

## ANNUAL REPORT 2011/2012

### DEPARTMENT OF FINANCE

#### OBJECTIVE OF THE DEPARTMENT OF FINANCE

The objective of the Finance Department is to secure sound and sustainable management of the fiscal and financial affairs of the Municipality by establishing norms and standards and other requirements for—

1. Ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities;
  - (a) The management of their revenues, expenditures, assets and liabilities;
  - (b) Budgetary and financial planning processes and the co-ordination of those processes with the processes of organs of state in other spheres of government;
  - (c) Borrowing;
  - (d) The handling of financial problems in the Municipality;
  - (e) Supply Chain Management; and
  - (f) Other financial matters.

#### OBJECTIVES FOR THE 2011/2012 FINANCIAL YEAR:

Vote / indicator	Unit of measurement	Annual Target	Performance as at 30 June 2012
Ensure accurate and timeously reporting and Planning	Monthly budget control. reconciliation of general ledger accounts and report accordingly	12	Budget control printouts were submitted to all H o D's General Ledger was reconciled during the financial year.
	Submission of annual reports prescribed by the MFMA by February (each year)	1	Annual report for 2010/2011 was submitted to be included in Municipal Annual report.
	MFMA quarterly reports to Council, National Treasury, Provincial Treasury	4	All reports were submitted as per MFMA
	MFMA section 71 reports – monthly	12	Monthly Sec 71 Reports were submitted
	Timeously submission of Mid-Year report to Council. National & Provincial Treasury as per MFMA requirement	1	The Section 72 report (Mid year report), for the Finance Department was submitted on time.
	SDBIP developed	1	The SDBIP was submitted and approved by Council.
To develop a compliant budget and financial statements	Timeously preparation and submission of Annual Financial Statements to Auditor-General in newly accepted GRAP format	1	Annual financial Statements for 2010/2011 were submitted 16 days late.
	Development of draft budget	1	Draft budget (2012/2013) was developed and approved within the timelines
	Timeously approval of annual budget as per required timeframe of MFMA	1	Annual budget (2012/2013) was submitted to Council and approved within the timelines
	Preparation and approval of Adjusted Budget	1	An Adjustment Budget was submitted and approved during the 2011/2012 Financial Year
Ensure effective capacity development and support in the financial unit	Approval of service level agreement and/or framework with specific time frames for financial management support	100%	<ul style="list-style-type: none"> <li>• Financial support is given by MFIP support from National Treasury and transfer of skills take place on a continuous basis.</li> <li>• Meter Readers were appointed during the financial year and training was presented by Sebata.</li> </ul>

Vote / indicator	Unit of measurement	Annual Target	Performance as at 30 June 2012
	and capacity building. (Debt Collection, Security, Meter Readers)		<ul style="list-style-type: none"> <li>5 x Financial Interns are enrolled for the MFMP competency training.</li> <li>5 x middle management members are enrolled for the final MFMP training</li> <li>Frequent training is presented by Sebata to built capacity within the BTO</li> </ul>
	Performance reviews conducted with Financial Personnel	4	Not applicable Performance contracts only with Section 56 (57) employees
Establish and maintain financial systems and policies	Implement effective system of revenue collection and safe keeping of data as per MFMA requirement	12	<ul style="list-style-type: none"> <li>Debt collection is executed on a continuous manner</li> <li>Proper safekeeping of data is executed on a daily basis</li> </ul>
	Ensure 100% collection and receipt of grant funding as per	12	A Grant register is kept in order to have control over the grant register Grant register is balanced on a monthly basis.
	Annual review and implementation of approved credit control & debt collection policy	1	Credit Control and Debt Collection was reviewed and approved by Council on 29 May 2012
	Develop and implement a Property Rates policy	1	Property Rates Policy was reviewed and approved by Council on 29 May 2012.
	Preparation and implement a supplementary/ valuation role	1	Supplementary valuation was done during the financial year and implemented on 1 July 2012
	Undertake a land use audit	1	Not applicable
	Annual review and development of other applicable revenue policies required per MFMA	100%	Rates Policy, Tariff policy, Supply Chain Management policy were approved by Council on 29 may 2012
	Ensure recovery of consumer and sundry debt exceeding 90 days	100%	Not all outstanding debt exceeding 90 could be recovered
	Implement an effective system of expenditure control in compliance with MFMA requirements	1	Effective system of expenditure control exist Expenditure votes exceeding the budget has been closed to prevent further expenditure.
	Ensure implementation of the supply chain management regulations and approved policy	1	Supply Chain Management policy has been reviewed and approved by Council Monthly reports were submitted in terms of MFMA
	Apply an effective cash flow and investment management as per approved policy requirements	1	Cach Management and Investment policy has been reviewed and approved by Council on 29 May 2012 Cash flow and investments were managed in terms of the policy
	Establish an effective store and inventory system	1	Stores and inventory system are not yet in place. Suitable and capable staff has to be appointed before the system could be implemented.
	Ensure 100% maintenance and security in respect of general ledger accounting system	100%	Maintenance and security of general Ledger is executed on a monthly basis
	Annual review and development of applicable expenditure policies required per MFMA	1	Expenditure policies were adopted and approved by Council
	Implement an effective system of asset and risk management in compliance with MFMA	1	The position of Manager: Asset and Risk Management was not on the Organisational Structure, so the duties was executed by the Manager, Financial Management and Reporting. The position of Manager: Asset and Risk Management should be appointed
	Develop and implement an IT policy and strategy	1	A draft IT Policy and strategy were submitted to Council during July 2012. It should still be work shopped with the Councillors.

