711 678	35 071 352
Capital under Construction	0	2 851 132	250 330	0	801 411	3 902 873
Increases/decreases in revaluation	0	0	0	0	0	0
Depreciation	0	-12 770 458	-636 816	0	-6 969 806	-20 377 080
- based on cost	0	-12 770 458	-636 816	0	-6 969 806	-20 377 080
- based on revaluation	0	0	0	0	0	0
Carrying value of disposals	0	0	0	0	0	0
Cost/revaluation	0	0	0	0	0	0
Accumulated depreciation	0	0	0	0	0	0
Impaired losses	0	0	0	0	0	0
Other movements	0	0	0	0	0	0
Carrying values at 30 June 2006	18 000 000	174 113 574	16 942 859	1 184 522	55 137 371	265 378 325
Cost	0	247 642 439	21 315 460	1 184 522	88 823 450	358 965 871
Revaluation	18 000 000	0	0	0	0	18 000 000
Accumulated depreciation	0	-73 528 866	-4 372 601	0	-33 686 080	-111 587 546
- Cost	0	-73 528 866	-4 372 601	0	-33 686 080	-111 587 546
- Revaluation	0	0	0	0	0	0

Overstrand Municipality has taken advantage of the transitional provisions of paragraph .86 of GAMAP 17.

	2007 R	2006 R
10 INVESTMENT PROPERTY		
Fair Value	0	33 645 323
Total Investment Property	<u>0</u>	<u>33 645 323</u>

Reconciliation of investment property

Opening balance of investment property	33 645 323	26 170 269
Transferred (See note 28)	-33 645 323	7 475 054
Closing balance of investment property	<u>0</u>	<u>33 645 323</u>

The value of investment properties recorded in the 2006 financial year, have been re-allocated to Property, Plant and Equipment due to the incorrect classification of these properties.

The recognition of assets as Investment Properties will be done by 30 June 2009.

Revenues earned from rentals are included in the statement of financial performance.

11 INVESTMENTS

Financial Assets

Fixed Deposits	(Classification : held to maturity)	<u>8 134 323</u>	<u>7 962 693</u>
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12 LONG-TERM RECEIVABLES (Classification : loans and receivables)

Land sales	38 120	38 120
Officials: Car loans	830 119	1 850 244
Officials: Study loans	27 909	59 764
Officials: Bursary Fund	4 206	4 206
Housing selling scheme loans	49 700	50 401
Sport clubs	451 871	566 514
	<u>1 401 925</u>	<u>2 569 250</u>
Less: Current portion transferred to current receivables	498 059	758 190
Officials: Car loans	375 880	592 221
Officials: Study loans & Bursaries	32 115	63 970
Housing scheme loans	701	700
Sport clubs	89 364	101 299
Sundry	0	0
Total	<u>903 866</u>	<u>1 811 059</u>

Land Sales

These erven formed part of the previous RDP housing developments and were identified for sale to religious organisations and business premises for SMME's.

Car Loans

Senior staff were entitled to car loans which attracts interest at 8% per annum and which are repayable over a maximum period of 6 years. These loans are repayable in the year 2010.

Study Loans & Bursaries

Bursaries are awarded to staff members for studies at tertiary institutions. If the student should fail, the bursary is converted to a loan, which is repayable over twelve months.

Housing Scheme Loans

The outstanding balances of two church sites attract interest at 13,5% p.a. and will be repaid by 2023 and 2028

Sports Clubs & Other Organisations

The outstanding balances of loans to sports clubs and other bodies attract interest at 5% p.a. and are payable between 2009 and 2020

13 INVENTORY

Consumable stores - at weighted average	1 899 515	1 468 993
Total Inventory	<u>1 899 515</u>	<u>1 468 993</u>

14 CONSUMER DEBTORS (Classification : loans and receivables)

	Gross Balances	Provision for Bad Debts	Net Balance
As at 30 June 2007			
Service debtors	34 460 877	9 854 346	24 606 531
Rates	9 671 928	1 675 036	7 996 893
Trading Services (Electricity & Water)	17 232 710	4 649 385	12 583 325
Economic Services (Sewerage & Refuse)	7 556 239	3 529 926	4 026 313
Housing Rentals	9 942	4 666	5 276
Other	2 689 456	1 780 010	909 445
Total	37 160 274	11 639 022	25 521 252
As at 30 June 2006			
Service debtors	35 220 683	15 594 808	19 625 874
Rates	6 880 395	3 046 461	3 833 934
Trading Services (Electricity & Water)	19 010 198	8 417 224	10 592 973
Economic Services (Sewerage & Refuse)	9 330 090	4 131 123	5 198 967
Housing Rentals	979 384	433 646	545 738
Other	-	-	-
Total	36 200 067	16 028 454	20 171 612
		2007 R	2006 R
Rates: Ageing			
Current (0 - 30 days)		4 689 564	2 883 916
31 - 60 Days		2 058 659	623 902
61 - 90 Days		391 790	189 047
91 - 120 Days		94 034	176 096
+ 120 Days		2 437 881	3 007 425
Total		9 671 928	6 880 385
Trading Services (Electricity and Water): Ageing			
Current (0 - 30 days)		9 432 337	8 396 095
31 - 60 Days		1 696 599	2 131 085
61 - 90 Days		858 793	669 669
91 - 120 Days		595 596	729 845
+ 120 Days		4 649 385	7 083 503
Total		17 232 710	19 010 198
Economic Services (Sewerage and Refuse): Ageing			
Current (0 - 30 days)		2 763 543	3 197 995
31 - 60 Days		598 570	616 211
61 - 90 Days		395 587	373 947
91 - 120 Days		268 613	299 177
+ 120 Days		3 529 926	4 842 761
Total		7 556 239	9 330 090
Housing rentals: Ageing			
Current (0 - 30 days)		2 439	168 871
31 - 60 Days		1 330	44 120
61 - 90 Days		784	40 954
91 - 120 Days		724	40 161
+ 120 Days		4 666	685 277
Total		9 942	979 384
Other: Ageing			
Current (0 - 30 days)		638 987	-
31 - 60 Days		137 334	-
61 - 90 Days		79 868	-
91 - 120 Days		53 257	-
+ 120 Days		1 780 010	-
Total		2 689 456	-

Summary of Debtors by Customer Classification**30 June 2007**

	Consumers	Industrial/ Commercial	National and Provincial Gov
	R	R	R
Current (0 - 30 days)	14 655 110	2 568 715	303 045
31 - 60 Days	3 933 827	500 415	58 249
61 - 90 Days	1 502 789	194 913	29 120
91 - 120 Days	907 486	83 078	21 661
+ 120 Days	9 513 615	2 125 408	762 845
Sub-total	30 512 826	5 472 529	1 174 919
Less: Provision for bad debts	9 513 615	2 125 408	-
Total debtors by customer classification	20 999 212	3 347 121	1 174 919

30 June 2006

	Consumers	Industrial/ Commercial	National and Provincial Gov
	R	R	R
Current (0 - 30 days)	11 141 598	2 758 013	(72 835)
31 - 60 Days	2 805 973	539 215	107 831
61 - 90 Days	1 057 045	192 435	50 041
91 - 120 Days	1 067 497	160 829	44 224
+ 120 Days	13 967 517	1 245 743	1 134 940
Sub-total	30 039 631	4 896 235	1 264 201
Less: Provision for bad debts	14 715 959	1 312 495	-
Total debtors by customer classification	15 323 672	3 583 740	1 264 201

**2007
R****2006
R****Reconcillation of bad debt provision**

Balance at beginning of the year	16 028 454	19 769 478
Contributions to provision	315 962	3 500 000
Bad debts written off against provision	(4 705 394)	(7 241 024)
Reversal of provision	0	0
Balance at end of year	11 639 022	16 028 454

15 OTHER DEBTORS

(Classification : loans and receivables)

Control accounts - salaries	60 370	26 253
Control accounts - sundry	14 457 266	112 599
Control accounts - debtors	46 448 075	6 457 814
Subsidy claims	-	242 455
Deposits	47 322	47 322
Total Other Debtors	61 013 033	6 886 443

16 CALL INVESTMENT DEPOSITS

Overberg Agri Shares	(Classification : available for sale)	17 454	17 454
Other Deposits	(Classification : held to maturity)	55 000 000	109 438 137
		55 017 454	109 455 591

Market valuation of listed investments

Overberg Agri Shares (4672 ordinary shares)	259 763	24 528
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	2007 R	2006 R
17 BANK, CASH AND OVERDRAFT BALANCES	(Classification : available for sale)	
The Municipality has the following bank accounts:		
ABSA - Account Number 322 000 0035 (Hermanus - Primary Bank Account)		
Cash book balance at beginning of year	31 600 965	(2 881 693)
Cash book balance at end of year	140 340 482	31 600 965
Bank statement balance at beginning of year	24 951 006	4 280 080
Bank statement balance at end of year	103 879 545	24 951 006
ABSA - Account Number 322 017 0240 (Gansbaai)		
Cash book balance at beginning of year	(2 272 730)	581 908
Cash book balance at end of year	-18 649 801	-2 272 730
Bank statement balance at beginning of year	4 849 814	684 981
Bank statement balance at end of year	1 145 293	4 849 814
ABSA - Account Number 405 835 6861 (Hangklip-Kleinmond)		
Cash book balance at beginning of year	(9 050 571)	284 943
Cash book balance at end of year	-29 400 193	-9 050 571
Bank statement balance at beginning of year	5 092 135	570 740
Bank statement balance at end of year	1 089 905	5 092 135
ABSA - Account Number 405 589 9787 (Onrus Caravan Park)		
Cash book balance at beginning of year	29 355	6 510
Cash book balance at end of year	(253 046)	29 355
Bank statement balance at beginning of year	38 812	1 112
Bank statement balance at end of year	13 237	38 812
ABSA - Account Number 405 642 0921 (Traffic Department)		
Cash book balance at beginning of year	1 076 991	214 431
Cash book balance at end of year	(111 828)	1 076 991
Bank statement balance at beginning of year	1 179 909	214 431
Bank statement balance at end of year	399 224	1 179 909
ABSA - Account Number 406 657 8021 (Debtors Acc's)		
Cash book balance at beginning of year	0	-
Cash book balance at end of year	-6 891 354	0
Bank statement balance at beginning of year	0	-
Bank statement balance at end of year	1 606 441	0
Cash on hand in cash floats:	9 920	8 820
Total Bank and Cash	85 044 179	21 392 831

	2007 R	2006 R
18 PROPERTY RATES		
Income		
Residential	61 789 189	54 621 900
Commercial	7 846 984	5 602 926
Agricultural	2 344 927	2 189 528
	<u>71 981 101</u>	<u>62 414 355</u>
Less: Exempted properties	<u>0</u>	<u>0</u>
Total Assessment Rates	<u>71 981 101</u>	<u>62 414 355</u>
Valuations	Jun 2007 R000's	Jun 2006 R000's
Residential	9 752 383	9 042 394
Commercial	1 070 874	927 538
Agricultural	353 762	362 466
Exempted properties	<u>293 040</u>	<u>277 853</u>
Total Property Valuations	<u>11 470 059</u>	<u>10 610 251</u>

Valuations on land and buildings are undertaken every four years. The last valuation came into effect on 1 July 2003. Interim valuations are processed annually. A general rate of 0,6372 c/R and 0,7328 c/R for residential and commercial respectively (2005/2006: 0,610 c/R and 0,701 c/R) is applied to property valuations to determine assessment rates. Rebates ranging between 20% & 40% are applied to pensioners and up to 90% on certain rural properties. Rates are levied on an annual basis and can be paid in instalments or annually. The final date of payment for annual rates was 30 September 2006. Interest at prime plus 1% is levied on outstanding rates.

	2007 R	2006 R
19 SERVICE CHARGES		
Sale of electricity	82 891 055	69 740 636
Sale of water	41 210 674	37 503 060
Refuse removal	24 635 442	22 313 224
Sewerage and sanitation charges	25 959 788	23 151 509
Total Service Charges	<u>174 696 958</u>	<u>152 708 429</u>

20 GOVERNMENT GRANTS AND SUBSIDIES

Operating:		14 622 703	14 258 531
National FMG Grant	20.1A	1 225 950	1 087 490
National Equitable share	20.1B	13 018 253	9 968 928
Provincial Health Subsidy	20.2B	0	1 129 311
Provincial Proclaimed Roads Maintenance	20.2C	368 000	1 854 033
Provincial Cleanest Town	20.2F	0	54 832
Provincial Town Planning Subsidy	20.2M	0	50 000
Provincial Other	20.2N	10 500	113 936
Capital Projects:		15 976 549	6 359 134
National DME - INEP	20.1C	1 500 000	0
Provincial MIG funds 2006/07	20.2A	4 389 000	2 616 313
Provincial Informal Settlement Re-Location	20.2G	5 824	0
Provincial Social Housing Projects	20.2J	7 172 642	3 308 965
Provincial Multipurpose Centre	20.2K	2 909 082	250 330
Overberg DM Health Centre	20.3A	0	183 526
Total Government Grant and Subsidies		<u>30 599 252</u>	<u>20 617 664</u>

	2007 R	2006 R
20.1A Conditional Grants: National - FMG Grant		
Balance unspent at beginning of year	1 898 597	1 486 087
Current year receipts	500 000	1 500 000
Conditions met - transferred to revenue	-1 225 950	-1 087 490
Conditions still to be met - transferred to liabilities (see note 7)	<u>1 172 647</u>	<u>1 898 597</u>

The Financial Management Grant is paid by National Treasury to all municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The MFMA Grant also pays for the cost of the Financial Management Internship Programme (eg salary costs of the Financial Management Interns).

20.1B Conditional Grants: National - Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy based on the basic service charges for water, electricity, sewerage, refuse and 6kl free basic water and 50kwh unit of electricity (2005: same principle applied), which is funded from this grant.

20.1C Conditional Grants: National - DME - INEP

Balance unspent at beginning of year	0	0
Current year receipts	1 500 000	
Conditions met - transferred to revenue	-1 500 000	
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	<u>0</u>

20.2A Conditional Grants: Provincial - MIG FUNDS 2006/07 Allocation

Balance unspent at beginning of year	0	253 180
Current year receipts	5 846 049	2 363 133
Conditions met - transferred to revenue	-4 389 000	-2 616 313
Conditions still to be met - transferred to liabilities (see note 7)	<u>1 457 049</u>	<u>0</u>

20.2B Conditional Grants: Provincial - Health Subsidies

Balance unspent at beginning of year	0	0
Current year receipts - included in public health vote		1 129 311
Conditions met - transferred to revenue		-1 129 311
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	<u>0</u>

The Municipality rendered health services on behalf of the Provincial Government on an agency service basis. As from 1 April 2007 this service has been totally rendered by the Provincial Government.

20.2C Conditional Grants: Provincial - Main Road Subsidy

Balance unspent at beginning of year	0	0
Current year receipts - included in roads maintenance vote	368 000	1 854 033
Conditions met - transferred to revenue	-368 000	-1 854 033
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	<u>0</u>

20.2D Conditional Grants: Provincial - Water Conservation

Balance unspent at beginning of year	421 039	421 039
Current year receipts		
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 7)	<u>421 039</u>	<u>421 039</u>

	2007 R	2006 R
20.2E Conditional Grants: Provincial - Spaces 4 Sport		
Balance unspent at beginning of year	0	0
Current year receipts	1 500 000	0
Conditions met - transferred to revenue	0	0
Conditions still to be met - transferred to liabilities (see note 7)	<u>1 500 000</u>	<u>0</u>
20.2F Conditional Grants: Provincial - Cleanest Town 2004		
Balance unspent at beginning of year	0	0
Current year receipts		54 832
Conditions met - transferred to revenue		-54 832
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	<u>0</u>
20.2G Conditional Grants: Provincial - Informal Settlement Re-Location		
Balance unspent at beginning of year	507 587	507 587
Current year receipts		
Conditions met - transferred to revenue	-5 824	
Conditions still to be met - transferred to liabilities (see note 7)	<u>501 763</u>	<u>507 587</u>
20.2H Conditional Grants: Provincial - Hemel en Aarde Structure Plan		
Balance unspent at beginning of year	114 563	114 563
Current year receipts		
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 7)	<u>114 563</u>	<u>114 563</u>
20.2I Conditional Grants: Provincial - 2004/032 ST Water Resources		
Balance unspent at beginning of year	50 000	50 000
Current year receipts		
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 7)	<u>50 000</u>	<u>50 000</u>
20.2J Conditional Grants: Provincial - Social Housing		
Balance unspent at beginning of year	0	0
Current year receipts	7 172 642	3 308 965
Conditions met - transferred to revenue	-7 172 642	-3 308 965
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	<u>0</u>
20.2K Conditional Grants: Provincial - Multipurpose Centre		
Balance unspent at beginning of year	3 603 517	2 353 847
Current year receipts		1 500 000
Conditions met - transferred to revenue	-2 909 082	-250 330
Conditions still to be met - transferred to liabilities (see note 7)	<u>694 435</u>	<u>3 603 517</u>
20.2L Conditional Receipts: Other - Schulphoek Resort		
Balance unspent at beginning of year	784 899	784 899
Current year receipts		0
Conditions met - transferred to revenue		0
Conditions still to be met - transferred to liabilities (see note 7)	<u>784 899</u>	<u>784 899</u>
20.2M Conditional Receipts: Provincial - Town Planning Subsidy		
Balance unspent at beginning of year	0	0
Current year receipts		50 000
Conditions met - transferred to revenue		-50 000
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	<u>0</u>

	2007 R	2006 R
20.2N Conditional Receipts: PAWC: Other Grants		
Balance unspent at beginning of year	702 247	0
Current year receipts	10 500	897 936
Conditions met - transferred to revenue	-10 500	-195 689
Conditions still to be met - transferred to liabilities (see note 7)	<u>702 247</u>	<u>702 247</u>

20.3A Conditional Receipts: ODM: Health Centre

Balance unspent at beginning of year	1 724	0
Current year receipts		185 250
Conditions met - transferred to revenue	0	-183 526
Conditions still to be met - transferred to liabilities (see note 7)	<u>1 724</u>	<u>1 724</u>

20.3 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (2006), government grant funding is expected to increase over the two years 2007/08 and 2008/09.

