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# **UMZUMBE ANNUAL REPORT**

## **2012/2013 FINANCIAL YEAR**

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## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### MAYOR’S FOREWORD

#### **Vision:**

By 2030 Umzumbe will be economically viable, enjoying tourism, heritage and agricultural benefits.

#### **Key Policy Developments:**

In reviewing the IDP the municipality has taken cognisance of the strategic documents which are the National Development Plan, Government’s 12 Outcomes, and Medium Term Strategic Framework for the sector departments, the Provincial Growth and Development Strategy, UGu District Growth and Development Strategy and the plans that were developed within the municipality. This will be clearly articulated hereunder in the full report.

#### **Key Service Delivery Improvements:**

The vastness of our municipality is putting a burden to the budget through the on-going construction and rehabilitation of gravel roads. Community facilities have been upgraded in all the wards to improve accessibility to communities.

#### **Public Participation:**

We highly admire the positive interactions with our communities and statutory partner-organisations in ensuring that we collectively improve the lives for the people of Umzumbe. Our ward committee system has effectively gained momentum through the continuous capacity building and training sessions to ward committee members, which were aimed at strengthening public participation and advocacy. As the local government, we acknowledge the role of our communities in all our public consultation programmes (Mayoral Izimbizo, IDP/Budget road shows, Awareness Campaigns, etc.), and this is to ensure people-centred development, acceleration of service delivery, and accountability to our communities. Similarly, our interactions with various stakeholders have brought about much needed collaboration in service delivery, proving that together we can do more.

#### **Future Action**

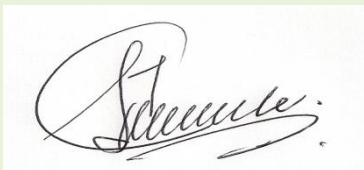
The municipality has taken a decision to build the indoor sports centres in all the four clusters and the construction of municipal offices, development of sports grounds, taking environmental issues seriously. The municipality has also started the implementing waste management function within the constituencies of Umzumbe. The tourism plan is under development will seek to address the high level of unemployment within the municipality.

### **Agreements / Partnerships**

Shared services within the family of UGu on Disaster Management functions and Fired Services. Also with the assistance of COGTA a shared service on development planning is up and running.

### **Conclusion**

Considering the challenges we faced in the previous financial year of not finishing the MIG allocation we are proud to know that the municipality worked tirelessly in ensuring the full expenditure of the allocation for 2012/2013 financial year. The construction of new roads and the implementation of emergency relief that we have received is really of courage to the development of our municipality.

A handwritten signature in black ink, appearing to read 'St Gumede', with a stylized flourish at the end.

(Cllr ST Gumede)

**His Worship - The Mayor**

## EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

It is humbling to share what has been achieved by Umzumbe Municipality in providing services to its communities as asserted in the planning document of the municipality, the Integrated Development Plan (IDP) as reviewed. In sharing the successes and the challenges it is then of paramount importance to indicate that the reviewed IDP is informed by inputs from the 19 wards of the municipality which are divided into four (4) clusters for easy access and functionality. The needs of the communities are then used in formulating the Council priorities linked to the IDP indicators. Underpinning the development within the municipality is informed by five (5) strategic priorities which are as follows:

- a) Municipal Transformation and Institutional Development.
- b) Financial viability and management.
- c) Local Economic Development.
- d) Good governance and Public Participation.
- e) Basic Services and Infrastructure Investment

In fulfilling the priorities as articulated above the different departments that are charged with the responsibility of implementing the priorities. Department of Corporate Services is executing its activities which are aligned to Municipal Transformation and Institutional Development. This is achieved through the development and implementation of policies that governs this priority.

Milestones that have been achieved are the development of the job description for the new position and the review of all the existing job description. Filling of the critical post with all the section 54 and 56 positions being filled, Workplace Skills Plan has been developed and implemented whereby employees and councillors are capacitated, new policies have been developed, with the old ones being reviewed for smooth running of administration and adopted by full council.