## Financial performance:

<b>Year</b>	<b>Income</b>	<b>Expenditure</b>	<b>Surplus/(Deficit)</b>
2007/2008	39,949,255	42,227,798	(2,278,543)
2008/2009	75,197,107	58,910,440	16,286,667
2009/2010	79,759,867	57,343,610	22,416,257
2010/2011	75,231,531	58,253,656	16,977,875
2011/2012	83,279,175	86,667,647	(3,388,472)

The reason for the deficit of R 3,388,472 relates to non-cash transactions processed at the end of June 2012. These include the provision for landfill sites, depreciation and the impairment of debt.

### **Internal Financial Control:**

- 1) The internal financial control was not up to standard during the financial year. This was due to various vacancies within the Financial Department. The Supply Chain Management Unit was only established during November 2011. Since the establishment of the Supply Chain Management Unit, the control over the procurement of goods and services increased significantly.
- 2) The Internal Audit Unit (Shared IA of Pixley ka Seme D/M) supports the Municipality to identify short comings in the financial controls.

### **Financial reports:**

- 1) Section 71 reports were submitted to Council and Provincial Treasury and National Treasury as prescribed.
- 2) Financial management reports were submitted to Council on a monthly basis, in order for Council to execute their oversight function.
- 3) The 2011/2012 Annual Financial Statements were submitted on 30 August 2012 and it is attached to this report.
- 4) The Auditor-General's report on the 2011/2012 Annual Financial Statements are attached.

### **Treasury functions:**

#### **PROPERTY RATES VALUATION ROLL**

An Interim Valuation Roll was conducted on all new improvements on properties and the inclusion of the previous District Municipal Area (DMA) was also valuated. This interim valuation was implemented on 1 July 2012.

### **CASH FLOW OVERVIEW:**

The cash flow remained a critical focus area as it seriously impacts on the ability of council to render services. Strict budget control has been executed and that resulted in positive cash and cash equivalents at year end.

## PAYMENT CULTURE FOR THE YEAR:

Total amount levied	R 42,661,630
Total payments	R 29,267,727
Payment percentage	68,60 %

## FREE BASIC SERVICES

**Free Basic water:** 6 kl were supplied to indigent households in accordance with Councils policy.

**Free Basic Electricity:** 50 kwh were supplied to all households qualifying for indigent status in accordance with Council policy in the Councils area of supply. A service level agreement exists between Eskom and the Council for provision of free basic electricity in Griekwastad, Breipaal, Bongani and Douglas.

**Free Basic Sewerage & Refuse:** Targeted approach was utilized. The subsidy was only supplied to households qualifying in terms of the Indigent Policy of the Council.

## INDIGENT POLICY

A total number of 3263 people received the estimated equitable share amounting to R 5,127,959 per year.