21 OTHER INCOME

Other income	10 165 264	8 127 391
Total Other Income	<u>10 165 264</u>	<u>8 127 391</u>

Other income has increased by R2 037 873 (representing a 25% increase) since the previous financial year and is identified mainly as follows:

Sundry income	8 148 261	7 745 379
Public contributions	2 017 003	382 012
	<u>10 165 264</u>	<u>8 127 391</u>

21a LEASES

Municipality as Lessor

Finance leases	0	0
Operating leases	<u>5 371 142</u>	<u>5 015 792</u>
(i) Not later than one year	0	0
(ii) Later than one year and not later than five years	0	0
(iii) Later than five years: Land and Buildings	5 371 142	5 015 792
	<u>5 371 142</u>	<u>5 015 792</u>

Municipality as Lessee

Finance leases	0	0
Operating leases	<u>2 951 142</u>	<u>2 475 295</u>
(i) Not later than one year	979 596	619 602
(ii) Later than one year and not later than five years	1 971 725	1 855 693
(iii) Later than five years	0	0
	<u>2 951 321</u>	<u>2 475 295</u>

	2007 R	2006 R
22 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	53 220 356	50 206 827
Employee related costs - Contributions for UIF, pensions and medical aids	14 672 688	14 004 154
Travel, motor car, accommodation, subsistence and other allowances	6 544 342	4 632 267
Housing benefits and allowances	708 897	939 376
Overtime payments	8 477 043	6 912 450
Performance bonus	4 060 577	3 773 957
Long-service awards	303 177	0
Contribution to Full Time Union Representative	70 952	0
Total Employee Related Costs	88 058 032	80 469 030
There were no advances to employees. Loans to employees are set out in note 12.		
Remuneration of the Municipal Manager		
Annual Remuneration	527 220	466 720
Performance Bonus	70 000	56 700
Car Allowance	108 000	117 208
Computer Allowance	6 060	13 101
Office Allowance		16 376
Council Contributions to UIF, Medical and Pension Funds	121 202	150 354
Total	832 482	820 459
Remuneration of the Director: Financial Services		
Annual Remuneration	416 132	388 691
Performance Bonus		56 839
Car Allowance	130 980	131 485
Housing Subsidy	5 556	5 142
Computer Allowance	2 937	2 744
Council Contributions to UIF, Medical and Pension Funds	101 525	98 474
Total	657 130	683 374
Remuneration of the Director: Community Services		
Annual Remuneration	337 004	354 358
Performance Bonus	40 240	27 662
Car Allowance	125 345	76 815
Housing Subsidy		3 462
Computer Allowance	2 736	1 819
Council Contributions to UIF, Medical and Pension Funds	74 431	34 782
Total	579 756	498 898
Remuneration of the Director: Infrastructure & Planning (From August 2006)		
Annual Remuneration	352 133	111 903
Performance Bonus	53 350	
Car Allowance		38 407
Computer Allowance	5 560	910
Council Contributions to UIF, Medical and Pension Funds	87 046	28 865
Total	498 089	180 086
Remuneration of the Director: Local Economic Development		
Annual Remuneration	300 839	281 000
Performance Bonus	30 382	28 100
Car Allowance	130 114	129 973
Housing Allowance		9 000
Computer Allowance	12 847	12 000
Council Contributions to UIF, Medical and Pension Funds	66 295	
Total	540 477	460 073

	2007 R	2006 R
23 INTEREST PAID		
Long-term liabilities	6 397 901	5 646 720
Bank overdrafts	0	0
Total Interest on External Borrowings	6 397 901	5 646 720
24 BULK PURCHASES		
Electricity	39 256 492	34 106 609
Water	0	0
Total Bulk Purchases	39 256 492	34 106 609
25 REMUNERATION OF COUNCILLORS		
Executive Mayor	448 097	269 860
Deputy Executive Mayor	366 127	231 596
Speaker	361 158	233 749
Mayoral Committee Members	734 048	445 864
Councillors	1 972 756	831 323
Medical aid contributions		70 665
Pension contributions		190 376
Total Councillors' Remuneration	3 882 186	2 273 433
In-kind Benefits		
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time councillors. Each one is provided with an office and secretarial support at the cost of the Council. Councillors may utilize official Council transportation when engaged in official duties.		
26 GRANTS AND SUBSIDIES PAID		
Grant to Tourism Associations	1 501 338	830 946
Youth Projects		63 390
Rates Rebates		76 301
Low Income Subsidy	11 276 688	5 524 380
Aids Projects		21 653
Gender		5 821
Marketing		192 726
Relief Community		187 620
Total Grants and Subsidies	12 778 026	6 902 837

27 CORRECTION OF PRIOR PERIOD ERRORS

The following adjustments were made to amounts previously reported in the Annual Financial Statements of the Municipality arising from the incorrect classification of properties:

27.1 Investment Properties

Balance previously reported	33 645 323	33 645 323
Correction of error:		
Transferred to Property, Plant & Equipment	(33 645 323)	
	0	33 645 323

27.2 Expensing of minor assets

An assets capitalisation threshold was applied in line with the existing asset policy. The purpose of applying a threshold related to cost saving measures due to the extra volume (quantity) of assets to be carried and controlled via the assets register. These assets, previously referred to as inventory, were expensed and carried at no value in the inventory register. An amount of R674 207 has now been recognised, capitalised and depreciated for the previous financial year.

	2007 R	2006 R
27.3 Sale of Land		
Erven 1253, 4780 and 7531, properties surrounding the Hermanus Golf Course were valued at R18 000 000 on 23 August 2001.		
Balance at beginning of the year	18 000 000	0
Revaluation		18 000 000
Disposal	(18 000 000)	
	<u>0</u>	<u>18 000 000</u>

The gain recognised on the sale of these properties amounts to R30 703 418.

27.4 Post retirement benefits

An estimate was previously reported for post retirement benefits. An actuarial valuation has since been carried out by a professional actuary.

Balance at beginning of the year	38 278 620	0
Provision		21 500 000
Adjustment for actuarial valuation	0	16 778 620
	<u>38 278 620</u>	<u>38 278 620</u>

28 CORRECTION OF ERROR

During the year ended 30 June 2007, expenses were incurred and corrections were made that related to the financial year 30 June 2006.

Details of the corrections and expenses are as follows:

Corrections on debtors for previous years		(4 146 963)
Corrections on creditors for previous years (SARS PAYE 2002 - 2006)	(805 420)	
Corrections on income of previous years (Overstatement of services charges income for previous years)	(502 847)	
Decrease in accumulated surplus	<u>(1 308 267)</u>	<u>(4 146 963)</u>

29 CASH GENERATED BY OPERATIONS

Surplus for the year	87 552 199	28 739 552
Adjustment for:		
Correction of prior year error	(1 308 267)	(20 925 583)
Depreciation	25 007 753	20 377 081
Gain on disposal of property, plant and equipment	(38 430 776)	(640 609)
Contribution to provisions - non-current	2 679 600	0
Dividends received	(7 075)	(3 504)
Investment income	(14 024 237)	(9 301 636)
Interest paid	6 397 901	5 646 720
Operating surplus before working capital changes	<u>67 867 098</u>	<u>23 892 020</u>
(Increase)/Decrease in inventories	(430 521)	(163 482)
(Increase)/Decrease in debtors	(5 349 640)	(711 728)
(Increase)/Decrease in other debtors	(54 126 590)	289 696
Increase/(Decrease) in provisions	2 072 000	37 191 020
Increase/(Decrease) in conditional grants and receipts	1 112 983	7 509 023
Increase/(Decrease) in creditors	72 966 513	(22 849 779)
(Increase)/Decrease in Vat	(4 916 758)	18 700
Cash generated by operations	<u>79 195 084</u>	<u>45 175 469</u>

	2007 R	2006 R
30 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:		
Bank balances and cash	85 044 179	21 392 831
Call investment deposits	55 017 454	109 455 591
Bank overdraft	0	0
Total cash and cash equivalents	140 061 633	130 848 422

31 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 2)	57 544 426	85 589 248
Used to finance property, plant and equipment - at cost	57 544 426	85 481 515
Sub-total	0	107 734
Cash set aside for the repayment of long-term liabilities (see note 2)	6 989 445	45 047 165
Cash invested for repayment of long-term liabilities	6 989 445	45 154 899

External loans have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

32 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

No irregular, fruitless and/or wasteful expenditure occurred during the year.
Unauthorised expenditure that has occurred, was recovered from the guilty party.

33 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

33.1 Contributions to organised local government - SALGA

Opening balance	0	0
Council subscriptions	276 184	141 874
Amount paid - current year	-276 184	-141 874
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

33.2 Audit fees

Opening balance	0	0
Current year audit fee	1 078 951	740 251
Amount paid - current year	-1 078 951	-740 251
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

33.3 VAT

VAT is accounted for on the payment basis. The net input/output VAT is paid/claimed from SARS.

33.4 PAYE, UIF and SDL

Opening balance	0	0
Current year payroll deductions	10 491 530	7 768 055
Amount paid - current year	-10 491 530	-7 768 055
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

	2007 R	2006 R
33.5 Pension and Medical Aid Deductions		
Opening balance	0	0
Current year payroll deductions and Council contributions	14 672 688	13 631 368
Amount paid - current year	-14 672 688	-13 631 368
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

33.6 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at:

	Total	Outstanding up to 90 days	Outstanding more than 90 days
30 June 2007			
Total Councillor Arrear Consumer Accounts	0	0	0
		Outstanding up to 90 days	Outstanding more than 90 days
30 June 2006			
Total Councillor Arrear Consumer Accounts	0	0	0

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

	Highest amount outstanding	Ageing > 90 Days
30 June 2007		
	Highest amount outstanding	Ageing > 90 Days
30 June 2006		
	2007 R	2006 R

34 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

- Approved and contracted for	0	0
<i>Infrastructure</i>	0	0
<i>Community</i>	0	0
<i>Other</i>	0	0
- Approved but not yet contracted for	167 893 100	128 533 120
<i>Infrastructure</i>	120 440 000	111 475 170
<i>Community</i>	11 385 000	6 812 950
<i>Heritage</i>		
<i>Other</i>	36 068 100	10 245 000
Total	167 893 100	128 533 120

This expenditure will be financed from:

External Loans	40 000 000	42 000 000
Capital Replacement Reserve	81 141 100	52 602 850
Government Grants	16 752 000	31 619 074
Public Contributions	10 000 000	2 311 196
Unappropriated Surplus	20 000 000	0
	167 893 100	128 533 120

35 RETIREMENT BENEFIT INFORMATION

Councillors, so choosing, may become members of the Municipal Councillors Pension Fund. Member and Council contributions are recovered from the structured remuneration packages.

Employees belong to collective bargaining approved defined contribution pension or defined benefit retirement funds. Employer contributions ranges between 12% and 19,50%.

An amount of R8 464 840 was contributed by Council in respect of employee's retirement funding. These contributions have been expensed.

36 IN-KIND DONATIONS AND ASSISTANCE

No in-kind donations and assistance was received during the year under review.

37 EVENTS AFTER THE REPORTING DATE

No significant events, knowledge of which would have influenced the users of the statements in making correct evaluations and decisions, occurred after the date of the financial statements and the date of approval thereof.

38 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E(1) and E(2).

39 RELATED PARTY DISCLOSURES

All Councillors have disclosed their interests in related parties and no one has the ability to control or exercise significant influence over the Council in making financial and operating decisions.

40 INTANGIBLE ASSETS

Computer Software

The Municipality is a user of "Packaged Software" only and therefore all the the Application System Software is on a "Usage Licenced" basis entitling this municipality only to the use of the software and the support of the system by the Supplier. In terms of IAS38, it cannot be identified as an intangible asset.

Website Costs

The Municipality's website is also a Service Provider situation and therefore cannot be classified as an intangible asset.

41 MFMA EXEMPTIONS - IMPLEMENTATION PLAN

In terms of General Notice 522 of 2007, high capacity municipalities must disclose the progress made towards achieving full compliance with the standards referred to in section 122(3) of the MFMA. For this purpose the implementation plan submitted to the National Treasury is attached as Appendix G.

The extent to which the information in the annual financial statements would need to be adjusted for full compliance with those standards, is disclosed in the accounting policy and in the relevant notes to the annual financial statements.

42. DEVIATION FROM PROCUREMENT PROCESSES 1 JULY 2006 TO 30 JUNE 2007

TENDER NO	DATE APPROVED	DEVIATION SCM REGULATION		DESCRIPTION	SERVICE AREA	AWARDED TO	OPERATIONAL	CAPITAL
SC094/2007	04/04/2007	SCM Reg 36(1)(a)(ii)	Single provider	CT Lab	Hermanus	CT Lab	163 627,00	92 214,00
SC095/2007	30/06/2007	SCM Reg 36(1)(a)(i)	Emergency	Repair Standby Genset (Pumpstation Scout Camp)	Hermanus	HSM		42 270,00
SC099/2007	10/04/2007	SCM Reg 36(1)(a)(ii)	Single provider	Town Planning Access Control	Hermanus	TMX	39 415,00	
SC100/2007	13/04/2007	SCM Reg 36(1)(a)(v)	Extention of defined software programmes	Psd Software Palmiet Karavaanpark	Kleinmond	PSD Pty Ltd	39 955,00	
SC106/2007	04/05/2007	SCM Reg 36(1)(a)(ii)	Single provider	Chemikaliee Gansbaai Rioolwerke AVANTU	Gansbaai	Avantu	per order	
SC116/2007	26/04/2007	SCM Reg 36 (1)(a) (v)	Assesment of Report	Gansbaai Sport Centre Enviro Africa	Gansbaai	Enviro Africa		39 922,78
SC119/2007	16/05/2007	SCM Reg 36(1)(a)(ii)	Single provider	Supply & Install Protection Relays	Gansbaai	ABB S.A. (Pty)(Ltd)	29 580,00	

APPENDIX A
OVERSTRAND MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2007

	Loan Number	Redeemable	Balance at 30/06/2006 R	Received during the period R	Redeemed/ written off during period R	Balance at 30/06/2007 R	Other costs in accordance with MFMA R
ANNUITY LOANS							
ABSA @ 7.18%	86/04794/06	2007	1 059 602	0	1 059 602	0	
ABSA @ 11.30%		2006	16 660	0	16 660	0	
ABSA @ 14.25%		2007	134 182	0	134 182	0	
DBSA @ 8.871%	13535/102	2020	4 397 363	0	314 097	4 083 266	
DBSA @ 9.171%	13761/101	2007	48 250	0	48 250	0	
DBSA @ 9.171%	13543/101	2019	3 830 606	0	273 615	3 556 991	
DBSA @ 9.171%	13761/101	2020	3 780 791	0	260 744	3 520 047	
DBSA @ 12.00%	10450/1	2017	985 649	0	39 781	945 868	
DBSA @ 8,42%	102169/1	2022		16 996 176	0	16 996 176	
RAND MERCHANT @ 10.219%		2008	17 168 150	0	2 765 371	14 402 779	
INCA @ 12.82%		2012	15 713 310	0	1 674 012	14 039 299	
DISTRICT MUN @ 17.75%		2006	17 391	0	17 391	0	
DISTRICT MUN @ 18.00%	C/R	2006	33 127	0	33 127	0	
DISTRICT MUN @ 18.00%		2007	248 808	0	248 808	0	
DISTRICT MUN @ 18.00%		2006	4 656	0	4 655	0	
DISTRICT MUN @ 18.00%	AR10/12/1	2006	11 205	0	11 205	0	
Total annuity loans			47 449 750	16 996 176	6 901 500	57 544 426	0
TOTAL EXTERNAL LOANS			47 449 750	16 996 176	6 901 500	57 544 426	0

APPENDIX B
OVERSTRAND MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	Cost					Accumulated Depreciation				Carrying Value R
	Opening Balance R	Additions R	Under Constuction R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	
Infrastructure										
Access control	820 638	0		0	820 638	217 444	129 507	0	346 951	473 687
Car parks	1 594 247	18 611	27 645	0	1 640 503	194 867	78 914	0	273 781	1 366 722
Fencing	1 596 168	872 867	939 824	0	3 408 858	1 002 791	367 949	0	1 370 740	2 038 118
Footways	1 725 705	1 311 060		0	3 036 765	164 897	87 016	0	251 913	2 784 852
Kerbing	421 628	123 869		0	545 497	37 155	21 081	0	58 237	487 260
Load Control Equipment	7 024 658	796 554	1 000 000	0	8 821 211	351 233	351 233	0	702 466	8 118 745
Mains electrical	11 218 080	7 810 513	811 431	0	19 840 023	1 842 656	560 904	0	2 403 560	17 436 463
Mains water	3 220 016	4 788 109	246 374	0	8 254 498	303 928	161 001	0	464 929	7 789 569
Meters electrical	600 010	1 500 000	1 410 774	0	3 510 785	324 846	30 001	0	354 847	3 155 938
Meters water	219 215	0		0	219 215	88 627	13 961	0	102 588	116 627
Motorways	1 735 216	0		0	1 735 216	239 156	115 681	0	354 837	1 380 379
Outfall sewers	543 897	0		0	543 897	292 096	27 195	0	319 290	224 607
Paving	860 079	142 330		0	1 002 409	22 500	43 747	0	66 247	936 161
Purification works	8 484 405	1 696 298	600 000	0	10 780 703	2 168 645	424 220	0	2 592 865	8 187 838
Rights - water	2 360 000	0		0	2 360 000	472 000	118 000	0	590 000	1 770 000
Other roads	30 606 806	13 923 475	763 147	0	45 293 429	11 450 610	2 810 045	0	14 260 655	31 032 774
Security system	292 199	0		0	292 199	176 117	33 634	0	209 751	82 448
Sewers	52 288 226	1 443 407		0	53 731 634	21 945 818	2 614 411	0	24 560 229	29 171 404
Road Signage	64 145	0		0	64 145	12 829	12 829	0	25 658	38 487
Speed Control	293 329	0		0	293 329	144 297	29 333	0	173 630	119 699
Sewerage pumps	969 849	2 244 134	1 000 000	0	4 213 983	213 475	62 643	0	276 118	3 937 865
Street lighting	3 368 095	1 001 920		0	4 370 015	390 376	139 358	0	529 734	3 840 281
Supply/reticulation Electricity	35 761 163	798 567	2 914 474	0	39 474 204	10 533 059	1 788 058	0	12 321 117	27 153 087
Supply/reticulation Water	31 437 262	412 008		0	31 849 270	8 182 750	1 573 423	0	9 756 173	22 093 097
Stormwater drains	16 844 304	13 348 414	897 862	0	31 090 581	2 772 323	882 819	0	3 655 142	27 435 439
Switchgear	0	831 525	2 914 474	0	3 745 999	0	0	0	0	3 745 999
Reservoirs & tanks	26 599 691	3 013 447	4 372 938	0	33 986 076	9 069 045	1 329 985	0	10 399 030	23 587 046
Transformer kiosks	6 785 243	0		0	6 785 243	876 533	226 175	0	1 102 708	5 682 535
Traffic lights	83 844	28 938		0	112 782	33 538	4 192	0	37 730	75 052
	247 818 118	56 106 047	17 898 943	0	321 823 109	73 523 613	14 037 314	0	87 560 927	234 262 182

APPENDIX B
OVERSTRAND MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007
COST **ACCUMULATED DEPRECIATION**

	Opening Balance R	Additions R	Under Constuction R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	Carrying Value R
Community Assets										
Beach development	642 156	0	180 889	0	823 044	34 578	21 405	0	55 983	767 061
Care centres	551 776	0		0	551 776	27 980	18 393	0	46 372	505 404
Cemeteries	456 622	1 089		0	457 711	71 715	16 310	0	88 024	369 687
Community centres	3 603 292	278 818	5 549 415	0	9 431 526	269 702	120 110	0	389 812	9 041 714
Fire stations	202 338	124 106		0	326 444	11 891	6 745	0	18 636	307 808
Floodlighting	152 393	748 574		0	900 966	13 610	20 096	0	33 706	867 260
Golf courses	402 194	0		0	402 194	321 755	20 110	0	341 865	60 329
Clinics/hospitals	1 295 310	0		0	1 295 310	464 947	43 177	0	508 124	787 186
Jukskei pitches	6 949	0		0	6 949	5 559	347	0	5 906	1 042
Libraries	3 630 670	0		0	3 630 670	315 611	121 022	0	436 634	3 194 036
Libraries	95 999	0		0	95 999	0	3 200	0	3 200	92 799
Outdoor sports	3 099 321	481 651		0	3 580 972	517 147	150 284	0	667 431	2 913 541
Parks	436 170	195 735		0	631 904	23 197	15 204	0	38 400	593 504
Public conveniences	2 280 136	195 844		0	2 475 980	544 006	76 770	0	620 775	1 855 205
Recreation centres	3 865 680	0		0	3 865 680	1 443 172	135 646	0	1 578 818	2 286 863
Slipways	0	579 526		0	579 526	0	0	0	0	579 526
Stadiums	239 330	0		0	239 330	76 598	7 978	0	84 576	154 754
Swimming pools	226 924	0		0	226 924	32 692	9 680	0	42 372	184 552
Tennis courts	224 200	0		0	224 200	179 360	11 210	0	190 570	33 630
	21 411 459	2 605 343	5 730 304	0	29 747 106	4 353 521	797 685	0	5 151 206	24 595 900
Heritage Assets										
Heritage buildings	1 088 522			0	1 088 522	0	0	0	0	1 088 522
	1 088 522	0	0	0	1 088 522	0	0	0	0	1 088 522
Land and Buildings										
Land	51 645 323	1 250 000		18 000 000	34 895 323	0	0	0	0	34 895 323
	51 645 323	1 250 000		18 000 000	34 895 323	0	0	0	0	34 895 323

