

## **Theewaterskloof commented on Greyton Ratepayers and Residents Organization's (GRRO) comments on the Annual Report.**

### **GRAP standards**

GRAP standards were used with the compilation of the Budget 2010

### **Cost centre accounting**

The municipality makes use of cost centre accounting e.g. Water, Electricity, Parks and Open Spaces etc.

### **General**

Annexure A and D are provisional figures (as reported to Provincial and National Treasury), the Audited Statements (figures) are the final figures

### **Income statement**

Debt Impairment Costs: The calculation is set out in Notes 27, 14 and 16 of the 2008/2009 Financial Statements. Debt Impairment Cost amounts to R24 525 689 and not R24 676 453 as stated in your memorandum.

*Breakdown of general expenditure:* Will be supplied

### **Rates discrepancy**

The amount of R 38 929 000 in Annexure D is provided by National Treasury and is not verified by Theewaterskloof. The amount of R34 400 291 is audit by the Auditor General and is correct.

### **Government Grants**

The largest government grant amount is for the Equitable Share Grant; this amount is calculated by National Treasury according to a formula. All other government grants are provided to municipalities with conditions e.g. Finance Management Grant, Systems Improvement Grant etc.

### **Long-term loans**

We do not have a policy.

## **Capital investment**

- The under spending can be prescribed to:
  - The suspension of both the Housing Project Manager and the Manager Human Settlements.
- An investigation into TWK's Implementation Agents activities. This investigation revealed no wrong doings but hampered the housing construction program.
- Application delays to PGWC for re-zoning of projects as well as obtaining the increase of Subsidy Quantum's
- MIG Funding for flood damage in Greyton received at the end of March 2009
- Permission for the Greyton sewer link from the Department of Land Affairs could not be obtained

*Contingent liabilities in respect of capital investment: See details in note 39*

## **Debtors**

*Bad Debts written off in 2009: See details in note 17*

*Increase in Bad Debt Provision: Bad Debt Provision increased from R63.2mil to R71.4mil, total increase is R8.2mil. The outstanding debtors increased from R75.9mil tot R85.4mil, total increase is R9.5mil. The increase in Bad Debt Provision is in line with the increase of Debtors and is not significant. The provision for the 2009/2010 financial year amounts to R7 724 006.*

Details on Outstanding Debtors: See note 16 of the Balance Sheet

## **Balance Sheet**

*Budgeted Balance Sheet: We have not compiled a budgeted balance sheet for 2008/2009 and 2009/2010 financial year. It will be compiled for the 2010/2011 budget.*

The employee benefits liability was compiled by ARCH Actuarial Consulting.

## **Personnel**

The following formula is being used for personnel costs: Salaries, Wages and Allowances/Total Operating Expenditure.

The norm is between 35% and 40%, the percentage for Theewaterskloof in the 2009/2010 financial year is 37.1%.

There were vacancies at the end of June 2009.

### **Reported performance information**

The following corrective steps have been taken as indicated on page 61 of the Draft Annual Report:

1. *TWK is currently in the process of implementing a formal, electronic SDBIP and performance management system (PMS).*
2. *The new system will be managed by the Directorate Development (IDP Manager).*
3. *Training is being provided to all end users to ensure understanding and correct reporting.*
4. *KPIs will now be linked to the IDP.*
5. *All indicators are measurable and a comments option is available to ensure method of measurement.*
6. *Performance reporting will be done centrally.*
7. *The PMS system is currently in place; a policy will be adopted by January 2010.*
8. *The auditing of the performance management system will be attended to in the 2009/2010 financial year.*