The breakdown per service is as follows:

SUMMARY	ALLOCATION PER SERVICE
Rates	599,421
Water	157,365
Electricity	971,405
Refuse	2,044,219
Sewerage	1,355,549
<b>TOTAL</b>	<b>5,127,959</b>

## GRANTS AND SUBSIDIES RECEIVED

Equitable Share	R 31,614,000.
Municipal Infrastructure Grant	R 16,910,000.
Municipal Finance Grant	R 1,450,000.
Municipal System Infrastructure Grant	R 790,000.
Department of Arts and Culture	R 500,000.

## ASSESSMENT BY ACCOUNTING OFFICER ON ANY ARREARS ON MUNICIPAL RATES AND SERVICE CHARGES

### Property Rates

	2012		2011	
Current (0 – 30 days)	R	226,639	R	188,050
31 – 60 days		72,915		135,221
61 – 90 days		75,389		130,171
+ 90 days		4,972,883		3,993,852
<b>Total</b>	<b>R</b>	<b>5,347,826</b>	<b>R</b>	<b>4,447,294</b>

### Electricity

	2012		2011	
Current (0 – 30 days)	R	536,093	R	1,104,919
31 – 60 days		221,745		93,675
61 – 90 days		149,034		86,595
+ 90 days		3,042,169		1,912,095
<b>Total</b>	<b>R</b>	<b>3,949,041</b>	<b>R</b>	<b>3,197,284</b>

### Water

	2012		2011	
Current (0 – 30 days)	R	503,318	R	1,034,489
31 – 60 days		437,282		371,889
61 – 90 days		504,342		390,945
+ 90 days		21,414,347		16,480,583
<b>Total</b>	<b>R</b>	<b>22,859,289</b>	<b>R</b>	<b>18,277,907</b>

### Refuse

	2012		2011	
Current (0 – 30 days)	R	180,755	R	483,809
31 – 60 days		15,5814		120,520
61 – 90 days		154,210		117,751
+ 90 days		6,864,115		4,966,717
<b>Total</b>	<b>R</b>	<b>7,354,894</b>	<b>R</b>	<b>5,688,797</b>

## Sewerage

	2012		2011	
Current (0 – 30 days)	R	221,948	R	623,361
31 – 60 days		194,053		197,712
61 – 90 days		190,203		194,568
+ 90 days		9,777,082		7,321,993
<b>Total</b>	<b>R</b>	<b>10,383,286</b>	<b>R</b>	<b>8,377,635</b>

## Other receivables

	2012		2011	
Current (0 – 30 days)	R	24,234	R	686,767
31 – 60 days		21,427		9,453
61 – 90 days		14,345		9,511
+ 90 days		2,221,119		1,706,172
<b>Total</b>	<b>R</b>	<b>2,281,125</b>	<b>R</b>	<b>2,411,902</b>

Services were suspended on a monthly basis, but outstanding debt from Indigent consumer's amount to almost 50% of outstanding debt. Unserviceable water meters contributed to the unsuccessful debt collection effort.

**ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2012**  
**GENERAL FINANCE STATISTIC CLASSIFICATIONS**

	2012	2012	2012	2012	Explanation of Significant Variances
	Actual (R)	Budget (R)	Variance (R)	Variance (%)	greater than 10% versus Budget
<b>REVENUE</b>					
Property Rates	5,767,672	7,494,644	-1,726,972	-23.04%	
Government Grants and Subsidies	41,125,778	46,542,220	-5,416,442	-11.64%	0
Fines	51,450	54,273	-2,823	-5.20%	0
Third Party Payments	87,701	-	87,701	0.00%	
Actuarial Gains	358,348	-	358,348	0.00%	
Service Charges	31,054,175	45,562,164	-14,507,989	-31.84%	
Rental of Facilities and Equipment	252,656	244,001	8,655	3.55%	
Interest Earned - External Investments	970,293	449,260	521,033	115.98%	
Interest Earned - Outstanding Debtors	472,737	390,889	81,848	20.94%	
Licenses and Permits	6,526	6,389	137	2.14%	
Agency Services	532,873	636,495	-103,622	-16.28%	
Other Revenue	310,660	286,897	23,763	8.28%	
Change in fair value	591,500	-	591,500	0.00%	
Contributed PPE	1,671,477	-	1,671,477	0.00%	
Gains on Disposal of PPE	25,329	-	25,329	0.00%	
<b>Total Revenue</b>	<b>83,279,175</b>	<b>101,667,232</b>	<b>-18,388,057</b>	<b>1</b>	
<b>EXPENDITURE</b>					
Executive & Council	20,889,398	-11,142,600	-9,746,798	87.47%	
Budget & Treasury	13,336,305	-24,834,229	11,497,924	-46.30%	