APPENDIX B
OVERSTRAND MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	COST				ACCUMULATED DEPRECIATION				
	Opening Balance R	Additions R	Under Constuction R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Carrying Value R
Other Assets									
Air conditioner	181 594	0		0	181 594	83 667	24 482	0	73 445
Caravan Parks	4 704 770	90 819		0	4 795 589	2 409 229	156 826	0	2 229 534
Computer hardware	2 787 774	963 282		0	3 751 055	1 924 580	1 513 351	0	313 124
Compacting Stations	7 228 785	0		0	7 228 785	1 106 613	240 959	0	5 881 212
Computer software	964 317	0		0	964 317	479 286	485 031	0	0
Radio equipment	940 747	118 164		0	1 058 911	437 115	621 796	0	0
Telecommunication	64 164	0		0	64 164	64 164	0	0	0
Fire Equipment	75 865	0		0	75 865	5 058	5 058	0	65 750
General plant	5 089 332	2 214 275		0	7 303 607	1 826 927	848 496	0	4 628 184
Hostels - workers	128 055	130 000		0	258 055	56 344	36 278	0	165 433
Household refuse	138 811	0		0	138 811	97 168	4 627	0	37 016
Houses - municipal	696 308	69 289		0	765 597	369 371	23 888	0	372 338
Housing schemes	20 677 226	7 087 564	63 314	0	27 828 104	9 528 856	689 241	0	17 610 007
Irrigation systems	69 837	0		0	69 837	17 311	4 324	0	48 202
Miscellaneous furniture	1 702 085	1 345 067		0	3 047 152	1 127 831	1 919 321	0	0
Office building	19 139 720	4 730 342		0	23 870 062	3 204 229	676 483	0	19 989 351
Office machines	336 770	0		0	336 770	159 071	177 698	0	0
Other Land	157 500	82 294		0	239 794	49 333	5 250	0	185 211
Tip sites	1 177 005	401 877	1 187 043	0	2 765 926	168 116	40 350	0	2 557 460
Training Facilities	25 000	0		0	25 000	833	833	0	23 333
Transport Facilities	626 288	3 441		0	629 729	59 419	26 300	0	544 010
Vehicles	4 498 566	4 323 298		0	8 821 863	850 091	670 382	0	7 301 390
Vehicles: Fire Engines	704 573	0		0	704 573	414 179	32 266	0	258 128
Vehicles: Graders	527 065	0		0	527 065	413 263	52 706	0	61 096
Vehicles: Mechanical Horses	202 733	490 885		0	693 618	182 460	20 273	0	490 885
Vehicles: Trucks/bakkies	13 629 967	746 914		0	14 376 881	8 206 242	1 762 682	0	4 407 958
Vehicles: Tractors	850 959	0		0	850 959	337 065	89 146	0	424 747
Workshop/Depots	1 321 958	489 308		0	1 811 266	132 597	44 705	0	1 633 964
	88 647 773	23 286 817	1 250 357	0	113 184 948	33 710 416	10 172 754	0	69 301 778
Total	410 611 196	83 248 207	24 879 605	18 000 000	500 739 007	111 587 549	25 007 753	0	364 143 705

APPENDIX C
OVERSTRAND MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	Cost					Accumulated Depreciation				Carrying Value R
	Opening Balance R	Additions R	Under Constuction R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	
Executive & Council	470 649			0	470 649	209 803	83 030	0	292 833	177 816
Finance & Admin	35 492 714	16 852 178		-18 000 000	34 344 892	9 934 132	1 905 123	0	11 839 255	22 505 637
Planning & Development	51 901 871	104 381		0	52 006 252	307 190	0	0	307 190	51 699 062
Health	567 522			0	567 522	359 612	0	0	359 612	207 911
Community & Social Services	8 888 051	599 857	5 549 415	0	15 037 324	1 303 897	2 485 070	0	3 788 967	11 248 357
Housing	21 336 028	7 087 564	63 314	0	28 486 906	9 778 638	800 070	0	10 578 708	17 908 198
Public Safety	3 407 184	872 867	939 824	0	5 219 875	1 669 780	508 060	0	2 177 840	3 042 034
Sport & Recreation	16 345 302	2 096 304	180 889	0	18 622 495	6 118 381	814 750	0	6 933 131	11 689 364
Environmental Protection	1 881 224			0	1 881 224	508 543	0	0	508 543	1 372 682
Waste Management	96 409 801	17 437 833	3 084 906	0	116 932 539	32 617 264	6 482 840	0	39 100 104	77 832 435
Road Transport	39 056 791	16 550 204	790 792	0	56 397 787	13 470 475	3 608 190	0	17 078 665	39 319 122
Water	67 494 393	9 909 862	5 219 312	0	82 623 567	18 978 450	4 336 340	0	23 314 790	59 308 778
Electricity	67 359 664	11 737 159	9 051 153	0	88 147 976	16 331 385	3 984 280	0	20 315 665	67 832 311
Total	410 611 196	83 248 207	24 879 605	-18 000 000	500 739 008	111 587 549	25 007 753	0	136 595 302	364 143 705

APPENDIX D
OVERSTRAND MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL
PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

2006 Actual Income R	2006 Actual Expenditure R	2006 Surplus/ (Deficit) R		2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R
677 643	1 805 039	-1 127 396	Executive & Council	13 038 267	17 139 328	-4 101 061
99 300 047	64 399 584	34 900 463	Finance & Admin	127 787 245	49 739 535	78 047 710
-7 255 293	14 999 516	-22 254 809	Planning & Development	7 715 462	16 116 197	-8 400 735
1 132 411	1 227 248	-94 837	Health	872	3 203	-2 331
860 236	7 307 073	-6 446 837	Community & Social Services	3 962 292	12 486 682	-8 524 390
4 264 703	15 975 859	-11 711 155	Housing	7 625 298	5 632 721	1 992 576
6 199 413	11 404 409	-5 204 997	Public Safety	6 602 333	13 206 652	-6 604 319
860 236	7 311 072	-6 450 835	Sport & Recreation	4 944 693	14 224 427	-9 279 734
12 927 817	16 071 497	-3 143 680	Environmental Protection	1 657 064	7 462 761	-5 805 697
24 257 222	22 993 883	1 263 340	Solid Waste Management	25 602 675	25 250 439	352 236
24 257 222	23 570 597	686 626	Waste Management	28 973 759	26 981 960	1 991 799
1 935 786	18 874 460	-16 938 674	Road Transport	368 580	26 625 021	-26 256 440
39 231 912	27 483 151	11 748 761	Water	43 583 111	30 723 142	12 859 969
71 380 852	63 092 929	8 287 922	Electricity	85 406 143	71 610 476	13 795 667
280 030 208	296 516 315	-16 486 108	Sub-Total	357 267 794	317 202 545	40 065 249
0	-45 225 659	45 225 659	Less: Inter-departmental Charges	0	-47 486 950	47 486 950
280 030 208	251 290 656	28 739 551	Total	357 267 794	269 715 595	87 552 199

UNAUDITED: APPENDIX E(1) OVERSTRAND MUNICIPALITY: ACTUAL VS. BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2007					
	2007 Actual R	2007 Budget R	2007 Variance R	2007 Variance %	Explanation of Significant Variances Greater than 10% versus Budget
REVENUE					
Property rates	71 981 101	70 466 380	1 514 721	2	
Property rates - penalties imposed and collection charges	335 289	534 520	(199 231)	-37	Decrease due to payment culture - Debtors paying accounts sooner
Service charges	174 696 958	165 203 490	9 493 468	6	Growth in services demand beyond budget growth
Leases : Operating leases	5 371 142	4 998 600	372 542	7	
Interest earned - external investments	12 884 506	6 669 330	6 215 176	93	Constant investing of surplus funds
Interest earned - outstanding debtors	1 139 731	1 392 270	(252 539)	-18	Decrease due to write-off's previous year
Dividends received	7 075	5 250	1 825	35	Subject to external decisions
Fines	2 718 379	2 950 640	(232 261)	-8	
Licences and permits	1 569 973	1 509 940	60 033	4	
Income from agency services	4 256 760	5 744 620	(1 487 860)	-26	Less expended on Protea project
Government grants and subsidies	30 599 252	32 589 880	(1 990 628)	-6	Delays in housing projects (ROD's etc.)
Other income	10 165 264	12 333 720	(2 168 456)	-18	Conservative Other Income budget
Public contributions, donated and contributed property, plant and equipment	3 111 588	1 270 000	1 841 588	145	Additional capital public contributions received
Gains on disposal of property, plant and equipment	38 430 776	35 004 390	3 426 386	10	Change in accounting policy
Total Revenue	357 267 794	340 673 030	16 594 764	5	
EXPENDITURE					
Employee related costs	88 058 032	89 713 910	(1 655 878)	-2	
Remuneration of Councillors	3 882 186	3 913 280	(31 094)	-1	
Bad debts	315 963	2 500 000	(2 184 037)	-87	Reduction in older outstanding debts
Collection costs	-	-	-		
Depreciation	25 007 753	23 693 250	1 314 503	6	
Repairs and maintenance	33 088 279	33 714 101	(625 822)	-2	
Interest on borrowings	6 397 901	7 499 019	(1 101 118)	-15	External loans taken up at a later stage
Bulk purchases	39 256 492	38 432 760	823 732	2	
Contracted services	5 106 079	6 615 252	(1 509 174)	-23	Further appointments to vacant posts
Grants and subsidies paid	12 778 026	12 715 122	62 904	0	
General expenses - other (including abnormal expenses)	55 824 885	56 801 706	(976 821)	-2	
Total Expenditure	269 715 595	275 598 400	(5 882 805)	-2	
NET SURPLUS/(DEFICIT) FOR THE YEAR	87 552 199	65 074 630	22 477 569		

UNAUDITED: APPENDIX E(2)
OVERSTRAND MUNICIPALITY: ACTUAL VS. BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2007

	2007 Actual R	2007 Budget R	2007 Variance R	2007 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
Infrastructure					
Car parks	46 256	97 645	(51 389)	-53	Reprioritisation of capital budget
Fencing	1 812 691	1 922 133	(109 442)	-6	Reprioritisation of capital budget
Footways	1 311 060	1 320 000	(8 940)	-1	
Kerbing	123 869	160 000	(36 131)	-23	Reprioritisation of capital budget
Load Control Equipment	1 796 554	1 830 000	(33 446)	-2	
Mains electrical	8 621 943	8 769 823	(147 880)	-2	
Mains water	5 034 482	3 250 000	1 784 482	55	
Meters electrical	2 910 774	2 950 000	(39 226)	-1	
Paving	142 330	150 000	(7 670)	-5	
Purification works	2 296 298	2 300 000	(3 702)	-0	
Other roads	14 686 623	12 752 309	1 934 314	15	Reprioritisation of capital budget
Sewers	1 443 407	1 863 408	(420 001)	-23	Reprioritisation of capital budget
Sewerage pumps	3 244 134	2 963 347	280 787	9	Reprioritisation of capital budget
Street lighting	1 001 920	955 000	46 920	5	
Supply/reticulation Electricity	3 713 041	7 802 187	(4 089 146)	-52	
Supply/reticulation Water	412 008	450 000	(37 992)	-8	Reprioritisation of capital budget
Stormwater drains	14 246 276	14 286 962	(40 686)	-0	
Switchgear	3 745 999	5 800 000	(2 054 001)	-35	Reprioritisation of capital budget
Reservoirs & tanks	7 386 385	7 742 196	(355 811)	-5	
Traffic lights	28 938	30 000	(1 062)	-4	
	74 004 990	77 395 010	(3 390 020)	-4	
Community Assets					
Beach development	180 889	200 000	(19 111)	-10	Reprioritisation of capital budget
Cemeteries	1 089	30 000	(28 911)	-96	Reprioritisation of capital budget
Community centres	5 828 234	6 550 294	(722 060)	-11	Reprioritisation of capital budget
Fire stations	124 106	125 000	(894)	-1	
Floodlighting	748 574	772 950	(24 376)	-3	
Outdoor sports	481 651	512 542	(30 891)	-6	Reprioritisation of capital budget
Parks	195 735	200 000	(4 265)	-2	
Public conveniences	195 844	200 000	(4 156)	-2	
Slipways	579 526	580 000	(474)	-0	
	8 335 647	9 170 786	(835 139)	-9	

UNAUDITED: APPENDIX E(2) OVERSTRAND MUNICIPALITY: ACTUAL VS. BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2007					
	2007 Actual R	2007 Budget R	2007 Variance R	2007 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
Land and Buildings					
Land	1 250 000	-	1 250 000		
	1 250 000	-	1 250 000		
Other Assets					
Caravan Parks	90 819	100 000	(9 181)	-9	Reprioritisation of capital budget
Computer hardware	963 282	1 155 000	(191 718)	-17	Reprioritisation of capital budget
Fire Equipment	-	120 000	(120 000)	-100	
General plant	2 214 275	2 338 901	(124 626)	-5	
Household refuse	-	130 000	(130 000)	-100	
Houses - municipal	69 289	100 000	(30 711)	-31	Reprioritisation of capital budget
Housing schemes	7 150 878	17 816 659	(10 665 781)	-60	Delays in housing projects (ROD's etc.)
Miscellaneous furniture	1 596 672	75 000	1 521 672	2 029	Change in Accounting standards
Office building	4 730 342	4 946 000	(215 658)	-4	
Other Land	82 294	1 630 000	(1 547 706)	-95	Reprioritisation of capital budget
Tip sites	1 588 920	1 780 000	(191 080)	-11	Reprioritisation of capital budget
Training Facilities	-	30 000	(30 000)	-100	Reprioritisation of capital budget
Vehicles	4 323 298	4 387 458	(64 160)	-1	
Vehicles: Mechanical Horses	490 885	1 750 000	(1 259 115)	-72	Vehicles delivered after year end
Vehicles: Trucks/bakkies	746 914	3 100 000	(2 353 086)	-76	Vehicles delivered after year end
Workshop/Depots	489 308	549 000	(59 692)	-11	Reprioritisation of capital budget
	24 537 175	40 008 018	(15 470 843)	-39	
Total	108 127 812	126 573 814	(19 696 002)	-16	

APPENDIX F

OVERSTRAND MUNICIPALITY: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant and Subsidies Received

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld				Reason for delay withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		June	Sept	Dec	March	June	June	Sept	Dec	March	June	Sept	Dec	March	June			
FMG	Nat Treasury Mineral & Energy	1 500 000				500 000	1 087 490				1 225 950						Y	
DME - INEP	PAWC	2 363 133				1 500 000					1 500 000						Y	
MIG Projects	PAWC	5 846 049				2 616 313					4 389 000						Y	
Health - Clinics	PAWC	1 129 311				1 129 311											Y	
Prov Road Subsidy	PAWC	1 854 033				368 000	1 854 033				368 000						Y	
Water Conservation Spaces 4 Sport	PAWC					1 500 000												
Cleanest Town - Wekco	PAWC	54 832					54 832										Y	
Informal Settlement - Re Location	PAWC										5 824						Y	
Hemel en Aarde Structure Plan	PAWC																Y	
PFF2004/032 ST Water	PAWC																Y	
Social Housing	PAWC	3 308 965				7 172 642	3 308 965				7 172 642						Y	
Multi Purpose Centre	PAWC	1 500 000					250 330				2 909 082						Y	
Schulphoek Resort	PAWC	50 000					50 000										Y	
Town Planning	PAWC	897 936				10 500	195 689				10 500						Y	
Provincial Grants	ODM	185 250					183 526										Y	
KM Health Centre		12 843 460	0	0	0	16 897 192	10 730 489	0	0	0	17 580 999	0	0	0	0			

FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 30 October 2007)

APPENDIX G

Name of municipality:	OVERSTRAND	Demarcation Code:	WC032
Name of preparer:	H N Kleinloog	Date completed:	October 1, 2007
Contact Details:	028 313 8040 e-mail: hkleinloog@overstrand.gov.za	Financial period:	2007/ 2008

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption <i>[include the key challenges to be overcome]</i>	Person responsible	Estimate date of compliance <i>[cannot extend beyond 31 June 2008]</i>
Property, plant and equipment (GRAP 17)	Review of useful life of items of PPE recognised in the annual financial statements <i>[paragraphs 59 – 61, and 77]</i>	<ul style="list-style-type: none"> The Municipality will review the lives and residual values of assets and adjustments will be made as appropriate. We will use our experience, judgement and assumptions in the process of determining lives and residual values. 	Dir. Infra & Planning Dir. Com Services Dir. Econ Developm C F O	<i>Will be disclosed in 2008/2009 AFS</i>
	Review of depreciation method applied to PPE recognised in the annual financial statements <i>[paragraphs 62 and 77]</i>	<ul style="list-style-type: none"> When a change in depreciation method is necessary, the change will be accounted for and adjusted accordingly. 	C F O	<i>Will be disclosed in 2008/2009 AFS</i>
	Impairment of non-cash-generating assets <i>[paragraphs 64 – 69 and 75(e)(v) – (vi)]</i>	<ul style="list-style-type: none"> The carrying amount of assets will be reviewed and assessed against the recoverable amount of such assets to determine any impairment losses. 	Dir. Infra & Planning Dir. Com Services Dir. Econ Developm C F O	<i>Will be disclosed in 2008/2009 AFS</i>

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption <i>[include the key challenges to be overcome]</i>	Person responsible	Estimate date of compliance <i>[cannot extend beyond 31 June 2008]</i>
	Impairment of cash-generating assets <i>[paragraphs 63 and 75(e)(v) – (vi)]</i>	<ul style="list-style-type: none"> The carrying amount of assets will be reviewed and assessed against the recoverable amount of such assets to determine any impairment losses. 	Dir. Infra & Planning Dir. Com Services	<i>Will be disclosed in 2008/2009 AFS</i>
Impairment of Assets (IAS 36/AC 128)	Entire Standard	<p>Applies to financial assets classified as:</p> <ul style="list-style-type: none"> Subsidiaries (IAS27) -not applicable Associates (IAS28) – not applicable Joint ventures(IAS31)-not applicable <p>Assets at revalued amounts (IAS16) - will be applied when identified.</p>	All Directors	<i>Will be disclosed in 2008/2009 AFS</i>
Inventories (GAMAP 12)	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17	<ul style="list-style-type: none"> To recognize land/property as held for sale within the next 12 months. Report to Council to recognize properties held for sale. 	Dir. Infra & Planning Dir. Com Services	<i>Will be disclosed in 2008/2009 AFS</i>
	The entire standard to the extent that it relates to water stock that was not purchased by the municipality	<ul style="list-style-type: none"> The value of purified water stored in the reservoirs will be determined annually at year end. 	Dir. Com Services	<i>Will be disclosed in 2008/2009 AFS</i>
Investment Property (IAS 40/AC 135)	The entire standard to the extent that the property is accounted for in terms of GAMAP 17	<ul style="list-style-type: none"> To recognize and measure properties as Investment Properties. 	Dir. Infra & Planning	<i>Will be disclosed in 2008/2009 AFS</i>
	Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment	<ul style="list-style-type: none"> The Council is currently busy compiling a new valuation roll which will be applicable from 1 July 2008. The new municipal values will be applied as the fair value of 	Dir. Infra & Planning	<i>Will be disclosed in 2008/2009 AFS</i>

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption <i>[include the key challenges to be overcome]</i>	Person responsible	Estimate date of compliance <i>[cannot extend beyond 31 June 2008]</i>
	property in terms of the standard <i>[paragraphs 79(e)(i) – (iii)]</i>	investment properties.		
Leases (IAS 17/AC 105)	Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognized on the basis of the cash flows in the lease agreement. <i>[SAICA circular 12/06 paragraphs 8 – 11 and paragraphs 33, 34, 50, 51 of IAS 17/AC 105]</i>	<ul style="list-style-type: none"> To identify and list the details of all operating leases in order to allocate lease payments/receipts to expenses/income on a straight line basis. 	All Directors	<i>Will be disclosed in 2008/2009 AFS</i>
Intangible Assets (IAS 38/AC 129)	The entire standard except for the recognition, measurement and disclosure of computer software equipment and website costs (SIC 32/AC 432) and all other costs are expensed	Recognition and measurement of <ul style="list-style-type: none"> Valuation roll Servitudes Licenses Advertising 	Dir. Infra & Planning Head : Management Services	<i>Will be disclosed in 2008/2009 AFS</i>
Employee Benefits (IAS 19/AC 116)	Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. <i>[paragraphs 29, 48 – 119, 120A(c)-(q)]</i>	Recognition and measurement of <ul style="list-style-type: none"> Short term employee benefits Post employment benefits Other long term employee benefits Termination benefits 	Head : Management Services	<i>Will be disclosed in 2008/2009 AFS</i>

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption <i>[include the key challenges to be overcome]</i>	Person responsible	Estimate date of compliance <i>[cannot extend beyond 31 June 2008]</i>
Revenue (GAMAP 9)	Initial measurement of fair value discounting all future receipts using an imputed rate of interest. <i>[SAICA circular 09/06 and paragraph 12]</i>	<ul style="list-style-type: none"> Discounting of future receipts not necessary due to interest levied on arrear accounts and reflected as revenue. Therefore, fair value = nominal amount. 	C F O	<i>Will be disclosed in 2008/2009 AFS</i>
Financial Instruments: Recognition and Measurement (IAS 39/AC 133)	Initially measuring financial assets and financial liabilities at fair value. <i>[SAICA circular 09/06, paragraph 43, AG 79, AG 64 and AG 65 of IAS 39/ AC 133]</i>	<ul style="list-style-type: none"> Recognition and measuring of financial assets and liabilities - completed 	C F O	<i>Will be disclosed in 2008/2009 AFS</i>
Non-current Assets held for Sale and Discontinued Operations (IFRS 5/AC142)	Classification, measurement and disclosure of non-current assets held for sale. <i>[paragraphs 6 – 14, 15 – 29 (in so far as it relates to non-current assets held for sale), 38 – 42]</i>	<ul style="list-style-type: none"> To recognize land/property as held for sale within the near future. 	Dir. Infra & Planning Dir. Com Services Dir. Econ Developm	<i>Will be disclosed in 2008/2009 AFS</i>
Financial Instruments: Disclosures (IFRS 7/AC 144)	Entire Standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1	<ul style="list-style-type: none"> Completed 	C F O	<i>Will be disclosed in 2008/2009 AFS</i>

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption <i>[include the key challenges to be overcome]</i>	Person responsible	Estimate date of compliance <i>[cannot extend beyond 31 June 2008]</i>
	January 1998			
Construction Contracts (IAS 11/AC 109)	Entire Standard	<ul style="list-style-type: none"> Not applicable to Overstrand 		n/a
Business Combinations (IFRS 3/AC 140)	Entire Standard	<ul style="list-style-type: none"> Not applicable to Overstrand 		n/a
Accounting for Government Grants and disclosure of Government Assistance (IAS 20/AC 134)	Entire Standard excluding paragraph 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9	<ul style="list-style-type: none"> Review accounting policy to: <ul style="list-style-type: none"> i) account grant as deferred income, or ii) account grant by deducting from carrying amount of asset. 	C F O	<i>Will be disclosed in 2008/2009 AFS</i>

5.2 **REPORT ON PERFORMANCE INFORMATION**

Attached please find the report on performance by the Municipality through its different sections for the financial year 2006/7. This report was cumulative in nature and therefore reflects reporting on the full year's activities.