Currently the Municipality is facing a challenge of retaining staff and a lack of office space to accommodate all the staff.

The Finance Department is charged with the responsibility of fostering financial viability and management of the municipality. It is safe to indicate that Umzumbe financial stand is in a stable and liquid state with the ratio of 3:1. This is attributed to good sound financial management principles as enshrined in the MFMA and regulation thereof. The municipality prides itself by full compliance in section 71 reports submission to the relevant departments. As part of cost cutting measures the municipality has tried its level best to conduct most of its activities within the municipal premises

despite the challenge of space that the municipality is experiencing. Challenge: Revenue generation as the municipality is rural in nature.

In fulfilling the Local Economic Development the lead department is Social and Economic Development. Programs that have been implemented by this department talk to the biggest challenge that the municipality is faced with, which is the high rate of unemployment. Through the CWP, SMME, NGO, Co-operative initiatives, the department has tried despite the limited resources to change the lives of the people of Umzumbe. The implementation of poverty alleviation programs enhanced the strides that were implemented through LED; through one home one garden and Sukumasakhe program.

Challenge: sustainability of the programmes.

Chapter 4 of the Municipal Systems Act advocate the involvement of communities through Public Participation. The office of the Speaker has amongst the tasks to execute public participation. This is done in collaboration with all the departments especially the ones that are service delivery orientated. Our municipality has fully functional ward committee system. Umzumbe Municipality became one among other municipalities where COGTA piloted the concept of Community Based Planning. Ward committee members were trained in module 2. On a monthly basis the ward committees did conduct meetings to discuss issues at ward level. Public Participation strategy has been developed and the policy on payment of ward committee stipends.

Challenges: Limited funds to equip the ward councillor's office. Budget availability to finish the prescribed modules for the ward committees training.

Technical Services department has a mandate of implementing infrastructural programmes and projects of the municipality. This is in line with the basic services and infrastructural investment priority. One of the successes that the department had was the full expenditure on the Municipal Infrastructure Grant (MIG) which has improved the performance of the municipality when it comes to conditional grants. Environmental Management has been taken into cognisance through the implementation of waste management for the first time within the Umzumbe municipality. In maintaining the existing infrastructure, the department had expended towards the purchase of grader and a TLB. Expanded Public Works Program (EPWP) has been also resuscitated with a policy in place for proper guidance and implementation of the EPWP.

In institutionalising the Development Planning function, the municipality has managed to do it through the assistance that was offered by COGTA using the concept of a Shared Services. Also as one of the shared services, the Internal Audit has been established as currently and moving forward the municipality has its own internal audit unit. This achievement we owe it to COGTA and assisting and good coordination by our Ugu District Municipality.

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### Municipal Functions

Umzumbe Local Municipality has the function and powers assigned to it in terms of sections 156 and 229 of the Constitution of the Republic of South Africa. The Municipal Structures Act of 1998 makes provision for the division of powers and functions between the district and local municipalities. It assigns the day to day service delivery functions to the local municipalities.

The Provincial MECs are empowered to adjust these powers and functions according to the capacity of the municipalities to deliver services. With regard to the above statement for instance, the function of Water and Sanitation as well as the maintenance of water infrastructure is the function of the district municipality.

Whilst the Local Municipality is responsible for day to day Planning, it is also in liaison with the District for advice and support. Amongst other things the powers and functions of the municipalities are as indicated in the table below.