Corporate Services	-3,880,109	-4,949,567	1,069,458	-21.61%	
Health	-180,867	-313,948	133,081	-42.39%	
Community & Social Services	-1,369,195	-1,978,308	609,113	-30.79%	
Public Safety	-108,831	-1,140,195	1,031,364	-90.46%	
Sport & Recreation	-2,280,557	-3,406,799	1,126,242	-33.06%	
Waste Management	-2,565,807	-9,347,661	6,781,854	-72.55%	
Waste Water Management	-5,097,760	-5,279,500	181,740	-3.44%	
Road Transport	-6,842,023	-8,525,058	1,683,035	-19.74%	
Water	-6,635,685	-23,131,991	16,496,306	-71.31%	
Electricity	25,093,468	-31,837,185	6,743,717	-21.18%	
Less: Interdepartmental Charges	1,612,357	-	1,612,357	0.00%	
<b>Total Expenditure</b>	<b>86,667,648</b>	<b>-125,887,041</b>	<b>39,219,393</b>	<b>(4)</b>	
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>-3,388,473</b>	<b>-24,219,809</b>	<b>20,831,336</b>	<b>(3)</b>	

**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012  
MUNICIPAL VOTES CLASSIFICATION**

2011	2011	2011		2012	2012	2012
Actual	Actual	Surplus/		Actual	Actual	Surplus/
Income	Expenditure	(Deficit)		Income	Expenditure	(Deficit)
R	R	R		R	R	R
-	(185,007)	(185,007)	Aid Allowances	-	(2,642,765)	(2,642,765)
30,259	(128,982)	(98,723)	Cemetery	29,208	(166,447)	(137,239)
			Civic Centre		-	



-	(10,804,001)	(10,804,001)		-		-
3,825,271	(3,189,387)	635,884	Cleansing	4,287,224	(2,565,807)	1,721,417
43,905,515	(20,801,204)	23,104,311	Council General	11,865,603	(20,889,398)	(9,023,795)
112,150	(1,066,579)	(954,429)	Douglas Holiday Resort	88,716	(1,066,721)	(978,005)
19,858,084	(16,546,979)	3,311,105	Electricity	16,052,031	(25,093,468)	(9,041,437)
2,180,166	(7,870,772)	(5,690,606)	Finance	32,303,228	(10,693,720)	21,609,508
-	(31,488)	(31,488)	Fire Brigade	-	(31,457)	(31,457)
-	(140,106)	(140,106)	Health Services	-	(180,867)	(180,867)
392	(747,893)	(747,501)	Library's	-	(1,202,748)	(1,202,748)
1,054	-	1,054	Licenses	118	-	118
193,142	(236)	192,906	Commonage	86,708	-	86,708
-	(1,862,455)	(1,862,455)	Municipal Manager	-	(2,604,975)	(2,604,975)
-	(1,000,611)	(1,000,611)	Parks & Recreation	-	(1,213,836)	(1,213,836)
74,160	(193,591)	(119,431)	Properties	79,344	(1,275,134)	(1,195,790)
-	(3,512,325)	(3,512,325)	Public Works: Roads	-	(6,842,023)	(6,842,023)
-	(714,133)	(714,133)	Sanitation	-	-	-
4,465,307	(2,419,333)	2,045,974	Sewerage & Sanitation	5,167,621	(5,097,760)	69,861
-	(160,013)	(160,013)	Storm water Drainage	-	-	-
677,214	(275,586)	401,628	Vehicle Licenses	-	-	-
-	-	-	Interns	-	180	180
-	-	-	Assessment Rates	7,780,744	-	7,780,744
-	-	-	Traffic	-	(77,374)	(77,374)

7,954,108	(2,727,643)	5,226,465	Water	5,538,630	(6,635,681)	(1,097,051)
						-
83,276,822	(74,378,324)	8,898,498	Sub Total	83,279,175	(88,280,001)	(5,000,826)
-	2,346,042	2,346,042	Less Inter-Departmental Charges	-	1,612,357	1,612,357
83,276,822	(72,032,282)	11,244,540	<b>Total</b>	83,279,175	(86,667,644)	(3,388,469)

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## **CORRECTIVE ACTIONS TAKEN OR TO BE TAKEN ON THE FINDINGS OF THE AUDITOR-GENERAL**

Refer to attached document for the Audit Action Plan.