A report in the above regard served before Council on 21 August 2007. As some of the transactions were not reflected yet in the financial system, the attached report is marginally different to reflect the few transactions that went through during July 2007 for the previous financial year.

The report also served before the Audit Committee for audit purposes and the Audit Committee has expressed its satisfaction with the report.

ANNEXURE A					
BUSINESS PLAN	RESPONSIBLE MANAGER	OBJECTIVE	APPROVED KPI (SDBIP)	YES/ NO	COMMENT
Service Re-engineering	Municipal Manager 4 X Directors	Project Plan agreed by Executive Management Team after first quarterly review in October 2006	A project plan that identifies the highest priorities for investigation and allocates work tasks and deadlines to individuals/consultants.		Shelved due to more pressing priorities
MFMA Change Project	B King	2006/07 IDP/Budget process tabled at Council: end August 2006 – Director of Finance	Clear and understandable IDP/Budget process	YES	
			A detailed timetable that meets MFMA requirements	YES	
			Responsibilities clearly allocated to individuals	YES	
	B King	First SDBIP monitoring report to Council: October 2006 (in line with statutory (MFMA) deadlines)	Monitoring report to inform Council on progress made on SDBIP performance targets and budget spending	YES	
		Report submitted by Executive Mayor			
	B King	Head of Management Services to conduct assessment by 25 January each year	Report to inform Council more fully on progress made at mid-year on the budget and SDBIP performance targets	YES	
		Report to be submitted to Executive Mayor and Municipal Manager			
	Director of Finance	Director of Finance to submit report to Executive Mayor and Municipal Manager: Jan/Feb 2007	Report to inform Council more fully on progress made at mid-year on the budget and financial performance targets		
	Director of Finance / B King	Financial statements completed and given to Auditor general: end August 2006	The MFMA sets out a new timetable and process for the Annual Report. In addition, the financial statements have to be completed earlier and be GRAP compliant.	YES	
		Annual Report tabled at Council: January 2007			

	H Niemand / C Groenewald	Audit risk assessment completed August 2006	Compile an audit risk assessment and audit programme for 2006/07	No	The position is vacant since 1 October 2006. In spite of advertisements in the media no successful appointment could be made. The Municipal Manager is, amongst others, with the other Local Authorities within the Overberg, considering the implementation of a shared service
		Internal Audit work plan/programme agreed by 1 st Audit Committee: September 2006			
		Manual of corporate financial procedures issued to relevant staff:	Manual of procedures required to ensure internal controls and Council's financial policies are implemented and followed	No	
Strategic Planning	D Arrison	Facilitate community consultation around the IDP (with area managers)	100% corporate deadlines met in respect of ward committee and OMAF meetings	Yes	Last OMAF for cycle
		Provide disaster management coordination as Head of Care Services	Compliance with Disaster Management Plan	Yes	No assistance needed for time of reporting
		Mentoring of Community Development Workers (with area managers)	Ongoing liaison and support	No	As per required timeframes
		To complete the Integrated Development Plan (IDP)	100% statutory deadlines met: Draft IDP March 07, final IDP May 07	Yes	
			August 06 – IDP/Budget Process timetable	Yes	
			100% internal deadlines met: June 2006	Yes	
		Co-ordinate and complete the Service Delivery and Budget Implementation	First SDBIP monitoring report to Council Oct 06	Yes	
			Mid-year Budget and performance assessment report Jan 07	Yes	
			Annual SDBIP to MM and Mayor in terms of MFMA deadlines	Yes	
		To complete the annual report	<input type="checkbox"/>	Yes	

Human Resources	R Rust	Advise Management and Council on HR matters to comply with IR legislation	Provide timeous advice	Yes	Advice provided as and when necessary . Monthly LLF meetings ensure effective communication.
			Upgrade Website	Yes	Done with IT assistance.
			Prepare 3 monthly reports on disciplinary actions	Yes	A report on progress with individual cases is submitted monthly to MM.
		Ensure staff development	Report to LGSETA the appointment of Skills Development Facilitator	Yes	Skills Development Facilitator as well as two Secondary SDF's are registered with LGSETA.
			Complete and submit annual Skills Development Plan by 30 June	Yes	The 2006/2007 Skills Plan was approved by all the role players and submitted timeously.
			Implement training program and submit 6 monthly Implementation Reports	Yes	A training program was implemented and Implementation Reports are submitted timeously.
			Disciplinary Code training for managers by 31 December 2006	NO	Training was cancelled by SALGA. A special effort will ensure training by 30 June 2007.
			ABET training for staff by 30 June 2007	Yes	The 2006 ABET training program ended December 2006 and the 2007 program will resume with effect from April 2007.
			Supervisory training for middle management by 30 September 2006	Yes	77 supervisors passed 5-day training courses during October and November 2006.
			Assist Directors with the completion of organisational structure and TASK job descriptions	Yes	There is only one job description that is still outstanding. All the other Job Descriptions were submitted to the TASK Job Evaluation Committee.
			Ensure organizational structure and evaluation of posts	NO	The results of Job Evaluations are still outstanding
			Ensure effectively managed recruitment and selection processes	Yes	Assist Managers to fill approved vacancies within 3 months.
			Implement Induction Program by 30 September 2006	NO	A very basic Induction Program is still in use. It will be replaced by a more sophisticated and detailed program as from 1 April 2007.
		Ensure effective HR support system and EAP programs	Submit Employment Equity report by 30 September 2006	Yes	Submitted 30/09/06
			Complete Key Performance Areas on Payday Post Module system by 30 June 2007	NO	Now that Job Descriptions are finalised, work will start on entering KPA's and minimum requirements on Payday Post Module system .
			Complete Payday leave Module i.r.o Long service leave records by 30 September 2006	Yes	Completed.
			Assist EE Officer with the completion Employment Equity plan	Yes	EE Officer appointed September 2006. An Interim EE Plan is in place .
			Implement alcohol and drug abuse program by 31 December 2006	Yes	A draft Policy served before the Local Labour Forum on 13/3/2007 and will be implemented.

		Ensure effective OHS support system	<p>Minimum Auditor General queries</p> <p>Prepare service contracts for all appointments and ensure safe-keeping thereof</p> <p>Administer Occupational Health and Safety Act</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>All informal queries were dealt with to the satisfaction of the Auditor General</p> <p>File contracts on personnel files</p> <p>All Safety Committee members were trained. Departmental Safety Committee meetings are held monthly , whilst the Overhead Committee meet every 3 months</p>
Communications & Office of the Mayor	F Krige	<p>To manage external communication services</p> <p>To manage the council's branding and corporate advertising programme</p> <p>To manage special projects eg Junior Council,</p>	<p>Publications: Overstrand Bulletin 5xp/a; Overstrand Kaleidoscope 1xp/a</p> <p>Website: general update 2xp/a; news section update ongoing</p> <p>Annual Municipal Showcase Festival Week</p> <p>Council Imbizo's: one round per year (February – March 2007)</p> <p>Media liaison quarterly report</p> <p>Information board project planned end Aug 06 and implemented before Dec 06</p> <p>Customer care communication plan in emergencies (in collaboration with area managers) – Jul 07</p> <p>Corporate Identity Manual updated once a year</p> <p>Annual advertising plan at end Jul 06 with ongoing updating</p> <p>Ensure continuance of Junior Council programme with inauguration in Jul 06</p>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p>	<p>Seven municipal newsletters prepared and published. Kaleidoscope for 2006 was cancelled.</p> <p>Held in conjunction with the Western Cape Provincial Government on 31 October 2006</p> <p>Money was allocated for 11 boards from savings at a very late stage. The installation was expected to take place in early July.</p>
		<p>Mayor's Environmental Award</p> <p>To manage internal communication processes</p>	<p>Arrange mayor's Environmental Award function in June 07 (World Environmental Day)</p> <p>Monthly orientation of new employees as part of induction course</p> <p>Establish project team for internal communication projects (Website, pampili, notice boards)</p>	<p>Y</p> <p>N</p> <p>N</p>	<p>The competition drew once again good interest and received a lot of publicity.</p> <p>Input was given to Human Resources Department regarding the compilation of the course, but proposals were not implemented</p> <p>Lack of capacity. A new post for this purposes was approved and this KPI will receive attention when an appointment is made.</p>

		To monitor public opinion/news coverage	Regular clippings pack to Council and Management	Y/N	Clippings of media reports in the daily and local media are made and is available on file. The clippings pack service was discontinued in view of low demand.
		To provide administrative support to the Executive Mayor and full-time councillors	Support services provided on a daily basis	Y	
			Response to specific newspaper articles in conjunction with the MM and Executive Mayor within one week of article appearing	Y	
Gender Equity	C Jonkheid	Contribute to national, provincial and local programs around Poverty Alleviation, HIV/Aids awareness and support, abused women and children, homelessness and disasters	Support to at least one project in each of the four administrative areas of the municipality.	Y	
		Participate in national, provincial and local gender campaigns	Women's Day celebrations held	Y	
			Exhibitions held once a year (show case)	Y	
			Women of the Year event held	Y	
		Acquire external funds for projects	Funding obtained for at least one project in each of the four administrative areas of the municipality.	Y	
		Ensure the inclusion of gender relations issues in all Overstrand policies	Recommendations made to Executive Mayor Quarterly monitoring report submitted to the Executive Mayor		
		Support and extend the Gender Task Team	Administrative support and attendance at all GTT meetings Quarterly report submitted to Executive Mayor		
IT	J Walker	IT resource planning	Keeping and updating of IT strategy for Overstrand Municipality on ongoing basis	Yes	In place. Ongoing
		To maintain the network and administration	Keeping and updating of IT risk assessment on an ongoing basis	Yes	In place. Ongoing
			Keeping and updating of IT risk register and risk information system on an ongoing basis	Yes	In place. Ongoing

			<p>Keeping and updating of IT PC inventory on an ongoing basis</p> <p>Entrenchment of municipal rules governing the use of municipal IT infrastructure (including the use of email and internet) by 30 Sep 06</p> <p>Upgrading of the IT network as stipulated in risk nr 4 of the IT register</p> <p>Implementation of the Disaster recovery plan (risk nrs 2, 3 and 5)</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>In place.</p> <p>Spreadsheet of signed acceptances in place and in process of completion.</p> <p>Telkom upgrades of lines in progress. Server Room now complete.</p>
Internal Auditing	Vacant	Provision of advice to the Municipal Manager and Audit Committee	<p>MANAGING THE INTERNAL AUDIT ACTIVITY</p> <p>Effectively manage the internal audit activity to ensure it adds value to the organization.</p> <p>Planning</p> <p>Establish risk-based plans(October) to determine the priorities of the internal audit activity, consistent with the organization's goals.(SDBIP)</p> <p>Base the internal audit activity's plan of engagements on a risk assessment. The input of senior management and the audit committee to be considered in this process.</p> <p>Communication and Approval</p> <p>Continuously communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and to the audit committee for review and approval. Also communicate the impact of resource limitations.</p> <p>Resource Management</p>		<p>The position is vacant since 1 October 2006. In spite of advertisements in the media no successful appointment could be made. The Municipal Manager is, amongst others, with the other Local Authorities within the Overberg, considering the implementation of a shared service</p>

			<p>Ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.</p> <p>Policies and Procedures</p> <p>Continuously maintain and when necessary, establish policies and procedures to guide the internal audit activity.</p> <p>Evaluate and contribute to the improvement of risk management, control, and governance processes using a systematic and disciplined approach.</p> <p>Assist the organization by identifying and evaluating significant exposures to risk and contributing to the improvement of risk management and control systems.</p> <p>Monitor and evaluate through the internal audit processes the effectiveness of the organization's risk management system.</p> <p>Evaluate risk exposures relating to the organization's governance, operations, and information systems regarding the</p> <p>Reliability and integrity of financial and operational information.</p> <p>Effectiveness and efficiency of operations.</p> <p>Safeguarding of assets.</p> <p>Compliance with laws, regulations, and contracts.</p>		
Internal Auditing	Vacant	Continuation of the business of the Audit section and Audit Committee			<p>The position is vacant since 1 October 2006. In spite of advertisements in the media no successful appointment could be made. The Municipal Manager is, amongst others, with the other Local Authorities within the Overberg, considering the implementation of a shared service</p>

		<p>To comply with the act by scheduling at least four meetings of the audit committee per annum.</p> <p>Revise the internal audit work plan during August/September 2006 for submission to the Audit Committee</p>	<p>Address risk consistent with the engagement's objectives and be alert to the existence of other significant risks.</p> <p>Incorporate knowledge of risks gained from consulting engagements into the process of identifying and evaluating significant risk exposures of the organization.</p> <p>Meetings scheduled at a rate of at least one meeting per quarter</p>		
Internal Auditing	Vacant	<p>To execute the audits according to the risk-based internal audit work plan and to submit findings to customers</p>	<p>Audit Committee to agree/approve revised internal audit work plan: September/October 2006</p> <p>Findings to audit committee on a basis of at least once every quarter</p>		<p>The position is vacant since 1 October 2006. In spite of advertisements in the media no successful appointment could be made. The Municipal Manager is, amongst others, with the other Local Authorities within the Overberg, considering the implementation of a shared service</p>
Expenditure	Hennie Niemand	Co-ordination of the annual salary budget process	<p>Revise salary budget process for 2007/08 and distribute timetable to management: end August 07</p> <p>'Draft' salary budget: February 2007</p> <p>Final salary budget: May 2007</p> <p>Report: Training and capacity programme for staff members for 2007/08: Sep 2007</p>	<p>NO</p> <p>NO</p> <p>NO</p>	

		<p>Payment of salaries and wages and all salary-related contributions/taxes (e.g. pensions & income tax) on a monthly or weekly basis</p> <p>The payment of goods and supplies for the Municipality</p> <p>Monthly management reports to CFO</p> <p>Compilation of expenditure reports/returns to Provincial and National Treasury</p>	<p>100% of weekly wages paid by the Friday of each week</p> <p>100% of monthly salaries paid by the 26th of each month</p> <p>100% of 3rd-party payments made within externally-set monthly deadlines</p> <p>Complete end-of month reconciliation of salaries system to general ledger</p> <p>Invoice payments: 90% of payments made within 30 days.</p> <p>Contractor payments: 100% of payments made within 30 days of payment certification.</p> <p>Monthly reports:</p> <ul style="list-style-type: none"> - Creditors: payments made - Salaries: deviations <p>Completion of periodic returns to Provincial and National Treasury</p>	<p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>NO</p> <p>NO</p>	
Accounting Services	B King	<p>Co-ordination of the annual capital budget process</p> <p>Co-ordination of the annual closedown of accounts and completion of the financial statements</p>	<p>Revise operational and capital budget process for 2007/08 and publish timetable: end August 2006</p> <p>'Draft' operational and capital budget: March 2007</p> <p>Final operational and capital budget: end May 2007</p> <p>Rewrite the format of the financial statements and modify the chart of accounts to reflect GRAP: end July 2006</p> <p>Financial statements given to Auditor-General: end August 2006</p> <p>New financial statements and Audit Report tabled at Council in Annual Report: end January 2006</p>	<p>yes</p> <p>yes</p> <p>yes</p> <p>no</p> <p>yes</p> <p>yes</p>	<p>New IAS & IFRS statements issued for further compliance by municipalities being researched</p>

		Assist with compilation of quarterly SDBIP reports and mid-year budget and performance assessment report to Council	First SDBIP monitoring report to Council: October 2006 (and then each quarter)	yes	
			Mid-year budget and performance assessment report to MM: January/February 2007	yes	
		Compilation of monthly budget monitoring reports to Executive Mayor	Report completed by the 21 st working day after the month end and submission thereof to EMT and thereafter to Portfolio Committee, Mayoral Committee and Council.	yes	
		Project Management for the MFMA Change Project	See corporate projects section of the SDBIP Responsible for duties of Project Manager Responsible for monthly reports to Chief Financial Officer, Municipal Manager and Executive Mayor	yes	
		The provision of financial management support and control	Produce a manual of corporate financial procedures (GRAP) and issue to all staff members: September 2006 Produce the following policies for approval by Council:- - Investment policy end Oct 2006 - Revised Asset policy end Oct 2006 Undertake monthly bank reconciliations Finalise 95% of standard insurance claims within 1 month	no no yes yes	New IAS & IFRS statements issued for further compliance by municipalities being researched new/revised policies are being drafted new/revised policies are being drafted
Accounting Services	B King		Invest all surplus cash on a weekly basis In accordance with the Investment Policy Annual audit of asset register: end June 07 Approved budget virements undertaken within 3 days of request	yes yes yes yes	Documentation is being compiled to undertake stock take