Umzumbe Municipality Functions	DISTRICT FUNCTIONS	SHARED SERVICES
<ul style="list-style-type: none"> <li>• Building Regulations</li> <li>• Pontoons, Ferries, Jetties, Piers and Harbors</li> <li>• Storm Water Management Systems in Built up Areas</li> <li>• Trading Regulations</li> <li>• Billboards and the Display of Advertisements in Public Places</li> <li>• Cleansing</li> <li>• Control of Public Nuisances</li> <li>• Street Lighting</li> <li>• Traffic and Parking</li> <li>• Control of Undertakings that sell Liquor to the Public</li> <li>• Facilities for the accommodation, care and burial of animals</li> <li>• Fences and Fencing</li> <li>• Licensing and Control of Undertakings that sell food to the public</li> <li>• Local Amenities</li> <li>• Local Sport Facilities</li> <li>• Municipal Parks and Recreation</li> <li>• Noise Pollution</li> <li>• Public Places</li> <li>• Street Trading</li> <li>• Local Economic Development</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal Health Services</li> <li>• Portable Water</li> <li>• Sanitation</li> <li>• Air Quality Management</li> </ul>	<ul style="list-style-type: none"> <li>• Fire Fighting Services</li> <li>• Local Tourism</li> <li>• Municipal Airports</li> <li>• Municipal Public Transport</li> <li>• Cemeteries, Funeral Parlors and Crematoria</li> <li>• Markets</li> <li>• Municipal Abattoirs</li> <li>• Refuse Removal,</li> <li>• Refuse Dumps and Solid Waste</li> <li>• Development Planning</li> </ul>

## Demographics

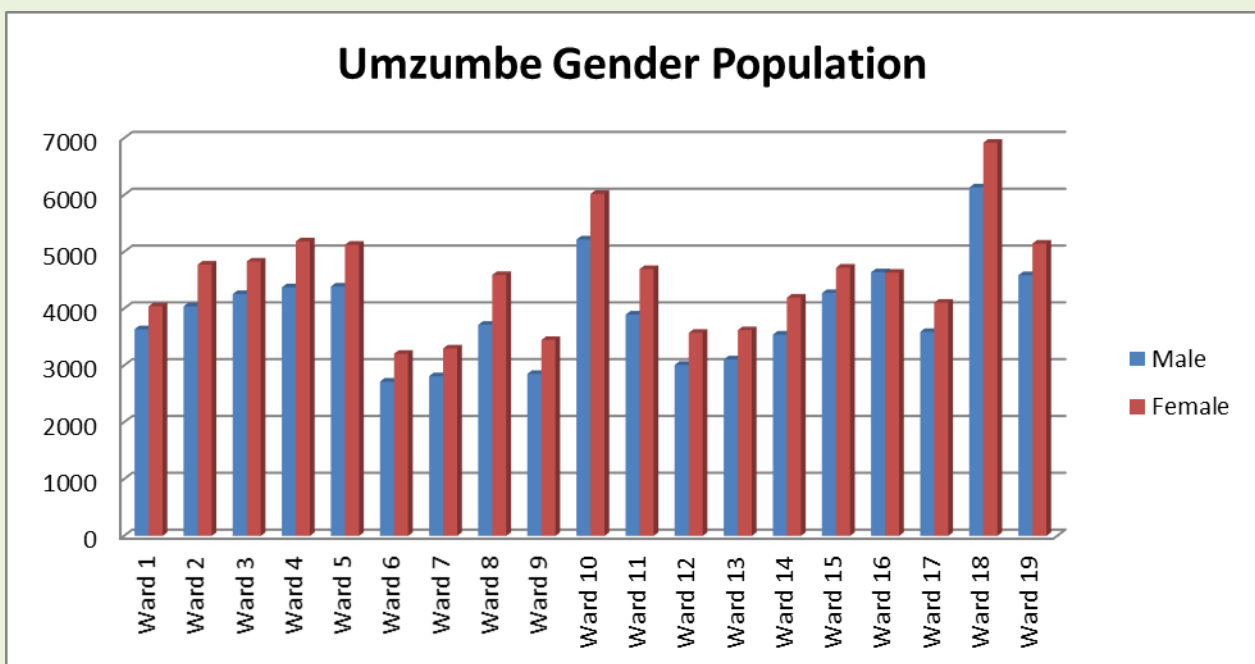
The latest 2011 census indicates that Umzumbe municipality's total population is 160 975 people, where males account for 46% of the population and the female is 54%. The most populated ward in the municipality is ward 18 with 13056 people and ward 6 with a total population of 5923 people.