## **RECOMMENDATIONS OF THE AUDIT COMMITTEE IN RELATION TO THE ANNUAL FINANCIAL STATEMENTS AND AUDIT REPORTS OF THE MUNICIPALITY AND ENTITIES**

No recommendations were received from the Audit Committee on the Annual Financial Statements and Audit Reports.

## **ALLOCATIONS RECEIVED AND MADE BY THE MUNICIPALITY**

### **Allocations received:**

#### **Equitable Share**

	<b>2012</b>	<b>2011</b>
Opening balance	0	0
Grants received	31,614,000	25,280,454
Conditions met – Operating	(31,614,000)	(25,280,454)
Conditions met – Capital	0	0
Conditions still to be met	0	0

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

#### **Local Government Finance Management Grant**

	<b>2012</b>	<b>2011</b>
Opening balance	0	(291,902)
Grants received	1,450,000	1,200,000
Conditions met – Operating	(1,416,775)	(904,503)
Conditions met – Capital	(33,225)	(3,595)
Conditions still to be met	0	0

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

#### **Municipal Systems Improvement Grant**

	<b>2012</b>	<b>2011</b>
Opening balance		112,361
	(51,816)	
Grants received	790,000	750,000
Conditions met – Operating	51,816	(731,173)
Conditions met – Capital	(790,000)	(183,004)
Conditions still to be met	0	(51,816)

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

### **Municipal Infrastructure Grant (MIG)**

	<b>2012</b>	<b>2011</b>
Opening balance	8,432,402	599,223
Grants received	16,910,000	12,567,000
Conditions met – Operating	0	0
Conditions met – Capital	(4,528,506)	(10,129,821)
Grant expenditure to be recovered	20,813,896	8,432,402

The grant was used to upgrade infrastructure in previously disadvantaged areas.

### **Housing Grants**

	<b>2012</b>	<b>2011</b>
Opening balance	(1,525,950)	(1,525,950)
Grants received	0	0
Conditions met – Operating	0	0
Conditions met – Capital	0	0
Conditions still to be met	(1,524,950)	(1,524,950)

Housing grants was utilised for the development of erven and the erection of top structures.

### **Integrated National Electrification Grant**

	<b>2012</b>	<b>2011</b>
Opening balance	687,131	(293,100)
Grants received	2,308,000	1,483,100
Conditions met – Operating	0	0
Conditions met – Capital	(2,367,199)	(502,869)
Conditions still to be met	627,932	687,131

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

### **Other Grants**

	<b>2012</b>	<b>2011</b>
Opening balance	(1,309,262)	(814,942)
Grants received	646,447	6,106,026
Conditions met – Operating	(183,124)	(390,723)
Conditions met – Capital	(192,840)	(6,209,623)
Conditions still to be met	(1,308,770)	(1,309,262)

Various grants were received from other spheres of government (e.g. Library fund and Skills Development Grant)

### **Total grants**

	2012	2011
Opening balance	6,232,506	3,181,680
Grants received	22,104,447	47,386,580
Transfers	51,816	0
Conditions met – Operating	(2,389,899)	(27,306,853)
Conditions met – Capital	(7,121,770)	(17,028,911)
Conditions still to be met	18,877,100	6,232,506

### **Allocations made:**

No grants were made to other spheres of Government.

### **Information in relation to outstanding debtors and creditors of the Municipality:**

Debtors have already been discussed above.