			Monthly reconciliation of all control and suspense accounts	no	Busy with annual review						
Income	E Cabral	Administration of the Council's Indigent Policy	Evaluation and auditing of data of indigent households – end Oct 2006	NO	In the process of entering into a SLA with a service provider to assist in this						
		Annual review of rates and tariffs	Deadlines met as part of corporate IDP/Budget process timetable	YES	Implemented						
		Effective debt management	Collect 85% of all current outstanding debt within 90 days	YES	OVERSTAND 93%						
			Write off irrecoverable debt quarterly	YES	Next list will be presented to Council in August 2007						
		The production of regular management performance information relating to income collection	Restructuring of new Data Management Section by end Aug 2006	YES	Done						
			Data cleansing of debtors information	YES	Done						
			Completion of project: end Dec 06								
			Produce monthly collection rate statistics (for each major income source) to lead to the setting of performance measures in 2006/07.	YES	Rates: 85%	Sewer 79%	Refuse 79%	Elect. 83%	Water 79%	Other 78%	
		Compilation/revision of tariff policies and structures	Possible reviewed tariff structures for water, electricity, sewerage and refuse to be introduced for 2006/07:	YES	Done						
			Executive Management Team agreement: end September 2006	YES	Approved						
			Council approval of new tariff structures: May 2006	YES	Done						
		Reading of water and electricity meters	100% of meters needing to be read undertaken by the 25 th of each month	YES	Ongoing						
		Sending out service charges and bills	All annual bills to be sent out by the 20 th July 2006	YES	Ongoing						
	All monthly bills to be sent out by the 30 th of each month	YES	A service provider for the printing and distrubuting of monthly bills has been appointed and monthly accounts will be sent out by the 30th of each month								
	Investigate and report on the revision of the valuation role.	No	Valuaters has been appointed for a general valuation. This will be completed for implementation 1 July 2008								
	Data input of debtors accounts for Income department.	YES	Ongoing								

Supply Chain Management	R La Cock	Co-ordination of the supply chain management process	Revise supply chain management process for 2006/07 and distribute timetable to management: end August 2006	Yes	Various options for a database for accredited suppliers is available, investigation for the best option is still in process.
		Municipal stores management	Bi-annual stores audit: Nov 2006 and Jun 2007	Yes	
		Supply Chain Management policy implementation	Review draft policy and process procedures – end Sep 2006	Yes	
			Submission of draft policy – end Nov 2006	Yes	
			Approval of final version – Feb 2007	no	
		Corporate governance role with respect to Council procurement	Review of initial list of accredited suppliers (as required under MFMA): end Sep 2006	no	
			Training of internal management in policy implementation and procedures – Aug/Sept 2006	yes	
			Process:		
		Provision of supply chain management and control	- Appoint training facilitator – end July 2006	yes	
			- Training workshop – end Aug 2006	yes	
Produce a manual of corporate financial procedures and internal control measures in terms of the MFMA and GRAP: Mar 2007					
	Consideration of tenders within 14 days after closing date of tenders	Yes			
Approval and finalisation of supply chain management tenders and contracts	Finalisation of contracts 100% within 45 days including 21 days objection period				
	Monthly reporting to Council on tenders awarded	Yes			
	Ensure that all purchases above R30 000 follow and meet supply chain legislation requirements	Approval of all orders above R30 000	Yes		

Area Management Gansbaai	F Myburgh	To facilitate the public participation process via the ward committees, NGOs and community organisations, and to manage the IDP/Budget process	Ward Committee meetings support:	Yes	3 joint meetings were held by Wards 1 + 2 as per Council calender
		To verify waiting list(s) for low cost housing in the area	Compilation/distribution of agendas monthly	Yes	
			Drafting/circulation of minutes within 21 days of meeting	Yes	
			Forwarding of Ward Committee inputs regarding IDP processes	Yes	213 letters (excluding town planning) received. 55% response to incoming mail within 14 days
			Annual scrutiny of waiting list(s) by the end of March	Yes	
			Documentation of mail daily	Yes	
			Distribution of mail within 48 hours	Yes	
		To ensure administrative support services in decentralised areas	Monitoring and ensuring response to incoming mail within 14 days	Yes	
			Monthly budget control/monitor capital project progress and operational spending	Yes	All community needs were captured and included in the process
			Daily service to members (except Stanford and Betty's Bay)		
		To provide a reliable library service	Monthly recording and reporting of stats to Province	Yes	
			Annual stocktaking – minimize losses and payments to Province	Yes	Book circulation - 31 080 books were issued
			Quarterly programmes	Yes	
		To ensure well maintained public office buildings community facilities and well managed cemeteries	Administration of facilities on a daily basis	No	Due to lack of staff, no official programmes were presented - normal school assignments
			Ensure proper and accurate record keeping of graveyard registers	Yes	
		To facilitate community development by promoting social upliftment, tourism, local economic development as well as youth and sport development	Meetings with interested and affected parties re local economic development and tourism marketing as required	Yes	Meetings were held with Local Business Chamber, Farmers Union, Tourism and several NGO's
			Promoting Local Labour Promotion Projects	Yes	
			Ongoing liaison with umbrella sporting bodies and organisations	Yes	

			Ongoing liaison with youth forums e.g. Junior Council	Yes	3 monthly steering committee meetings were held in respect of Spaces for Sport Projects for the upgrading of facilities in Masakhane & Eluxolweni were handed over to the various communities
Area Management Gansbaai	F Myburgh	To ensure a customer care service in decentralised areas	Monthly publication, holding and management of ward committee meetings as per council calender	Yes	3 joint meetings were held by wards 1 + 2 as per council calender
			Monthly record of complaints registered at help desks		
			Queries, complaints and requests forwarded to internal departments within 48 hours. They must respond within 14 days		
			Monitoring and ensuring replies to correspondence		
		Kleinbaai Boat-launching Site	Management and control of boat-launching	No	Approximately 55% of incoming letters were responded to within 14 days.
Manage caravan parks	Daily administration of facilities	Yes	1331 launches were recorded 132 permits were issued		
Area Management Kleinmond	C Jonkheid	To facilitate the public participation process via the ward committees, NGOs and community organisations, and to manage the IDP/Budget process	Ward Committee meetings support:	Yes	Formal and Informal monthly meetings (Wards 9 and 10) were during April, May and June 2007.
		To verify waiting list(s) for low cost housing in the area	Compilation/distribution of agendas monthly	Yes	Agendas circulated 7 days before date of ward committee meetings.
			Drafting/circulation of minutes within 21 days of meeting	Yes	
			Forwarding of Ward Committee inputs regarding IDP processes	Yes	
			Annual scrutiny of waiting list(s) by the end of March	Yes	394 Letters, excluding e-mails and town planning applications were captured.
			Documentation of mail daily		
		To ensure administrative support services in decentralised areas	Distribution of mail within 48 hours	Yes	Approximately 80% of incoming letters were responded to within 14 days
			Monitoring and ensuring response to incoming mail within 14 days		
To provide a reliable library service	Monthly budget control/monitor capital project progress and operational spending	Yes	Valuable service to public i.r.o photo copies, internet. 'Friends of the Library'		
	Daily service to members (except Stanford and Betty's Bay)	Yes			

		To ensure well maintained public office buildings community facilities and well managed cemeteries	<p>Monthly recording and reporting of stats to Province</p> <p>Annual stocktaking – minimize losses and payments to Province</p> <p>Quarterly programmes</p> <p>Administration of facilities on a daily basis</p> <p>Ensure proper and accurate record keeping of graveyard registers</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Book circulation - 11 496 books, videos, CDs and DVDs were issued</p> <p>Lack of floor space. Programmes were arranged for primary and pre-primary schools</p> <p>213 Bookings for community halls, including annually bookings by clubs and organisations. Daily cleaning of facilities.</p>
Area Management Kleinmond	C Jonkheid	<p>To facilitate community development by promoting social upliftment, tourism, local economic development as well as youth and sport development</p> <p>To ensure a customer care service in decentralised areas</p> <p>Manage caravan parks</p>	<p>Meetings with interested and affected parties re local economic development and tourism marketing as required</p> <p>Promoting Local Labour Promotion Projects</p> <p>Ongoing liaison with umbrella sporting bodies and organisations</p> <p>Ongoing liaison with youth forums e.g. Junior Council</p> <p>Monthly publication, holding and management of ward committee meetings as per council calender</p> <p>Monthly record of complaints registered at help desks</p> <p>Queries, complaints and requests forwarded to internal departments within 48 hours. They must respond within 14 days</p> <p>Monitoring and ensuring replies to correspondence</p> <p>Daily administration of facilities</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	
Area Management Stanford	P Ferreira	<p>To facilitate the public participation process via the ward committees, NGOs and community organisations, and to manage the IDP/Budget process</p> <p>To verify waiting list(s) for low cost housing in the area</p>	<p>Ward Committee meetings support:</p> <p>Compilation/distribution of agendas monthly</p>	<p>Yes</p> <p>Yes</p>	<p>All Ward Committee members are notified monthly for their inputs into the agenda</p> <p>Delivered on Friday for Monday's meeting</p>

Area Management Stanford	P Ferreira		Drafting/circulation of minutes within 21 days of meeting	Yes	Draft minutes goes out within 14 days
		To ensure administrative support services in decentralised areas	Forwarding of Ward Committee inputs regarding IDP processes	Yes	But not all electronic mail at this point
			Annual scrutiny of waiting list(s) by the end of March	No	
			Documentation of mail daily	Yes	
			Distribution of mail within 48 hours	Yes	
			Monitoring and ensuring response to incoming mail within 14 days	Yes	
		To provide a reliable library service	Monthly budget control/monitor capital project progress and operational spending	Yes	15 Hours per week
			Daily service to members (except Stanford and Betty's Bay)	Yes	
			Monthly recording and reporting of stats to Province	Yes	
			Annual stocktaking – minimize losses and payments to Province	Yes	
			Quarterly programmes	Yes	
		To ensure well maintained public office buildings community facilities and well managed cemeteries	Administration of facilities on a daily basis	Yes	Monthly programmes
			Ensure proper and accurate record	Yes	
			Keeping of graveyard registers	Yes	
			Meetings with interested and affected parties re local economic development and tourism marketing as required		
			Promoting Local Labour Promotion Projects		
		To facilitate community development by promoting social upliftment, tourism, local economic development as well as youth and sport development	Ongoing liaison with umbrella sporting bodies and organisations	Yes	Three projects going
			Ongoing liaison with youth forums e.g. Junior Council	Yes	
			To ensure a customer care service in decentralised areas	Monthly publication, holding and management of ward committee meetings as per council calender	
Monthly record of complaints registered at help desks	No	Formal help desk only starts in July 2007			

		Manage caravan parks	Queries, complaints and requests forwarded to internal departments within 48 hours. They must respond within 14 days	Yes	Electrical complaints attended to within a day; other queries within 14 days
			Monitoring and ensuring replies to correspondence	No	The electronic mail system will definitely help in this regard
			Daily administration of facilities		
Area Management Hermanus	D vVuuren	To facilitate the public participation process via the ward committees, NGOs and community organisations, and to manage the IDP/Budget process	Ward Committee meetings support:	Yes	Inputs from WC members are gathered and agendas distributed a week before meetings.
			Compilation/distribution of agendas monthly	Yes	Members advised telephonically as to availability of minutes/agendas collected.
			Drafting/circulation of minutes within 21 days of meeting	Yes	
		Forwarding of Ward Committee inputs regarding IDP processes	Yes	Attainment of target date influenced by community participation.	
		Annual scrutiny of waiting list(s) by the end of March	Yes		
		Documentation of mail daily	Yes		
		Distribution of mail within 48 hours	Yes		
		To ensure administrative support services in decentralised areas	Monitoring and ensuring response to incoming mail within 14 days	Yes	As done by librarian
			Monthly budget control/monitor capital project progress and operational spending	Yes	
			To provide a reliable library service	Daily service to members	
		Monthly recording and reporting of stats to Province		Yes	
		Annual stocktaking – minimize losses and payments to Province		Yes	
		To ensure well maintained public office buildings community facilities and well managed cemeteries	Quarterly programmes	Yes	
			Administration of facilities on a daily basis	Yes	
			Ensure proper and accurate record	Yes	
			Keeping of graveyard registers	Yes	

		<p>To facilitate community development by promoting social upliftment, tourism, local economic development as well as youth and sport development</p> <p>To ensure a customer care service in decentralised areas</p> <p>Manage caravan parks</p>	<p>Meetings with interested and affected parties re local economic development and tourism marketing as required</p> <p>Promoting Local Labour Promotion Projects</p> <p>Ongoing liaison with umbrella sporting bodies and organisations</p> <p>Ongoing liaison with youth forums e.g. Junior Council</p> <p>Monthly publication, holding and management of ward committee meetings as per council calender</p> <p>Monthly record of complaints registered at help desks</p> <p>Queries, complaints and requests forwarded to internal departments within 48 hours. They must respond within 14 days</p> <p>Monitoring and ensuring replies to correspondence</p> <p>Daily administration of facilities</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Projects identified in conjunction with Manager: LED</p> <p>Formal recording system will be resolved through new electronic system</p>
Corporate Administration	R de Jager	<p>To ensure well maintained corporate office buildings</p> <p>To deal with applications submitted in terms of the Promotion of Access to Information Act</p> <p>To render an effective mail/registration and reprographical service</p> <p>To comply with national archive requirements</p>	<p>Administration of facilities on a daily basis</p> <p>Applications dealt with in accordance with the Act's stipulations</p> <p>To distribute incoming mail to administrations, departments, divisions and officials within 48 working hours of receipt thereof</p> <p>Management of archives in line with requirements of National Archives legislation</p> <p>Monitoring of replies to correspondence distributed</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p>	<p>Will be monitored once Collaborator (Electronic Document Management System) is fully operational.</p>

Electricity Distribution	P Burger D Maree	Measurement of provision of services	Compliance with specific time indicators set by NRS 047	Y	Alle uitgaande werksopdragte word ingesleutel ,maar weens personeel te kort en aantal werkopdragte word voltooide opdragte nog nie ingesleutel nie . Audit of meters and networks in process.
			100% completion of works order program	N	
		Installation of new equipment	Spend at least 90% of external funding when possible (spending is depended on progress of externally controlled projects)	Y	
			Measurement of losses occurring in order to reduce losses to less than 10%	Y	
		Management of unaccounted for consumption			
		Compilation and execution of electrical master plan	Completion of 100% of capital projects	Y	
		Installation of monitoring equipment	Compliance with specific service levels set by NRS 048	Y	
Fire Services	R Jacobs		Submission of annual report to NER	Y	Ongoing process. 4 Sessions done per month. Completed Completed Training done on a weekly basis Snr. Fire Fighter appointed With the above appointment we have started with routine fire prevention inspection.
		Inspection and repair of equipment	Implementation of maintenance plan, spending of 100% of budget	N	
		To improve public knowledge of fire prevention	24 visits to institutions per year for public education and information sessions	Yes	
			Fleet and equipment conform to SANS Code 10090 and NFPA codes	Yes	
		To improve fire fighting and rescue capabilities	100% of capital budget spent by end of financial year	Yes	
		To improve personal safety of fire-fighters	Minimum of 4 hours per month training for volunteers	Yes	
		To increase workers' corps	Supervision and improvement of firefighting procedures	Yes	
		To improve fire safety standards of fire risk premises	100% application of relevant SANS codes	Yes	

Disaster Management	J Kritzinger	To appoint discipline heads	Appointment of various discipline heads with command directives as need arises	Yes	
		To improve fire safety standards of fire risk premises	Thorough implementation of codes and legislation	Yes	
		To maintain and update local disaster plans	Annual review of disaster management plans	Yes	
			Ongoing liaison with PAWC and ODM	Yes	
			Update disaster management plan as requires	Yes	
Fleet Management	T Serfontein	Upgrade fleet, focusing on multi-functionality of vehicles	Spending 90% of budget allocation	Yes	Completed
		Provision of fleet management services	Research and development of a policy with a report to the Executive Mayor by Nov 2006	Yes	Policy completed. Awaiting feedback from Operational Manager
		Ensure training of drivers to improve skill levels	Source training funds	Yes	Completed all Administration drivers. Spent ±R20000 on training .
		Maintain vehicles	3-monthly inspection and report process	Yes	Completed
			90% maintenance budget spent	Yes	Completed and spent 100% of budget (R3 million). Received ±R5 million from savings for replacement/new vehicles. Spent 100%.
Housing	B von During	Development of integrated plan and housing policy	Adjust Integrated planning on an annual basis Draft policy written end Dec 06 Consultation completed end Feb 07 Approval end April 07	Yes Yes No No	Changes in policy of National Changes in policy of National
		Management of housing capital projects	100% implementation of approved projects	Yes	
		Innovation towards housing delivery	Submit a report by Feb 07 on densification options to be pursued Top structure investigation Research new methods	Yes Yes Yes	Busy, but awaiting report from National. Ongoing Ongoing
		Management of approved 5-year housing plan	Quarterly action plan completed and approved	Yes	Ongoing
		Management of informal settlements	Ongoing consultation with Province and community (monthly) Maintain record of residents and structures	Yes Yes	Ongoing Ongoing
			Monthly consultation with community committee	Yes	Ongoing

Housing	B von During	Applications to Province for housing projects	In accordance with checklist as per legislation and housing code (6-monthly)	Yes	On approved projects by Province
		Management of rental stock	<input type="checkbox"/> Update records of inhabitants by April Restart process of transferring of rental stock where applicable - ongoing	Yes	Done
Protection Services	J Kritzinger		Transfer all rental stock and write off bad debt by Oct 06	Yes	By October 2007
			Visit at least 6 schools once a year	Yes	
		Improve public awareness of traffic safety	Participate in annual National Arrive Alive Programme/ Provincial programme	Yes	
		Management of traffic and law enforcement resources	Refresher courses twice a year Yearly and 6-monthly calibration of equipment	Yes	6 Officers sent to Training College January to December.
		Implementation of Road Traffic Act and Municipal Legislation	Enforcement of provisions of Road Traffic Act, by-laws and Municipal regulations	Yes	
		Facilitate high payment levels of fines and licenses	Monthly monitoring and reporting of process serving returns to maintain payments above 40%	Yes	
		Provision of effective card licence process	Applications processed and transmitted to service provider on weekly basis	Yes	
		Licensing and registration of vehicles	In line with department of transport and NATIS requirements	Yes	
		Roadworthy testing of vehicles	In line with relevant legislation and SABS codes for a Grade A testing station	Yes	
		Learner and driver's licence testing	In line with National Department of Transport requirements and Human Sciences Research Council manuals	Yes	
				Yes	

Operational Management	D vVuuren	Law Enforcement		Yes	
		To ensure that residents comply with municipal by-laws and requirements	Respond to at least 90% of queries, complaints and requests on a monthly basis	Yes	
				Yes	
		Respond timeously on reported disruptions of service delivery to the public	Performance measures to be submitted to the director Executive Mayor and Municipal Manager	Yes	Busy implementing electronic monitoring system (worksorder system)
		To provide well maintained amenities and public open spaces and cemeteries	Cost-effective spending of at least 90 % of the allocated operational funds for this purpose Monitoring of complaints received	Yes	84%
		Ensure maintenance of sport facilities	As and when required	Yes	Cut grass on request before matches as and when required.
		To provide assistance and execution of building maintenance	As and when required upon request	Yes	
		Provide safe and well maintained roads and walkways.	Cost-effective spending of at least 90 % the allocated operational funds for this purpose	Yes	92.30%
		To provide a well maintained stormwater network	Cost-effective spending of at least 90 % the allocated operational funds for this purpose.	Yes	Budget Permitting. 96% spent to date of report.
			Ongoing maintenance of stormwater system	Yes	94%
		Maintain clean and safe beaches		Yes	
			Comply with blue flag status requirements where applicable		
			Response to queries, complaints & requests	Yes	Amenities are clean. Availability of lifesavers on beaches. ODM tests water samples twice per month.
		To provide safe and healthy potable water to the inhabitants (purification and distribution)	Compliance of water quality to the standards required by the SANS 241 at all times	Yes	
			Incidents where consumers are without water for longer than 12 hours must be less than 3 occurrences per area per year.	Yes	Plant performance is tested by outside consultant once a month. Water of Class 1 quality.
			Effluent quality must comply with relevant permit approval	Yes	
		To provide a safe and healthy sewerage collection and disposal service	Eradication of bucket system (5) in Stanford by Oct 06	Yes	Plant performance is tested by outside consultant once a month.