<b>KZN213: Umzumbe</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
	<b>74819</b>	<b>86156</b>	<b>160 975</b>
<b>Ward 1</b>	3639	4042	7681
<b>Ward 2</b>	4042	4776	8818
<b>Ward 3</b>	4259	4831	9090
<b>Ward 4</b>	4376	5185	9561
<b>Ward 5</b>	4391	5126	9517
<b>Ward 6</b>	2716	3206	5923
<b>Ward 7</b>	2812	3301	6113
<b>Ward 8</b>	3718	4593	8311
<b>Ward 9</b>	2853	3450	6303
<b>Ward 10</b>	5218	6022	11240
<b>Ward 11</b>	3897	4698	8595
<b>Ward 12</b>	3013	3576	6589
<b>Ward 13</b>	3108	3622	6730
<b>Ward 14</b>	3544	4196	7740
<b>Ward 15</b>	4276	4722	8997
<b>Ward 16</b>	4643	4634	9277
<b>Ward 17</b>	3591	4107	7699
<b>Ward 18</b>	6135	6922	13056

<b>Ward 19</b>	4590	5146	9735
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Source: Stats SA Census 2011

The graph below indicates the relationship between male and female population where in all the wards of the municipality females' account for most of the population. The phenomenon of female population outstripping the males could be attributed to the fact that men generally migrate to areas with job opportunities to fend for their families while females remain at home taking care of the children. This will mean that women empowerment policies should be taken very seriously in Umzumbe Municipality and thus ensuring that they are at the forefront of service delivery.



Source: Stats SA Census 2011

The table below indicates the municipality's age profile. It is evident that the majority of Umzumbe population is in the teenage group (between 10-19 years) which is 39165. The second largest population group is the youth aged 20-29, which is at 25992, then followed by children from age 0-4 at 21435 respectively. The population also shows that from age 0-4, male dominates females and the females start to dominate from age 20 upwards. The graph below clearly indicates the population composition.

Population Details									
Age	Population '000								
	Year -2			Year -1			Year 0		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4							10836	10599	21435



Age: 5 - 9							9801	9579	19380
Age: 10 - 19							19968	19197	39165
Age: 20 - 29							12585	13407	25992
Age: 30 - 39							6810	8136	14946
Age: 40 - 49							5082	8142	13224
Age: 50 - 59							4410	6648	11058
Age: 60 - 69							3285	5232	8517
Age: 70+							2049	5217	7266
<i>Source: Statistics SA 2011</i>									