### **Creditors of the Municipality:**

#### **Trade and other payables**

	2012	2011
Total payables	R 4,153,369	R 3,342,845
Receivables with credit balances	383,383	282,647
Payments received in advance	5,466	0
<b>Total Trade payables</b>	<b>R 4,542,218</b>	<b>R 3,625,492</b>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary

### **INFORMATION OF BENEFITS PAID TO COUNCILLORS AND OFFICIALS**

	2012	2011
	R	R
<b>EMPLOYEE RELATED COSTS</b>		
Employee Related Costs - Salaries and Wages	17,867,045	12,550,186
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	3,627,374	3,312,685
Travelling Allowances	1,996,190	2,052,739
Standby Allowance	402,383	382,648
Housing Benefits and Allowances	386,917	415,326
Overtime	1,090,246	985,491
Workmens Compensation	479,214	0
Bonuses	1,027,167	1,063,854
Leave reserve	1,762	(5,875)
Provision for staff leave	1,051,435	(344,874)
Contribution to provision - Long Service Awards	124,277	145,894
Contribution to provision - Post Retirement Medical	320,709	254,516
	28,374,719	20,812,589
<b>Less:</b>		-

<b>Total Employee Related Costs</b>	<b>28,374,719</b>	<b>20,812,589</b>

## KEY MANAGEMENT PERSONNEL

<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>	<b>2012</b>	<b>2011</b>
<i><b>Remuneration of the Municipal Manager (IWJ Stadhouer)</b></i>		
Annual Remuneration	344,000	300,000
Subsistence Allowances	18,000	12,000
Travelling Allowance	158,236	146,628
Contributions to UIF, Medical and Pension Funds	118,749	105,372
Cellphone Allowance	9,600	6,400
Public Allowance	18,000	12,000
Backpay	257,275	0
Housing	28,627	24,000
<b>Total</b>	<b>952,487</b>	<b>606,400</b>
<i><b>Remuneration of the Chief Financial Officer (CJ Muller)</b></i>		
Annual Remuneration	775,788	372,398
Travelling Allowance	116,939	30,000
Contributions to UIF, Medical and Pension Fund	1,497	
Cellphone Allowance	9,600	4000
<b>Total</b>	<b>907,836</b>	<b>406,398</b>
<i><b>Remuneration of the Director Infrastructure Services</b></i>		
Annual Remuneration	353,636	178 677
Housing	18,000	79 200
Travelling Allowance	169,766	100 384
Contributions to UIF, Medical and Pension Funds	123,347	47 808
Bonuses	29,666	14 890
Back pay	2,356	
<b>Total</b>	<b>696,771</b>	<b>420 959</b>

		<b>2012</b>	<b>2011</b>
		<b>R</b>	<b>R</b>
<b>REMUNERATION OF COUNCILLORS</b>			
Mayor:	Allowances	411,887	380,681
	Pension and Medical	0	10,260
	Cell phone Allowance	18,174	29,221
	Backpay	21,129	20,127
	Travelling	138,121	126,893
Councillors:	Allowances	1,139,549	923,857
	Pension and Medical		0
	Cell phone Allowance	113,340	84,280
	Backpay	65,529	49,944

	Travelling	414,328	307,954
<b>Total Councillors' Remuneration</b>		<b>2,322,056</b>	<b>1,933,217</b>

***In-kind  
Benefits***

The Mayor is full-time. She is provided with an office and secretarial support at the cost of the Council.

**Usage of donor funding**

No donor funding was received during the financial year.

**Public Private Partnerships**

The Municipality did not enter into any contracts, agreements and projects under Public Private Partnerships during the financial year.