Operational Management	D vVuuren	To provide a safe and healthy solid waste removal, disposal and cleansing services	Exceptions to scheduled removals of household waste must be limited to 5 % (1 in 20)	Yes	1636
		To execute scheduled (planned) and unscheduled maintenance tasks	Removals at least once a week	Yes	
			Surfaced roads: to repair all damage within 30 working days from being reported – weather permitting	Yes	
			Unpaved roads: to grade all main roads at least twice a year	Yes	
Operational Management	D vVuuren	To execute scheduled (planned) and unscheduled maintenance tasks	Execute the reseal program for roads identified by the Pavement Management System	Yes	100% Completed
			Implement capital projects	Yes	All contracts completed by August 2007
			100% completion of capital projects	Yes	
		Implement capital projects	100% completion of capital projects	Yes	
Operational Management	M Baartman	Respond timeously on reported disruptions of service delivery to the public	Performance measures to be submitted to the director Executive Mayor and Municipal Manager	Yes	Pro-rata spending of operational budget continues on a monthly basis and more than 90% will be spent by the end of the year
		To provide well maintained amenities and public open spaces and cemeteries	Cost-effective spending of at least 90 % of the allocated operational funds for this purpose Monitoring of complaints received	Yes	
		Ensure maintenance of sport facilities	As and when required	Yes	
		To provide assistance and execution of building maintenance	As and when required upon request	Yes	
		Provide safe and well maintained roads and walkways.	Cost-effective spending of at least 90 % the allocated operational funds for this purpose	Yes	
		To provide a well maintained stormwater network	Cost-effective spending of at least 90 % the allocated operational funds for this purpose.	Yes	
		Maintain clean and safe beaches	Ongoing maintenance of stormwater system	Yes	
			Comply with blue flag status requirements where applicable	Yes	
Operational Management	M Baartman	Maintain clean and safe beaches	Response to queries, complaints & requests	Yes	Worksorder system operates satisfactory.

		To provide safe and healthy potable water to the inhabitants (purification and distribution)	Compliance of water quality to the standards required by the SANS 241 at all times	No	High alluminium content at times, treatment works being upgraded at the moment
		To provide a safe and healthy sewerage collection and disposal service To provide a safe and healthy solid waste removal, disposal and cleansing services To execute scheduled (planned) and unscheduled maintenance tasks	Incidents where consumers are without water for longer than 12 hours must be less than 3 occurrences per area per year.	Yes	Comply with KPA
			Effluent quality must comply with relevant permit approval	Yes	Comply with KPA
			Eradication of bucket system (5) in Stanford by Oct 06	N/A	
			Exceptions to scheduled removals of household waste must be limited to 5 % (1 in 20)	Yes	Comply with KPA
			Removals at least once a week	Yes	Comply with KPA
Operational Management	M Baartman	Implement capital projects	Surfaced roads: to repair all damage within 30 working days from being reported – weather permitting	Yes	Except when backlog occurs due to extended rainy periods.
			Unpaved roads: to grade all main roads at least twice a year	Yes	Comply with KPA
			Execute the reseal program for roads identified by the Pavement Management System	Yes	Contractor on site
Operational Management	F Brand		100% completion of capital projects	Yes	Designs in progress and calling for tenders in Feb and March
		Respond timeously on reported disruptions of service delivery to the public	Performance measures to be submitted to the director Executive Mayor and Municipal Manager	Yes	Due to increased building work in Stanford, the condition of the roads deteriorated fast.
		To provide well maintained amenities and public open spaces and cemeteries	Cost-effective spending of at least 90 % of the allocated operational funds for this purpose Monitoring of complaints received		
		Ensure maintenance of sport facilities	As and when required	Yes	
		To provide assistance and execution of building maintenance	As and when required upon request	Yes	
		Provide safe and well maintained roads and walkways.	Cost-effective spending of at least 90 % the allocated operational funds for this purpose	No	Due to increased building work in Stanford, the condition of the roads deteriorated fast.
		To provide a well maintained stormwater network	Cost-effective spending of at least 90 % the allocated operational funds for this purpose.	Yes	

		To provide safe and healthy potable water to the inhabitants (purification and distribution)	Ongoing maintenance of stormwater system Compliance of water quality to the standards required by the SANS 241 at all times Incidents where consumers are without water for longer than 12 hours must be less than 3 occurrences per area per year. Effluent quality must comply with relevant permit approval	Yes	
		To provide a safe and healthy sewerage collection and disposal service	Eradication of bucket system (4) in Stanford by Oct 06	Yes	
		To provide a safe and healthy solid waste removal, disposal and cleansing services	Exceptions to scheduled removals of household waste must be limited to 5 % (1 in 20) Removals at least once a week	Yes	
		To execute scheduled (planned) and unscheduled maintenance tasks	Surfaced roads: to repair all damage within 30 working days from being reported – weather permitting Unpaved roads: to grade all main roads at least twice a year Execute the reseal program for roads identified by the Pavement Management System	Yes	
		Implement capital projects	100% completion of capital projects	Yes	
Operational Management	D Crafford	Respond timeously on reported disruptions of service delivery to the public	Performance measures to be submitted to the director Executive Mayor and Municipal Manager	Yes	New KPI to be formulated
		To provide well maintained amenities and public open spaces and cemeteries	Cost-effective spending of at least 90 % of the allocated operational funds for this purpose Monitoring of complaints received	Yes	
		Ensure maintenance of sport facilities	As and when required	Yes	
		To provide assistance and execution of building maintenance	As and when required upon request	Yes	
		Provide safe and well maintained roads and walkways.	Cost-effective spending of at least 90 % the allocated operational funds for this purpose	Yes	
Appointment of personnel progressing well					

		To provide a well maintained stormwater network	Cost-effective spending of at least 90 % the allocated operational funds for this purpose.	Yes	Stormwater systems to be updated
		Maintain clean and safe beaches	Ongoing maintenance of stormwater system	Yes	
			Comply with blue flag status requirements where applicable	NA	
		To provide safe and healthy potable water to the inhabitants (purification and distribution)	Response to queries, complaints & requests	Yes	Upgrade of works essential to maintain standards
			Compliance of water quality to the standards required by the SANS 241 at all times		
			Incidents where consumers are without water for longer than 12 hours must be less than 3 occurrences per area per year.	Yes	
		To provide a safe and healthy sewerage collection and disposal service	Effluent quality must comply with relevant permit approval	No	Upgrade of works essential to maintain standards
			Eradication of bucket system (5) in Stanford by Oct 06	Yes	
		To provide a safe and healthy solid waste removal, disposal and cleansing services	Exceptions to scheduled removals of household waste must be limited to 5 % (1 in 20)	Yes	Baardskeerdersbos will commence 5 July 2007
			Removals at least once a week	Yes	
		To execute scheduled (planned) and unscheduled maintenance tasks	Surfaced roads: to repair all damage within 30 working days from being reported – weather permitting	Yes	
			Unpaved roads: to grade all main roads at least twice a year	Yes	Lack of equipment to be addressed
			Execute the reseal program for roads identified by the Pavement Management System	Yes	
		Implement capital projects	100% completion of capital projects	Yes	Contractors experienced problems

Solid Waste	T Serfontein	Ensure waste minimisation	Ongoing recycling and awareness programs	Yes	Completed
			Annual publication	Yes	Completed
			Extend to Kleinmond 2006	Yes	Completed
		Develop innovative waste removal and cleansing strategies	Implement pilot project in Zwelihle and Mt Pleasant	Yes	Completed - Community based street cleaning projects.
			Maintain existing projects in Kleinmond and Gansbaai	Yes	Completed
		Solid Waste project implementation	100% completion of projects	Yes	90% Completed - Gansbaai landfill upgrade to be completed by Sept 2007.
		Implement bulk service planning	Annual monitoring of quantities	Yes	Completed
			Annual Report to DWAF	Yes	Completed (Submitted)
		Ensure permit compliance	Monitor 3 times per year	Yes	Completed
		Develop Integrated Waste Management strategy	Approval by August 06	Yes	Completed. Submitted January 2006. Awaiting feedback from DEADP.
Building Services	J Simson	To respond to customer complaints and enquiries	Within 14 DAYS	yes	No official monitoring system
		To manage capital and building maintenance projects i.r.o. civic buildings	100% completion of capital projects	yes	Roll over only on funds allocated in April
		To inspect buildings within 48hrs of request	To ensure building works are compliant with legislation	yes	
		To provide building control	Monitoring of successful claims against the municipality (less than 1 per 1000 plans per year)	yes	
			To report building infrastructure on a monthly basis to the finance directorate	yes	
		To provide training for building services staff	As captured in the skills plan submitted to HR	yes	
		To receive and consider all building plans	All compliant plans processed within 21 days of receipt	yes	Monitoring system now set up from July 2007 new stats to be taken
		To ensure building plans are scrutinized	Hold weekly building plan meetings with relevant staff	yes	

		To provide reliable building statistics	Monthly report to Executive Mayor	yes	
		Undertake the compulsory inspections on building works	Maintain monthly Departmental statistics	yes	
			Comply with statutory requirements	yes	
Environmental Conservation	Leon Steyn	Establishment and support of mechanisms for community involvement in environmental conservation	Volunteer corps established by June 2006	Yes	Small corps are in place. Backup staff for supervision a problem.
			All meetings attended	Yes	
			Administrative support provided	No	None available.
			Decentralized management structure established by Feb 2006	No	No staff
		Management of protected areas	Management plans compiled for each protected area and updated when required	Yes	Fernkloof NR & Stony Point completed.
		Annual evaluation to determine effectiveness of all functional processes	Report submitted annually	No	Functional processes not yet defined.
Infrastructure Planning	Dennis Hendricks	Drafting/revision of environmental conservation policies	Environmental Conservation Policy completed by June 2006 Update by June 2007	Yes	Completed. Not updated.
		Establishment of GIS ecological database	GIS established by June 2006	Yes	Via WFW Protea Project.
		Promote non-motorised transport	Continue with non-motorised transport plan Create awareness of the benefit of non-motorised transport	No	Temporarily on hold.
		Promote Public Transport	Revisit planning of the Hermanus taxi rank and finalise the design and planning of the facility before June 2007	Yes	Included in the design of the CBD relief road.
			Continue to provide input in the development of an Integrated Public Transport Plan (with ODM and Province)	Yes	Ongoing

		Water education programs and public awareness	Motivate the necessity of a detailed transport plan for Overstrand Municipality and make provision therefore on the 2007/2008 capital budget	Yes	On hold due to anticipated changes on legislation.
			Provide infrastructure within budget allocation from Province	Yes	100% MIG spending
			Recycling and awareness programme in schools and communities	Yes	Ongoing. Held exhibition
			Ongoing water loss program in communities	Yes	In association with operational managers.
		Sanitation education program	Ongoing school visits		
			Investigation of how to discharge effluent by Jul 06 – Feb 07	Yes	Commissioned
		To construct a new waste water treatment works (WWTW) for Gansbaai	EIA application for new WWTW by Aug 06 – Mrch 07	No	Project cancelled
		Project implementation	Provision of WWTW 2009	Yes	Upgrading of existing works will be completed by March 2008
			100% Completion of approved projects	Yes	98% completed
		Maintaining and implementation of a Pavement Management System	Roads to be resealed to be identified before November 2006	Yes	Ongoing
			Road re-sealing completed by June 2007	Yes	Ongoing
			Licence all resources and investigate new	Yes	Ongoing
			Requests BOT tender for the provision of desalinated potable water:	No	
		Development/management of resources and licensing	MIU funding application (July 06)	No	
			Section 78 process (Jul – Nov 2006)		
			EIA study (Jul – Nov 2006)	No	Project on hold due to development of ground water resources.
			Finalisation of agreement with Abagold to provide raw water (Oct 06)	No	
			Preparation of BOT tender documents (Nov 06 – Apr 07)	No	
			Request BOT tender (Nov 06)	No	

Infrastructure & Planning	Dennis Hendricks	Management of "unaccounted for" water	Measuring and reporting of water loss with the aim of reducing losses to 10%	yes	Ongoing
		Road infrastructure extension and maintenance	100% completion of approved projects	Yes	
		Stormwater masterplanning	Motivation for funding for 2007/2008	Yes	
			Develop traffic calming policy by June 2007	Yes	
		Improvement of traffic flow and safety	Investigate identified problem areas and motivate for the funding of improvements	Yes	Ongoing
		Water and Sewerage bulk service planning/distribution masterplanning	Quarterly monitoring report	Yes	Ongoing
		Monitoring of water quality and compliance	Monitoring monthly and report	Yes	Ongoing
		Effluent quality monitoring		Yes	
		WSDP updating	Approval by August 07	Yes	Consultant to be appointed by end August 2007.
		Sanitation education program	6-monthly update		
			Ongoing school visits	Yes	Ongoing
		Sanitation project implementation	100% completion of budgeted projects	Yes	Ongoing
		Bulk service planning/collection masterplanning	Quarterly quantity monitoring report	Yes	Ongoing
Town Planning	R Kuchar	Effluent quality monitoring	Monthly monitoring, quarterly report	Yes	Ongoing
		WSDP updating	Approval by August 07		Consultant to be appointed by end August 2007.
				No	
		To notify Interested and affected parties according to legislation via letter/newspaper adverts	Advertising of applications	Yes	
			Assessing applications within 14 days	Yes	
			If applications is complete to advertise within 21 days	Yes	
			Notify applicant within 14 days after closing of notice of any objections	Yes	
			Submit item to Council on month to month basis	Yes	

		<p>To ensure all development takes place on sustainable and balanced manner</p> <p>To adapt tariffs regarding planning fees</p> <p>To implement a tracking system to monitor progress of applications</p> <p>SDF</p> <p>To manage special planning projects for e.g. Scheme regulations: Sectoral Plan, etc.</p> <p>To develop a progress report</p> <p>To provide Info on Internet</p>	<p>To notify applicants and interested and affected parties within 14 days after Council's resolution</p> <p>Monthly reports to Council</p> <p>Yearly budget upgrade</p> <p>Updated monthly</p> <p>Annual Report to Council</p> <p>Annual Revision of SDF</p> <p>Yearly report</p> <p>Monthly</p> <p>Monthly updates</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p>	<p>Busy with development of programmes</p> <p>Budget</p> <p>Busy with development of programmes</p>
Water Services	Dennis Hendricks	<p>Public awareness and education programs</p> <p>Water project implementation</p> <p>Development/management of resources and licensing</p>	<p>Recycling and awareness programme in schools and communities</p> <p>Ongoing water loss program in communities</p> <p>100% completion of budgeted projects</p> <p>Licence all resources and investigate new</p> <p>Request BOT tender for the provision of desalinated potable water:</p> <ul style="list-style-type: none"> - MIU funding application (July 06) - Section 78 process (July – Nov 06) - EIA study (Jul – Nov 06) - Finalisation of agreement with Abagold to provide raw water (Oct 06) - Preparation of BOT tender documents (Nov 06 – Apr 07) - Request BOT tender (Nov 06) <p>Measuring and reporting of water loss with the aim of reducing losses to 10%</p>	<p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>With operational managers</p> <p>Project on hold due to development of ground water resources</p> <p>ongoing</p>

		Management of "unaccounted for" water			
		Bulk service planning/distribution masterplanning	Quarterly quantity monitoring report	Yes	ongoing
		Monitoring of quality and compliance	Monitoring monthly and report	Yes	ongoing
		WSDP updating	Approval by August 07 6-monthly update		Consultant will be appointed to compile 5 year plan by end August 2007
Local Economic Dev	S Madikane K Arendse	To manage the operations of the Local Economic Development Unit with specific reference to Small Medium Micro Enterprises (SMME) Development	Consult with various stakeholders/interested parties	Yes	
		To ensure tourism and central business district development initiatives	Ongoing liaison with the district tourism body as well as local tourism bodies	Yes	Final comments being integrated into the document.
		To co-ordinate inputs into IDP/budget process	Meeting of deadlines iro corporate timetable	Yes	Prioritisation integral part of the LED strategy. Strategy approved.
		Financial management of the Unit	Monitor the spending on the allocated budget		Work in progress, negotiations taking place with partners.
		To develop and design appropriate business plans for the Unit	Develop business plans for different projects to be implemented	Yes	Council approval and support received - setting up in progress.
		To develop, implement and review organisational arrangements in support of the Unit	Ongoing liaison with different roleplayers and stakeholders	Yes	Capacity to be defined and negotiated in the bid process.
		To recommend and motivate specific interventions to promote LED	Investigation and development of projects with recommendation do Director	Yes	Work in progress, projects have been identified and write up to happen.
		To co-ordinate special projects related to job creation.	Investigate possible skills training	Yes	The LLP & Protea as major job creation projects, further discussions and linkages with other organisations to partner on Skills Training Projects.

CAPITAL BUDGET 2006/2007 - PRELIMINARY EXPENDITURE 20070630

ANNEXURE B

AMENDED BUDGET								
Category & Project Description	Project Manager	Internal Financing	External Funding	Total	ACTUAL	TOTAL	% Spent	COMMENTS
PROPERTY SERVICES		6,496,734	0	6,496,734	6,150,510	6,150,510	95%	
FORMALISEER TERREIN BY SMOUSPERSELE	C Jonkheid	10,000	0	10,000	0	0	0%	LLPP - Project commenced 26 March 2007
CAST FLOOR SOLID WASTE VEHICLE SHED	D Crafford	30,000	0	30,000	30,434	30,434	101%	Completed
SHED FOR VEHICLE STORAGE	D Crafford	200,000	0	200,000	199,951	199,951	100%	Completed
GEARING POINT - UPGRADE FACILITIES	D Hendricks	200,000	0	200,000	180,889	180,889	90%	Completed
FOOTPATHS -WINDSOR TO HM PIETERSE FTN.	D Hendricks	450,000	0	450,000	378,016	378,016	84%	Completed
CONSTRUCT AND UPGRADING OF CLIFF PATHS	D vVuuren	50,000	0	50,000	43,858	43,858	88%	Completed
OMHEIN RHEEZICHT MEENT & DORPSPLAN	D vVuuren	7,083	0	7,083	7,082	7,082	100%	LLPP Project - Completed Tender not awarded due to high prices. Project rolled over to 07/08 budget year.
RELOCATION OF MUNICIPAL STORE	F Brand	319,000	0	319,000	258,922	258,922	81%	
ADMINISTRATION OFFICES : ARCHIVES	F Myburgh	105,000	0	105,000	104,968	104,968	100%	Project completed
OFFICES: EXTENSION OF PARKING AREA	F Myburgh	50,000	0	50,000	48,030	48,030	96%	Project completed
EXTENSION OF INDUSTRIAL AREA	F Myburgh	80,000	0	80,000	76,470	76,470	96%	Project completed
OFFICE EXTENSION	J Simson	4,451,000	0	4,451,000	4,340,526	4,340,526	98%	98% Complete
INSULATION MAIN OFFICE	J Simson	49,651	0	49,651	48,620	48,620	98%	Completed Give to Peter Burger as requested previously
AUDITORIUM LIGHTING	J Simson	20,000	0	20,000		0	0%	
SINGLE QUARTER UPGRADE	J Simson	50,000	0	50,000	48,805	48,805	98%	(Kobus) LLP
REFURBISH MUNICIPAL HOUSING	J Simson	50,000	0	50,000	20,484	20,484	41%	
REPLACE REPEATER RADIO	M Bartman	85,000	0	85,000	84,124	84,124	99%	Completed
PAVING PUBLIC PARKING - TRAFFIC	M Bartman	20,000	0	20,000	18,120	18,120	91%	Completed
WERKE TER BESKERMING VAN KUSRESERVAAT	M Bartman	30,000	0	30,000	26,364	26,364	88%	Completed Last payment to be made by 13 July 2007
GREENING OF STANFORD (ST)	P Ferreira	40,000	0	40,000	39,112	39,112	98%	
DEVELOPMENT OF ENTRANCE TO ZWELIHLE	S Madikane	200,000	0	200,000	195,735	195,735	98%	Completed