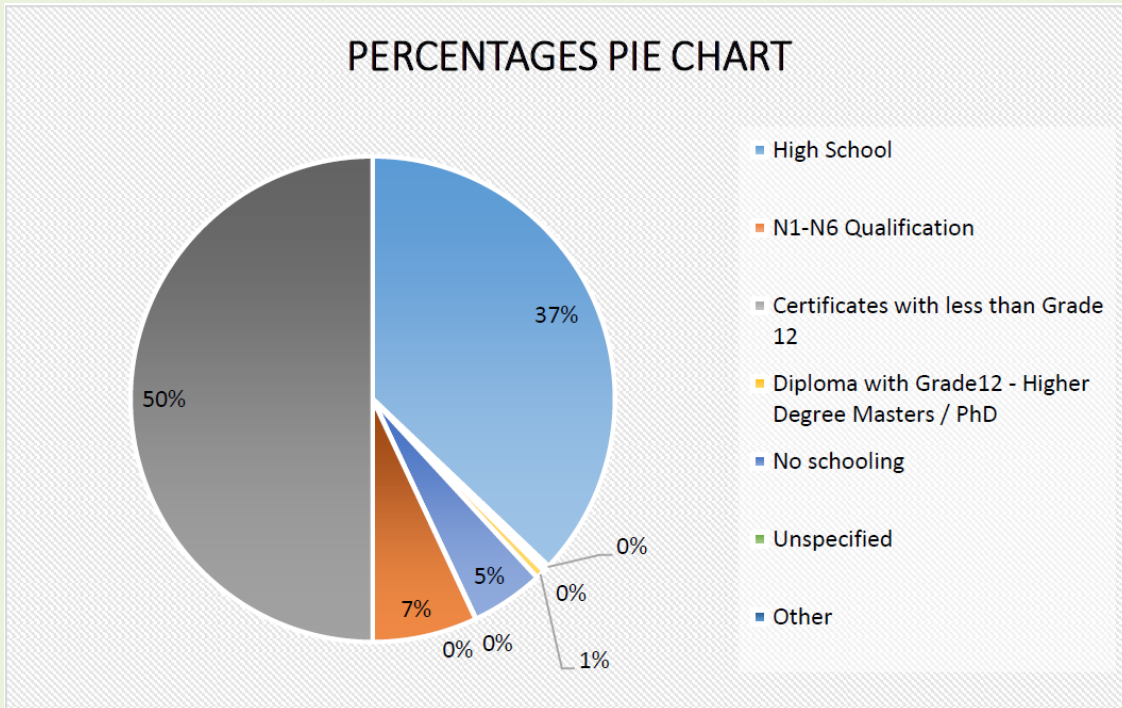
Source: Stats SA Census 2011

With this population composition depicting the youths as most dominating population group, it is of chief importance to ensure that the municipality rolls out programmes that aim at empowering the youths.

The diagram below indicates the highest education levels within Umzumbe. Most of the people living within the area have a high school education. This is due to the fact that there are no tertiary facilities for further learning. Poverty is also a big contributor to people not being able to move to bigger cities to access tertiary facilities.

EDUCATION LEVELS	NUMBERS
Grade 0	-
Grade 0 - Grade 7 / Std 5/ ABET 3	-
High School	119352
N1-N6 Qualification	414
Certificates with less than Grade 12	1005
Diploma with Grade12 - Higher Degree Masters / PhD	2007
No schooling	15642
Unspecified	-
Other	66
Not applicable	22488
Grand Total	160974

Source: Stats SA Census 2011



Source: Stats SA Census 2011

Even though Umzumbe is a rural municipality where majority of people are unemployed, economic trends show that the municipality achieved the biggest decline in poverty levels over the 6 years period. However an infrastructural project initiative that had the greatest impact under the Integrated Sustainable Rural Development Programme (ISRDP) is the construction of P68 road between oShabeni and Highflats, and the improvement of P73 road.

This road network is seen to have increased economic activity and job opportunities in the municipality. Below is the table showing the extent of poverty in the municipality.

#### Number of People living in poverty in Umzumbe

Municipality	2003	2004	2005	2006	2007	2008
Umzumbe	147,674	149,763	150,279	144,652	142,419	141,226

Source: Ugu infrastructure audit 2011

#### Access to basic services

##### Water

The Ugu District Municipality is the Water Services Authority and the Water Service Provider for the District. They are responsible for the provision of water and sanitation services within the district. The

basic water service in Umzumbe is community standpipes within 200m -800m radius of all households.



#### ***Stand Pipe in Umzumbe communities***

The Ugu Infrastructure Audit undertaken in 2011 indicates the following levels of access to water in Umzumbe: 27% of the population have access to a RDP level of service (households within a 200m walking distance of a pipeline); 25% have access to a lower than RDP level of service (households within a 800m walking distance of a pipeline); and 48% do not have access to formal water supply. This is a clear indication of the huge water backlog in Umzumbe.