**High level summary on service delivery performances on key services**

**MM to submit**

**Information on long term contracts**



**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012**

<b>EXTERNAL LOANS</b>	<b>Rate</b>	<b>Loan Number</b>	<b>Redeemable</b>	<b>Balance at 30 JUNE 2011</b>	<b>Change in Accounting Policy</b>	<b>Balance at 30 JUNE 2011 Restated</b>	<b>Received during the period</b>	<b>Redeemed written off during the period</b>	<b>Balance at 30 JUNE 2012</b>
<b>ANNUITY LOANS</b>									
DBSA - Loan 101 Lalf 15104 - 11	10.05%	11623	12/31/2012	61,543	-	61,543	-	(40,016)	21,527
DBSA - Loan 101 Lalf 15104 - 12	10.05%	11624	12/31/2011	4,847	-	4,847	-	(4,845)	2
DBSA - Loan 101 Lalf 15104 - 14	13.75%	11626	6/30/2015	345,585	-	345,585	-	(69,887)	275,698
DBSA - Loan 101 Lalf 15104 - 15	16.05%	11627	6/30/2013	109,804	-	109,804	-	(50,650)	59,154
NISSAN NP200 CDR 062 NC	10.50	Standard Bank	11/1/2016	-	-	-	108,981	(10,150)	98,831
NISSAN NP200 CDN 916 NC	10.50	Standard Bank	10/1/2016	-	-	-	108,981	(11,775)	97,206
NISSAN HARDBODY NP300 CDN 914 NC	10.50	Standard Bank	11/1/2016	-	-	-	153,892	(14,054)	139,838
NISSAN HARDBODY NP300 CDP 880 NC	10.50	Standard Bank	11/1/2016	-	-	-	153,892	(14,333)	139,559
HYUNDAI H100 CDP 690 NC	10.50	Standard Bank	10/1/2016	-	-	-	203,180	(21,642)	181,538
NISSAN HARDBODY NP300 CDP 876 NC	10.50	Standard Bank	11/1/2016	-	-	-	224,913	(21,007)	203,906
NISSAN TIIDA CDP 877 NC	10.50	Standard Bank	11/1/2016	-	-	-	177,889	(16,568)	161,321
QUANTUM CDP 884 NC	10.50	Standard Bank	11/1/2016	-	-	-	329,443	(30,684)	298,759
NISSAN HARDBODY CDZ032 NC	10.50	Standard Bank	12/1/2016	-	-	-	153,892	(12,496)	141,396

NISSAN HARDBODY CDT 116 NC	10.50	Standard Bank	12/1/2016	-	-	-	153,892	(12,213)	141,679
NISSAN HARDBODY CDT 114 NC	10.50	Standard Bank	12/1/2016	-	-	-	153,892	(12,213)	141,679
NISSAN HARDBODY CDP 879 NC	10.50	Standard Bank	11/1/2012	-	-	-	153,892	(14,453)	139,439
TOYOTA HILUX CDK 987 NC	10.50	Standard Bank	9/2/2016	-	-	-	170,186	(20,425)	149,761
<b>Total Annuity Loans</b>				<b>521,779</b>	<b>-</b>	<b>521,779</b>	<b>2,246,925</b>	<b>(377,411)</b>	<b>2,391,293</b>
<b>LEASE LIABILITY</b>									
Nashua - GK500568-500586	11.00%	Nashua	10/30/2015	2,472,881	-	2,472,881	-	(471,275)	2,001,606
PABX - MP 2000 and DTPC 430	9.00%	Nashua	7/30/2016	-	-	-	138,324	(21,821)	116,503
CCTV camera P10400003	9.00%	Nashua	3/31/2015	-	-	-	115,578	(9,286)	106,292
MP 201 SPF	9.00%	Nashua	11/30/2016	-	-	-	52,563	(5,344)	47,219
PABX - PA 188918	9.00%	Nashua	1/31/2017	-	-	-	177,054	(13,144)	163,910
Various A	9.00%	Nashua	12/31/2015	-	146,679	146,679	-	(26,909)	119,770
Various B	9.00%	Nashua	10/31/2015	-	562,781	562,781	-	(111,182)	451,599
<b>Total Lease Liabilities</b>				<b>2,472,881</b>	<b>709,460</b>	<b>3,182,341</b>	<b>483,519</b>	<b>(658,961)</b>	<b>3,006,899</b>
<b>TOTAL EXTERNAL LOANS</b>				<b>2,994,660</b>	<b>709,460</b>	<b>3,704,120</b>	<b>2,730,444</b>	<b>(1,036,372)</b>	<b>5,398,192</b>



## **Information Technology and Systems (IT)**

The Municipality is using the Information Technology System of Sebata. The system has been upgraded during the financial year.

The service provider provides the Municipality with a satisfactory service during the financial year.

### **PERFORMANCE HIGHLIGHTS OF THE FINANCE DEPARTMENT:**

The critical vacancy of the Accountant: Supply Chain Management has been filled and the Supply Chain Management Unit has been established. This would limit the audit findings on SCM related issues.

The Municipality managed to operate on a cash basis which means that no overdraft facility had to be taken up.