INFORMATION TECHNOLOGY		695,000	0	695,000	660,203	660,203	95%	
COMPUTER EQUIPMENT	J Walker	220,000	0	220,000	212,023	212,023	96%	Completed
NEW FURNITURE	J Walker	25,000	0	25,000	28,827	28,827	115%	Completed
RADIO NETWORK	J Walker	0	0	0		0		Incomplete
COMPUTER ROOM UPGRADE - OVERSTRAND	J Walker	0	0	0		0		Incomplete
COMPUTERS/EQUIPMENT - NEW APPOINTEES	J Walker	200,000	0	200,000	187,118	187,118	94%	Completed
GIS SERVER	J Walker	120,000	0	120,000	106,229	106,229	89%	Completed
NOVELL SERVER	J Walker	130,000	0	130,000	126,006	126,006	97%	Completed
PERSONNEL TIME & ATTENDANCE SYSTEM	J Walker	0	0	0		0		Completed
VEHICLES		3,093,850	0	3,093,850	3,083,657	3,083,657	100%	
VEHICLE REPLACEMENT	T Serfontein	2,860,000	0	2,860,000	2,859,893	2,859,893	100%	Completed
14 SEATER BUS	T Serfontein	233,850	0	233,850	223,764	223,764	96%	Completed
COMMUNITY BUILDINGS		2,641,000	3,951,270	6,592,270	5,830,245	5,830,245	88%	
FENCING AT BAMBANANI CRECHE	C Jonkheid	25,000	0	25,000	20,183	20,183	81%	Completed
GANSBAAI MULTI-PURPOSE CENTRE	F Myburgh	700,000	270,000	970,000	1,031,403	1,031,403	106%	Poject rolled over.
UPGRADE MOFFAT HALL	J Simson	500,000	0	500,000	470,919	470,919	94%	Poject rolled over.
SELF BUILD STORE - (CEILING & ROOF)	J Simson	66,000	0	66,000	64,804	64,804	98%	Completed
TOILET FACILITIES "CBD" IN PRINGLEBAAI	M Bartman	200,000	0	200,000	195,844	195,844	98%	Completed
MULTI PURPOSE CENTRE	P Ferreira	400,000	0	400,000	388,010	388,010	97%	Poject rolled over (LLPP)
COMMUNITY HALL	R Kuchar	0	0	0		0		Geld is hertoegewys
HAWSTON MULTI PURPOSE CENTRE	R Williams	750,000	3,681,270	4,431,270	3,659,082	3,659,082	83%	Phase 1 completed starting with phase 2.
CEMETERY		672,050	0	672,050	631,442	631,442	94%	
BOUNDARY WALL CEMETERY	J Simson	380,000	0	380,000	374,470	374,470	99%	Completed
HAWSTON GRAVEYARD	J Simson	40,000	0	40,000	34,934	34,934	87%	Completed
HAWSTON BOUNDARY WALL GRAVEYARD	J Simson	192,050	0	192,050	193,674	193,674	101%	Completed
BEGRAAFPLAASOMHEINING	M Bartman	30,000	0	30,000	27,275	27,275	91%	Completed
REGIONAL CEMETERY	R Kuchar	30,000	FALSE	30,000	1,089	1,089	4%	Waardasie en opemeting is gedoen

HOUSING		4,390,000	13,426,659	17,816,659	10,049,989	10,049,989	56%	
ST (489 Units) - SERVICES INFRASTRUCTURE	B von During	0	2,635,000	2,635,000	1,200	1,200	0%	Project to be completed end June '08
HAWSTON HOUSING (SERVICES) (LLPP PROJECT)	B von During	2,150,000	1,036,659	3,186,659	2,835,798	2,835,798	89%	Project to be completed end June '07
HAWSTON 182 UNITS (HOUSES)	B von During	0	7,200,000	7,200,000	7,115,152	7,115,152	99%	Plans to be finalised - project to be completed by July '07
KM (611 Units) - SERVICES INFRASTRUCTURE	B von During	2,200,000	2,165,000	4,365,000	56,290	56,290	1%	Project rolled over
RESETTLEMENT OF INFORMAL HOUSES	S Moses	0	390,000	390,000	5,824	5,824	1%	Completed
14 UNITS IN MOOIUITSIG - BETTY'S BAY	S Moses	40,000	0	40,000	35,725	35,725	89%	R50 000 return - Scaffolding to be purchased - March 07 (P Burger)
FIRE FIGHTING		390,000	0	390,000	387,664	387,664	99%	
SHACK ATTACK UNITS	R Jacobs	30,000	0	30,000	30,000	30,000	100%	Completed
RADIO'S	R Jacobs	35,000	0	35,000	34,040	34,040	97%	Completed
UPGRADING BUILDINGS	R Jacobs	125,000	0	125,000	124,106	124,106	99%	Completed
FIRE FIGHTING & RESCUE EQUIPMENT	R Jacobs	200,000	0	200,000	199,518	199,518	100%	Completed
SPORT & RECREATION		1,235,645	772,950	2,008,595	1,875,979	1,875,979	93%	
NEW SPORT FIELD LIGHTING FOR MASAKHANE	D Maree	0	310,650	310,650	299,395	299,395	96%	Completed
NEW SPORT FIELD LIGHTING FOR ELUXOLWENI	D Maree	0	462,300	462,300	449,178	449,178	97%	Completed
UPGRADING OF PLAY PARK - MP	D vVuuren	50,000	0	50,000	37,243	37,243	74%	LLPP Project - Completed
UPGRADING OF PLAY PARK OF 460 SITES	D vVuuren	30,000	0	30,000	28,676	28,676	96%	LLPP Project - Completed
ESTABLISHMENT OF NEW PARK OF 460 SITES	D vVuuren	60,000	0	60,000	56,693	56,693	94%	LLPP Project - Completed
UPGRADING OF PLAY PARK	D vVuuren	50,000	0	50,000	50,209	50,209	100%	LLPP Project - Completed
SLIPWAY HARBOUR	F Myburgh	580,000	0	580,000	579,526	579,526	100%	Project completed
115 - PLAY GROUND : BEVERLY HILLS (1934)	F Myburgh	10,000	0	10,000	9,818	9,818	98%	Project completed
PARKING AREA MAIN BEACH	M Bartman	27,645	0	27,645	27,645	27,645	100%	Project rolled over - Contract awarded
SURFACE/LANDSCAPE, PARKING KM BEACH	M Bartman	70,000	0	70,000	18,611	18,611	27%	Planning complete
KM MAIN BEACH RETAINING WALL	M Bartman	108,000	0	108,000	101,684	101,684	94%	Completed
STREETLIGHTS- ONRUS CARAVAN PARK	P Burger	50,000	0	50,000	49,774	49,774	100%	Completed
ELECTRIFICATION OF 80 SITES	P Burger	50,000	0	50,000	41,045	41,045	82%	Busy
NETBALL FACILITIES (ST)	P Ferreira	70,000	0	70,000	67,730	67,730	97%	LLPP project
TICKET KIOSK AT RUGBY FIELD (ST)	P Ferreira	20,000	0	20,000	6,811	6,811	34%	Completed
UPGRADING OF PLAY PARK - MP	R Williams	50,000	0	50,000	42,593	42,593	85%	Completed
ONTWIKKELING VAN SPEEL PARK	R Williams	10,000	0	10,000	9,347	9,347	93%	Completed

CLEANSING		1,940,000	0	1,940,000	1,657,616	1,748,665	90%	
SOLID WASTE: STORE FOR EQUIPMENT	D Crafford	30,000	0	30,000	29,746	29,746	99%	Completed
IMPROVE INTEGRATED WASTE MANAGEMENT	T Serfontein	1,370,000	0	1,370,000	1,187,043	1,187,043	87%	Project rolled over - To be completed October 2007
POLE MOUNTED REFUSE CONTAINERS	T Serfontein	50,000	0	50,000	50,000	50,000	100%	Completed
IMPROVE INTEGRATED WASTE MANAGEMENT	T Serfontein	136,500	0	136,500	133,985	133,985	98%	Completed
RECLAIMANT: DUMPSITE	T Serfontein	200,000	0	200,000	104,199	195,248	98%	Completed
CBD 240 L BINS (BUSINESSES)	T Serfontein	80,000	0	80,000	80,000	80,000	100%	Completed
IMPROVE INTEGRATED WASTE MANAGEMENT	T Serfontein	73,500	0	73,500	72,644	72,644	99%	Completed
SEWERAGE		7,286,755	0	7,286,755	7,073,679	7,190,329	99%	
WWTW- UPGRADE EXISTING WORKS	D Hendricks	2,200,000	0	2,200,000	2,198,098	2,198,098	100%	10% completed
WWTW- CONSTRUCTION OF NEW WORK	D Hendricks	0	0	0		0		
SEWERAGE RETICULATION GB CBD(OUTFALL IMPLEMENTATION)	D Hendricks	1,103,408	0	1,103,408	843,408	843,408	76%	design, in progress
WWTW & SUPPLY UPGRADE	D Hendricks	100,000	0	100,000	98,200	98,200	98%	completed
TELEMETRY PUMP STATIONS	D Hendricks	320,000	0	320,000	206,489	206,489	65%	completed
PUMP STATION & RISING MAIN (WESTCLIFF)	D Hendricks	1,963,347	0	1,963,347	2,127,484	2,244,134	114%	completed
SEWERAGE PUMP STATION, DE BRUYN STREET	F Brand	1,000,000	0	1,000,000	1,000,000	1,000,000	100%	Project rolled over. 60% Complete
REPLACE 2X SEWERAGE PUMP	M Bartman	0	0	0		0	#DIV/0!	Project rolled over - Contract awarded
SEWERAGE NETWORK (PHASE 2)	M Bartman	600,000	0	600,000	600,000	600,000	100%	Project rolled over - Contract awarded
STORM WATER		10,900,871	1,268,195	12,169,066	12,489,393	12,500,503	103%	
IMPROVEMENT TO STORM WATER PROBLEM	D Crafford	150,000	0	150,000	146,329	146,329	98%	Contractor experienced problems, completion June 07
IMPROVEMENT TO STORM WATER PROBLEM	D Crafford	150,000	0	150,000	146,420	146,420	98%	Contractor experienced problems, completion June 07
34 - B'BOS STREETS & STORM WATER	D Crafford	100,000	0	100,000	122,408	133,519	134%	Contractor experienced problems - Project rolled over.
STORM WATER - PADDAVLEI	D Hendricks	1,707,000	0	1,707,000	1,653,239	1,653,239	97%	phase 1 completed (design & purchase of material)
UNDERGROUND CUT OFF DRAIN	D vVuuren	200,000	0	200,000	261,450	261,449	131%	50% Complete
STORM WATER PROBLEMS	D vVuuren	800,000	0	800,000	949,309	949,309	119%	95% Complete
STORM WATER	D vVuuren	150,000	0	150,000	150,390	150,390	100%	98% Complete
UPGRADING ZWELIHLE STORM WATER (PHASE 1)	D vVuuren	1,450,000	1,268,195	2,718,195	2,718,195	2,718,195	100%	98% Complete
FORMALIZE OF MAJOR STORM WATER SYSTEM	D vVuuren	600,000	0	600,000	599,652	599,652	100%	Completed
STORM WATER - VERMONT AVENUE	D vVuuren	200,000	0	200,000	209,108	209,108	105%	Completed

CONSTRUCTION STORM WATER DRAINAGE	D vVuuren	1,592,000	0	1,592,000	1,625,898	1,625,898	102%	Completed
STORM WATER - GABIONS - BREAKFAST BAY	D vVuuren	30,000	0	30,000	29,908	29,908	100%	Aborted
STORM WATER & TARRING - CALCUTTA STR	D vVuuren	223,075	0	223,075	397,862	397,862	178%	Project rolled over. 70 % Completed
REPAIR MOSSELRIVER AT CROSS STR	D vVuuren	1,948,796	0	1,948,796	1,948,975	1,948,975	100%	Completed
CONSTRUCTION OF STORM WATER SYSTEMS	F Brand	200,000	0	200,000	174,375	174,375	87%	Completed
CONSTRUCTION OF STORM WATER SYSTEMS	F Brand	400,000	0	400,000	377,387	377,387	94%	Completed
STORM WATER (HANGKLIP/KLEINMOND)	M Bartman	500,000	0	500,000	500,000	500,000	100%	Project rolled over- contract awarded
ROADS		13,601,309	0	13,601,309	14,510,580	14,604,877	107%	
PEDESTRIAN ACCESS (SWART STR)	D Crafford	30,000	0	30,000	26,173	26,173	87%	Completed
TARRING OF STREETS	D Crafford	200,000	0	200,000	201,190	201,190	101%	Contracted experienced problems, completion June 07
SPEED BUMPS : BEVERLY HILLS	D Crafford	30,000	0	30,000	23,700	23,700	79%	Completed
BIRKENHEAD STREETS	D Crafford	20,808	0	20,808	21,290	21,290	102%	Project rolled over
TARRING OF STREETS	D Crafford	100,000	0	100,000	99,712	99,712	100%	Contracted experienced problems, completion June 07
RESURFACING OF STREETS (PMS)	D Crafford	500,000	0	500,000	396,795	491,092	98%	Contracted experienced problems, completion June 07
TARRING OF STREETS	D Crafford	200,000	0	200,000	199,849	199,849	100%	Contracted experienced problems, completion June 07
TRAFFIC CALMING MEASURES	D Crafford	50,000	0	50,000	56,215	56,215	112%	Completed
SPEED BUMPS - DE KELDERS	D Crafford	15,000	0	15,000	15,000	15,000	100%	Completed
B'BOS - TARRING 2X STREETS	D Crafford	3,201	0	3,201	741,857	741,857	23176%	Project rolled over
TARRING OF STREETS	D Crafford	100,000	0	100,000	156,289	156,289	156%	Completed
VERSPER MOTOR INGANGE NA GROENSTROKE	D Hendricks	30,000	0	30,000		0	0%	aborted
CLIFF PATHS	D Hendricks	150,000	0	150,000	161,385	161,385	108%	completed
ROAD AND PATH ACCESS TO DIE PLAAT	D vVuuren	250,000	0	250,000	211,601	211,601	85%	70% Completed
PEDESTRIAN CROSSING 10TH AVE., VOËLKLIP	D vVuuren	0	0	0		0		Aboprted
SPEED CALMING	D vVuuren	17,540	0	17,540	17,134	17,134	98%	Completed
KERBING CHURCH STREET	D vVuuren	60,000	0	60,000	53,508	53,508	89%	Completed
SIDEWALKS	D vVuuren	250,000	0	250,000	252,199	252,199	101%	Completed
TARRING OF CONTOUR & THERON STR.	D vVuuren	388,000	0	388,000	428,642	428,642	110%	98% completed
TARRING & STORM WATER (INDUSTRIA RD)	D vaVuuren	180,000	0	180,000	231,551	231,551	129%	98% completed
TARRING & STORM WATER ROCKLANDS ROAD	D vVuuren	30,000	0	30,000	43,241	43,241	144%	Completed
ENTRANCES/PARKING COASTAL WALKWAYS	D vVuuren	200,000	0	200,000	209,951	209,951	105%	Completed
SIDEWALKS	D vVuuren	140,000	0	140,000	188,206	188,206	134%	Completed
WALK WAY (STILL STREET)	D vVuuren	200,000	0	200,000	211,348	211,348	106%	Completed

TARRING OF ROADS AT TAMBO SQUARE	D vVuuren	600,000	0	600,000	599,579	599,579	100%	95% completed
TWO SPEED HUMPS AT WHITE CITY	D vVuuren	0	0	0		0		Aborted
PAVING OF COMMUNITY HALL FOR PARKING	D vVuuren	100,000	0	100,000	99,485	99,485	99%	LLPP Project - Completed
STREET NAMES	D vVuuren	10,000	0	10,000		0	0%	Aborted
ROADS & STORM WATER DUMPSITE	D vVuuren	600,000	0	600,000	277,543	277,543	46%	Completed
SIDE WALK TO LUKHANYO PRIMARY SCHOOL	D vVuuren	50,000	0	50,000	49,876	49,876	100%	Completed
SPEED BUMPS (R2500 PER SPEED BUMP)	D vVuuren	0	0	0		0		Aborted
TARRING OF ROADS	D vVuuren	500,000	0	500,000	499,830	499,830	100%	Completed
TARRING OF ROADS	D vVuuren	200,000	0	200,000	199,550	199,550	100%	Completed
TARRING OF STREETS	D vVuuren	350,000	0	350,000	349,880	349,880	100%	99% completed
SANDBAAI - TEER VAN STRATE	D vVuuren	950,000	0	950,000	949,476	949,476	100%	Completed
ERTJIESVLEI - BUSHALTE HEMEL-EN -AARDE PAD	D vVuuren	30,000	0	30,000	3,441	3,441	11%	Aborted
KERBING - LIME STREET	D vVuuren	100,000	0	100,000	70,362	70,362	70%	Completed
TARRING CUL DU SAC'S - OLD HOUSING SCHEME	D vVuuren	250,000	0	250,000	247,383	247,383	99%	LLPP Project - Completed
TARRING OF MARINE DRIVE	D vVuuren	2,060,000	0	2,060,000	1,561,665	1,561,665	76%	98% completed
TARRING OF MEDWAY	D vVuuren	200,000	0	200,000	199,780	199,780	100%	Completed
TARRING OF FLAMINGO RD	D vVuuren	300,000	0	300,000	850,010	850,010	283%	Completed
TRAFFIC CALMING	D vVuuren	11,760	0	11,760	11,215	11,215	95%	Completed
TARRING OF MELKHOUT CIRCLE	F Brand	250,000	0	250,000	272,768	272,768	109%	Completed
SPEED BUMPS (ST)	F Brand	50,000	0	50,000	27,559	27,559	55%	Completed
TARRING OF ROADS (12TH AVENUE)	M Bartman	675,000	0	675,000	757,286	757,286	112%	Completed
SYPAIDJIE,SKOOLSTRAAT , PROTEADORP	M Bartman	20,000	0	20,000	15,954	15,954	80%	LLPP Project
SYPAIDJIE BY GEMEENSKAPSAAL	M Bartman	10,000	0	10,000	8,772	8,772	88%	Completed
REHABILITATION OF ROADS PHASE 1	M Bartman	2,400,000	0	2,400,000	3,279,653	3,279,653	137%	Completed
REHABILITATION OF ROADS PHASE 1	M Bartman	500,000	0	500,000	99,884	99,884	20%	Completed
SIDEWALK MAIN ROAD	M Bartman	160,000	0	160,000	132,794	132,794	83%	Completed
BEPLANNING HOOFWEG	R Kuchar	80,000	0	80,000		0	0%	
		0	0	0				
WATER		9,881,000	1,311,196	11,192,196	10,829,355	10,829,355	97%	
RESOURCES: KLIPFONTEYN BORE HOLE	D Crafford	100,000	0	100,000	99,477	99,477	99%	Completed
FRANSKRAAL TREATMENT WORKS (PHASE 2)	D Hendricks	600,000	0	600,000	599,960	599,960	100%	Completed
103 - BIRKENHEAD WATER NETWORK (1619)	D Hendricks	0	0	0		0		contract to be awarded
ST HOUSING SCHEME RESERVOIR & PIPELINE	D Hendricks	1,858,000	1,311,196	3,169,196	3,013,447	3,013,447	95%	
BOREHOLE MECHANICAL & ELECTRICAL WORKS	D Hendricks	900,000	0	900,000	931,481	931,481	103%	15% completed
WATER SOURCE DEVELOPMENT	D Hendricks	1,600,000	0	1,600,000	1,599,999	1,599,999	100%	Completed
WTW-UPGRADE BUFFELSRIVER WORKS PHASE 1	D Hendriks	3,773,000	0	3,773,000	3,772,982	3,772,982	100%	Completed
UPGRADING WATER PURIFICATION PLANT	D Hendriks	200,000	0	200,000		0	0%	Project rolled over

KLEINMOND HOUSING SCHEME BOOSTER PUMP	D Hendriks	0	0	0		0		
MONITORING: INSTALL FLOW CONTROL VALVES	D vVuuren	0	0	0		0		Completed
REPLACE OLD SECTION OF WATER NETWORK	D vVuuren	200,000	0	200,000	176,720	176,720	88%	70% completed
REPLACE WATER NETWORK	D vVuuren	250,000	0	250,000	235,289	235,289	94%	70% completed
REPLACE WATER MAINS (BB)	M Bartman	400,000	0	400,000	400,000	400,000	100%	
ELECTRICITY					18,824,010	1,500,000	20,324,010	
					19,818,344	19,818,344	98%	
BULK SERVICES INFRASTRUCTURE	D Hendricks	0	0	0		0		
UPGRADING OF MAIN SUPPLY (FK)	D Maree	2,666,913	0	2,666,913	2,676,631	2,676,631	100%	Completed
UPGRADING OF LV NETWORK (KB)	D Maree	450,287	0	450,287	449,151	449,151	100%	Completed
UPGRADING OF LV NETWORK (DK)	D Maree	638,224	0	638,224	637,939	637,939	100%	Completed
ELECTRICITY MAIN SWITCHING STATION	D Maree	1,561,529	0	1,561,529	1,560,763	1,560,763	100%	Completed
ELEC INFRASTRUCTURE FOR HOUSING (ST)	D Maree	972,910	0	972,910	972,445	972,445	100%	Completed
GENERAL COMPUTER AND TEST EQUIPMENT	P Burger	35,000	0	35,000	11,546	11,546	33%	Completed
INSTALLATION OF SCADA SYSTEM	P Burger	100,000	0	100,000	87,679	87,679	88%	Completed - waiting for invoice
GENERATORS FOR EMERGENCY POWER SUPPLY	P Burger	397,000	0	397,000	427,500	427,500	108%	Completed
MV SUBSTATION METERING	P Burger	30,000	0	30,000	43,271	43,271	144%	Completed
NRS 048 DATA MONITORING	P Burger	60,000	0	60,000	60,075	60,075	100%	Completed
CABLE TEST EQUIPMENT	P Burger	145,000	0	145,000	145,000	145,000	100%	Completed
3 PHASE ELEC - CHURCH AND CBD	P Burger	500,000	1,000,000	1,500,000	1,499,240	1,499,240	100%	Project rolled over
UPGRADE SECTIONAL SUB	P Burger	475,000	0	475,000	465,344	465,344	98%	Completed
WHALE ROCK FROM INDUSTRIAL FEEDER	P Burger	1,284,147	0	1,284,147	1,270,763	1,270,763	99%	Busy
FEEDER HILL STREET & KWAAIWATER	P Burger	3,232,000	0	3,232,000	2,914,474	2,914,474	90%	Project rolled over
REPLACE 4 MINISUBS	P Burger	1,000,000	0	1,000,000	1,000,000	1,000,000	100%	Project rolled over
REPLACE LV INFRASTRUCTURE	P Burger	880,000	0	880,000	726,666	726,666	83%	Project rolled over
RELOCATE OCB TO DE GOEDE STREET	P Burger	195,000	0	195,000	181,178	181,178	93%	Completed
HIGH MAST LIGHTING	P Burger	415,000	0	415,000	458,539	458,539	110%	Busy
STREET LIGHTING	P Burger	100,000	0	100,000	104,844	104,844	105%	Completed
STREET LIGHTING SANDBAAI	P Burger	170,000	0	170,000	169,998	169,998	100%	Completed
REFURBISHMENT OF MINI SUBSTATION	P Burger	160,000	0	160,000	150,033	150,033	94%	Busy
OVERHEAD LINE	P Burger	636,000	0	636,000	625,950	625,950	98%	Busy
VERMONT - INSTALLERING VAN STRAATLIGTE	P Burger	20,000	0	20,000	19,876	19,876	99%	Completed
SANDBAAI - INSTALLERING VAN STRAATLIGTE	P Burger	0	0	0		0		Completed
STREET LIGHTING FISHERHAVEN	P Burger	50,000	0	50,000	50,132	50,132	100%	Completed
STREETLIGHTS : CHURCH , HARBOUR & EXT. 3	P Burger	200,000	0	200,000	198,532	198,532	99%	Completed
HAWSTON HOUSING PROJECT CONNECTIONS	P Burger	2,450,000	500,000	2,950,000	2,910,775	2,910,775	99%	Project rolled over

BUDGET AMENDMENTS		14,225,612	2,213,528	16,495,140	11,499,245	11,499,245	70%	
TEER VAN CRESCENT STRAAT	C Jonkheid	56,000	0	56,000		0	0%	-
PLAVEISEL PARKEERAREA - KANTORE	C Jonkheid	130,000	0	130,000	98,750	98,750	76%	Completed
PLAVEISEL -MINI OORLAAISTASIE	C Jonkheid	50,000	0	50,000	46,520	46,520	93%	Completed
OPGRADERING VAN KLINIEKGEBOU	C Jonkheid	60,000	0	60,000	52,011	52,011	87%	Completed
KANTOOR MEUBELS : GANSBAAI	D Crafford	50,000	0	50,000	49,402	49,402	99%	Completed
STANFORD - MV & LV UPGRADING	D Maree	2,750,000	0	2,750,000	2,746,964	2,746,964	100%	Completed
GOLF COURSE EFFLUENT LINE	D v Vuuren	160,000	0	160,000		0	0%	Onvoltooi , bedrag moet nog spandeer word - R 160 000
ONRUS CARAVAN PARK OMHEINING	D v Vuuren	1,000,000	0	1,000,000	939,824	939,824	94%	Onvoltooi , bedrag moet nog spandeer word - R 700 000
MEGANIESE MASJEN	D v Vuuren	1,200,000	0	1,200,000	0	0	0%	Rolled over
DIGGER/LOADER - HERMANUS ADMINISTRATION	D v Vuuren	550,000	0	550,000	490,885	490,885	89%	Completed
SEWERAGE PUMP STATION (MEDI-CLINIC)	D vVuuren	0	0	0		0		-
ROLSTOEL OPRIT BY VOETOORGANG	D vVuuren	55,000	0	55,000	40,537	40,537	74%	Completed
VERVANG WATERPOMPE -PREEKSTOEL	D vVuuren	300,000	0	300,000	245,256	245,256	82%	
HAND TERMINALS (METER READERS)	E Cabral	500,000	0	500,000	447,192	447,192	89%	-
21 ERWE ONTWIKKELING (DIENSTE)	F Myburgh	350,000	0	350,000	246,374	246,374	70%	
OPLEIDINGSLOKAAL (MASAKHANE)	F Myburgh	123,024	0	123,024	162,005	162,005	132%	Completed
3 X OPSLAANGEBOUE (QUICKSPACE)	J Kritzinger	240,000	0	240,000	147,631	147,631	62%	Completed
VERKEERSLIG - CTM	J Kritzinger	30,000	0	30,000	28,938	28,938	96%	Vervang met Spence straat
IT NETWORK	J Walker	130,000	0	130,000	113,870	113,870	88%	
VOERTUIG VIR LLPP	K Arendse	132,000	0	132,000	104,381	104,381	79%	Completed
VEHICLE WITH CRANE	P Burger	650,000	0	650,000		0	0%	-
BRANDWEER - BAKKIE UNIT B'BOS	R Jacobs	250,000	0	250,000	249,388	249,388	100%	Completed
ALIENATION OF PROPERTY - RELIEF ROAD	R Kuchar	1,250,000	0	1,250,000	1,250,000	1,250,000	100%	Completed
2x HOEMASLIGTE - ZWELIHLE	P Burger	0	0	0		0	#DIV/0!	-
CALL CENTRE,CUSTOMER SERV.MOD	R Williams	100,000	0	100,000	89,188	89,188	89%	Completed
SECURITY-CCTV CAMERAS M/BUILD	R Williams	100,000	0	100,000	87,200	87,200	87%	Completed
VERMONT S/HOLD S/WATER BULK SERVICES	S Müller	0	450,900	450,900	426,288	426,288	95%	Completed
SANDBAAI S/WATER BULK SERVICES	S Müller	0	1,666,816	1,666,816	1,319,489	1,319,489	79%	Completed
SPORTS FACILITIES - LOTTO PROJECT	S Müller	326,730	95,812	422,542	407,110	407,110	96%	Completed
CALCUTTA ROAD : ONTEIENING	S Müller	300,000	0	300,000		0	0%	-
STONEY POINT - OMHEINING	S Müller	0	0	0		0	#DIV/0!	On hold due to negotiations with the affected community
BUSSIE - GB	T Serfontein	240,000	0	240,000	213,658	213,658	89%	Completed
RIOOLTENKER - GB	T Serfontein	600,000	0	600,000	0	0	0%	Rolled over
RIOOLTENKER - KM	T Serfontein	600,000	0	600,000	497,526	497,526	83%	Completed
VULLISKOMPAKTEERDER - GB	T Serfontein	1,000,000	0	1,000,000	0	0	0%	Rolled over

VOERTUIG/TOERUSTING-200708BEG	T Serfontein	0	0	0		0	#DIV/0!	
1 TON NISSAN BAKKIE (0074)	T Serfontein	96,636	0	96,636	96,636	96,636	100%	Completed
1 TON NISSAN BAKKIE (0480)	T Serfontein	102,702	0	102,702	102,702	102,702	100%	Completed
1/2 TON BANTAM BAKKIE (0053)	T Serfontein	74,721	0	74,721	74,721	74,721	100%	Completed
1 TON NISSAN BAKKIE (0481)	T Serfontein	96,636	0	96,636	96,636	96,636	100%	Completed
1/2 TON BANTAM BAKKIE (0481)	T Serfontein	74,721	0	74,721	74,721	74,721	100%	Completed
1/2 TON BANTAM BAKKIE (0165)	T Serfontein	69,765	0	69,765	69,765	69,765	100%	Completed
1/2 TON BANTAM BAKKIE (0141)	T Serfontein	68,669	0	68,669	68,669	68,669	100%	Completed
1 TON NISSAN BAKKIE (0191)	T Serfontein	96,636	0	96,636	96,636	96,636	100%	Completed
2 X POST LIFT (X3) 0280)	T Serfontein	77,250	0	77,250	77,250	77,250	100%	Completed
1 TON NISSAN BAKKIE (0203)	T Serfontein	96,636	0	96,636	96,636	96,636	100%	Completed
1/2 TON BANTAM BAKKIE (0032)	T Serfontein	69,765	0	69,765	69,765	69,765	100%	Completed
1/2 TON BANTAM BAKKIE (0378)	T Serfontein	74,721	0	74,721	74,721	74,721	100%	Completed
		0	0	0				
		0	0	0				

TOTAL	95,330,016	25,443,798	120,773,814	106,860,973	106,861,007	88%
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**VEHICLES NOT DELIVERED BY 30 JUNE
2007
HOUSING PROJECTS - DORA
ALLOCATION NOT SPENT**

-3,595,000 -3,595,000

-4,827,358 -4,827,358

89,680,016	20,643,798	110,323,814	106,860,973	106,861,007	97%
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REPORT OF THE AUDITOR-GENERAL TO THE MUNICIPAL COUNCIL AND THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE OVERSTRAND MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Overstrand Municipality which comprise the statement of financial position as at 30 June 2007, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 1 to 35.

Responsibility of the accounting officer for the financial statements

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

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1: *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is still in the process of being developed, I have determined that my audit of any disclosures made by the Overstrand Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

Opinion

10. In my opinion the financial statements present fairly, in all material respects, the financial position of the Overstrand Municipality as at 30 June 2007 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1, and in the manner required by the MFMA.

Emphasis of matter

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

Basis of accounting

Deviation

11. As set out in accounting policy note 1, the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of *Government Notice 552 of 2007* issued in *Government Gazette No. 30013 of 29 June 2007*.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Municipal Finance Management Act

12. An internal audit unit was not established as required by section 165 of the MFMA. Consequently a formal risk assessment was not performed and a fraud prevention plan was not implemented.
13. The financial statements for the 2006-07 financial year were only submitted on 19 September 2007 and not within two months after the end of the financial year as required by section 126(1)(a) of the MFMA.

Material corrections made to the financial statements submitted for audit

14. The financial statements, approved by the accounting officer and submitted for audit on 19 September 2007, have been significantly revised in respect of the following misstatements identified during the audit:
 - A provision for post-retirement benefits was not recognised in the financial statements due to a misinterpretation of the exemptions granted in *Government Notice 552 of 2007*, issued in *Government Gazette No. 30013 of 29 June 2007*, resulting in an adjustment of R37 065 122 to non-current provisions and the accumulated surplus for the 2006-07 financial year and an adjustment of R16 778 620 as a correction of prior period errors, due to the understatement of the provision during the 2005-06 financial year.
 - Property that was sold during the 2006-07 financial year was omitted from the property, plant and equipment balance on the statement of financial position in the 2005-06 financial statements, resulting in a correction of a prior period error of R18 000 000 and recognition of a gain on disposal of property, plant and equipment of the same value.
 - Property was incorrectly classified as investment property during the 2005-06 financial year, resulting in an adjustment of R17 213 475 to property, plant and equipment and note 27 to the financial statements: Correction of prior period errors.
 - The provisions for the clearing of alien vegetation and the cleaning of illegal dumping were incorrectly calculated, resulting in the understatement of the provisions and the adjustment of provisions and expenditure by R2 072 000.
 - Assets below a determined threshold were expensed instead of being recognised as property, plant and equipment, resulting in an adjustment to property, plant and equipment, depreciation and operating expenditure of R1 266 838.

Internal control

15. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and

risk management and internal control. The table below depicts the root causes of the matters indicated, as they relate to the five components of internal control. In some instances deficiencies existed in more than one internal control component.

Reporting item	Control environment	Assessment of risks	Control activities	Information and communication	Monitoring
Other matters					
Non-compliance with applicable legislation		■	■		■
Material corrections made to the financial statements submitted for audit	■	■	■		■

Unaudited supplementary schedules

16. The supplementary information set out on pages 36 to 50 does not form part of the annual financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion on them.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

17. I was engaged to audit the performance information.

Responsibility of the accounting officer for the performance information

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

Responsibility of the Auditor-General

19. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007* and section 45 of the MSA.
20. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
21. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings**Performance information not received in time**

22. I was unable to complete an evaluation of the quality of the reported performance information as set out on pages ■ to ■ of the annual report, since the information was not received in time.

APPRECIATION

23. The assistance rendered by the staff of the Overstrand Municipality during the audit is sincerely appreciated.

Auditor-General

Cape Town

18 December 2007



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

5.4 COMMENTS BY THE ACTING ACCOUNTING OFFICER

1. Due to the furore created by the accounting standards against which municipalities were audited in the 2005/6 financial year which lead to Overstrand receiving an adverse audit opinion for that year, SALGA interacted with the authorities involved. Consequently a Government Notice was published on 29 June 2007, (paragraph 11 of the Auditor- General's Report) which made a deviation from the enforced standards possible.

Because of the magnitude of the task involved for compliance, Overstrand was exempted from compliance but had to submit a compliance schedule. These standards will now only be applicable in the 2009/10 financial year. Everything possible will have to be done in the coming financial year by all the Directorates, but especially Finance, to ensure compliance and progress will have to be monitored.

2. Due to the late promulgation of the exemption and uncertainty regarding its application (some aspects could only be clarified during the audit), the opening balances for the financial year under review had to be amended where exemptions had an effect. Some of these aspects were only finalised late during the audit and required considerable effort on the part of the staff in the Directorate Finance. The Acting Director, George Steyn, the Project Manager, Henk Kleinloog and the Manager: Accounting, Bernard King, must be commended for ensuring that no fault could be found in the financial statements after effecting all the necessary amendments.
3. The conduct of the audit itself can be improved to ensure cost savings. The audit programme was again received when the audit was nearly completed and lengthy standard questionnaires were received when, for all practical purposes, the audit was completed. Although the Audit Steering Committee met with the audit team more than once, closer liaison is needed. If the audit plan was scheduled properly, the audit could have been done more effectively.

A further problem was that the audit staff was not *au fait* with the financial system (SAMRAS DB4). An offer was made that training could be supplied before the commencement of future audits.

The general feeling of the Audit Steering Committee was that liaison should take place with the Office of the Auditor-General before the next audit. This should preferably be done on a collective basis to ensure that it should not be seen that these problems are only experienced by Overstrand.

4. With regard to Internal Control (paragraph 15) of the Auditor-General's Report, it must be mentioned that internal control was not established properly in the past. The possibility of conducting internal audit through a shared services concept in the Overberg was investigated, but unfortunately came to nothing. When this process dragged on, it was decided to appoint Mr Don Kearney in this position at the start of this financial year (2007/08), after the post was advertised twice. Internal audit is slowly but surely establishing itself as part of the Municipal Manager's Office, but capacity (contract or outsourcing) should be provided for. Aspects like the management of risk was a high priority but could only receive attention in the present financial year. When the audit plan is received after scrutiny by the Audit Committee, the implementation of the plan will require additional resources.

5. Reporting on Performance Information (paragraph 17 to 22 of the Auditor-General's Report). This is the first year that the reporting on performance information (still not an audit on performance itself) was embarked on by the Auditor-General. This was done in accordance with a proclamation dated 25 May 2007, (paragraph 19), which was published a month before the close of the financial year under review. The standards against which this audit was to be done, were being developed during the audit itself. Although promised at a meeting dated 21 August 2007, these were not made available to Overstrand.

It is apparent that the above proclamation was not drafted after consultation with local government, as in some respects, it differs from existing applicable legislation. Paragraph 22 of the Audit Report reads as follows:

"22. I was unable to complete an evaluation of the quality of the reported performance information as set out in paragraphs ... to ... of the annual report, since the information was not received in time."

At a meeting of the Audit Steering Committee dated 21 August 2007 this aspect was discussed. It was then requested by the audit team that the **Annual Report** be made available to them to audit the performance information. It was then pointed out that in terms of legislation applicable to municipalities, the annual report can only be compiled after the receipt of the audit report in terms of S 121(3)(b) of the Municipal Finance Management Act, 2003 (MFMA). Section 127(2) of the MFMA furthermore states that the annual report must be tabled within seven months after the end of a financial year which means 31 January of the next year.

It was then reported to the audit team that the performance of the municipality was reported to Council in accordance with the performance management system adopted by Council, which amounts to the measurement of performance in accordance with the Service Delivery and Budget Implementation Plan (SDBIP). This final performance report will be included in the Annual Report and the audit team can then audit the contents of that report. This report is part of this annual report and was made available to the audit team in September 2007 already.

The audit team continued with their request that they need an extract from the annual report as is reflected in paragraph 22 of their report quoted above and referred to the outdated Performance Management Regulations of 2001, which were promulgated three years before the MFMA became effective. It must also be noted that Section 38 of the Municipal Systems Act, 2000, states emphatically that a municipality must establish a performance management system that is best suited to its circumstances (my underlining).

Whilst these performance regulations concentrated on basic service delivery, the circumstances are not applicable to Overstrand and our norms are far above these minimum standards.

Overstrand was not only commended for its budget and IDP for the financial year under review by the Provincial Ministers evaluating these documents, our SDBIP was also, at the invitation of the Provincial Government, presented to all other municipalities in the Western Cape as a best practice example. This was followed by the Provincial Vuna award in this category as well as the National Vuna award in this category.

A reply was sent to the Auditor-General pointing out that all documents were supplied and were capable of audit. Additional key performance areas could also be audited as the information was available – some of which was already in the financial statements.

There is an urgent need that municipalities, especially high capacity ones, liaise with each other in order that the Auditor-General can be approached collectively to resolve the practical issues at hand.

6. The costs of the audit are a matter of concern. The costs of the audit for the past years, are reflected below:

2003	:	R 607 137
2004	:	R 657 000
2005	:	R1 062 426
2006	:	R1 078 951

This year the costs were estimated by the Auditor-General at R1 421 075, which is a 31,7% increase over the previous year. This was objected to and the assurance was given that the audit will not exceed this amount. The audit plan also mentions that any increase will be 'discussed with municipality (sic) management'.

I have been informed that the claims thus far amount to approximately R1,8 million and the final accounts have not been received yet. This amounts to approximately 30% over-expenditure. No discussion where this kind of over-expenditure was explained, was held.

It is important that Overstrand as a client of the Auditor-General receives value for the money spent on the audit. It seems that a lot can be done on both sides to reduce the costs of the audit if proper liaison before the commencement of the audit takes place. This should be discussed with the Auditor-General.

7. Overstrand received an unqualified audit for the 2006/7 financial year, but compliance with all standards will require a tremendous effort. The success of the audit can also be ascribed to the co-operation between the Administration, the Executive Mayor, the Member for Finance and the Audit Committee on the one side, with the Audit Team. If the above recommendations are followed, future audits can take place under better circumstances.

C C GROENEWALD
ACTING MUNICIPAL MANAGER / ACCOUNTING OFFICER