#### **Sanitation**

The only sewer option in Umzumbe is Ventilated Pit Improved Latrines (VIP). Based on a sample survey, the sanitation backlog is estimated at 33% which equates to approximately 9 424 households in need in Umzumbe.



***Photo: VIP toilet***



***Photo: Solid waste Bin Provided in Umzumbe***

Solid waste management involves the collection, transportation and safe disposal of refuse from residential areas to landfill. However, solid waste service in Umzumbe is virtually non-existent. It is estimated that 98.3% of households are not serviced with solid waste service.

#### Electricity

The main supplier of electricity in Umzumbe is Eskom. It is stated in the Ugu Infrastructure Audit report (2011), that the majority of electricity problems are of a localised nature, since major capacity problems in Ugu has been addressed about ten years ago through the construction of major infrastructure.



***Photo: Electricity supply in progress***

The electricity backlog is estimated at 44%.



### Local Economic Development (LED)

The municipality has embarked on a gender approach to LED in order to bridge the gender gap of which women are 2% more than men in numbers. The strong emphasis on empowering women is hoped to boost this sector due to the resilient nature and being on the receiving end of poverty of women as opposed to men. In boosting tourism the municipality has in the past financial year committed to developing Ntelezi Msane heritage site.



***Photo: Isivivane sikaShaka Heritage Site.***

The other tourism areas within Umzumbe Municipality are the Msikazi Mountain, Sipofu Mountain, Umthwalume Mission Cluster, Sivivane Sika Shaka, Prophet Isaiah Shembe's Mission Centre, Gobela Arts and Crafts Centre, Turton Beach, Itshe Maria Stone, Source of Umthwalume river, Initiation of Traditional Healers Place, Kwandelu Landscape, Bhekumesiya (Shembe) Village and Summery of tourism products in Umzumbe Municipality.

### Housing

Access to adequate housing is still a challenge to the most of the people within the municipality. A significantly large population resides within privately owned land. At the moment there is no clear plan to provide housing on privately owned land, however there is a need to provide housing in these areas. Approximately 3000 houses have been built for the entire municipality and the backlog is now sitting at 9000.

Wards 6, 7, 8, 9, 11 and 12



***Photo: Rural Housing provided in Umzumbe Municipality***

### Roads

As a municipality the projects were identified using the Public Participation wherein they were prioritised and included in the IDP document as a planning tool. The progressive strategy utilised was to design and register the projects under MIG as commitment for the three(3) year cycle. Advertising of projects three (3) months prior the end of the financial year allows the municipality to be able to implement the project and be able to fully expend the conditional grant.



***Photo: Vhetha Access Road under construction; Ward 06***



The achievement that the municipality had is the full expenditure of the MIG allocation. Roads have been constructed and community hall constructed.

**Photo: Malikhakhi Access Road; Ward**

As maintenance program the municipality has purchased a new TLB and 4X4 grader.



**Photo: New Grader for Umzumbe Municipality**

## Storm Water Drainage

Currently the stormwater drainage within Umzumbe Municipality is through natural processes such as river streams.

## Local Planning Approvals

Umzumbe Local Municipality processes development applications in terms of Planning and Development Act No. 6 of 2008. Currently the municipality does not have the Land Use Management Scheme; however the development of scheme is in process. Land use system: is incomplete this makes it extremely difficult to handle land use applications. • There is a need to develop land use management system in line with the Planning Development Act, schemes and approved Spatial Development Framework. • The indigenous/traditional methods of land use allocation is not compatible with the current legislative requirements/approaches • Lack of Environmental and sector plans (e.g. coastal, flood lines, biodiversity) • Lack of capacity to deal with environmental Issues.

Overview of Neighborhoods within Umzumbe Municipality		
Settlement Type	Households	Population
Rural settlements		
Bhekani Traditional Authority	96	
Cele P Traditional Authority	3784	

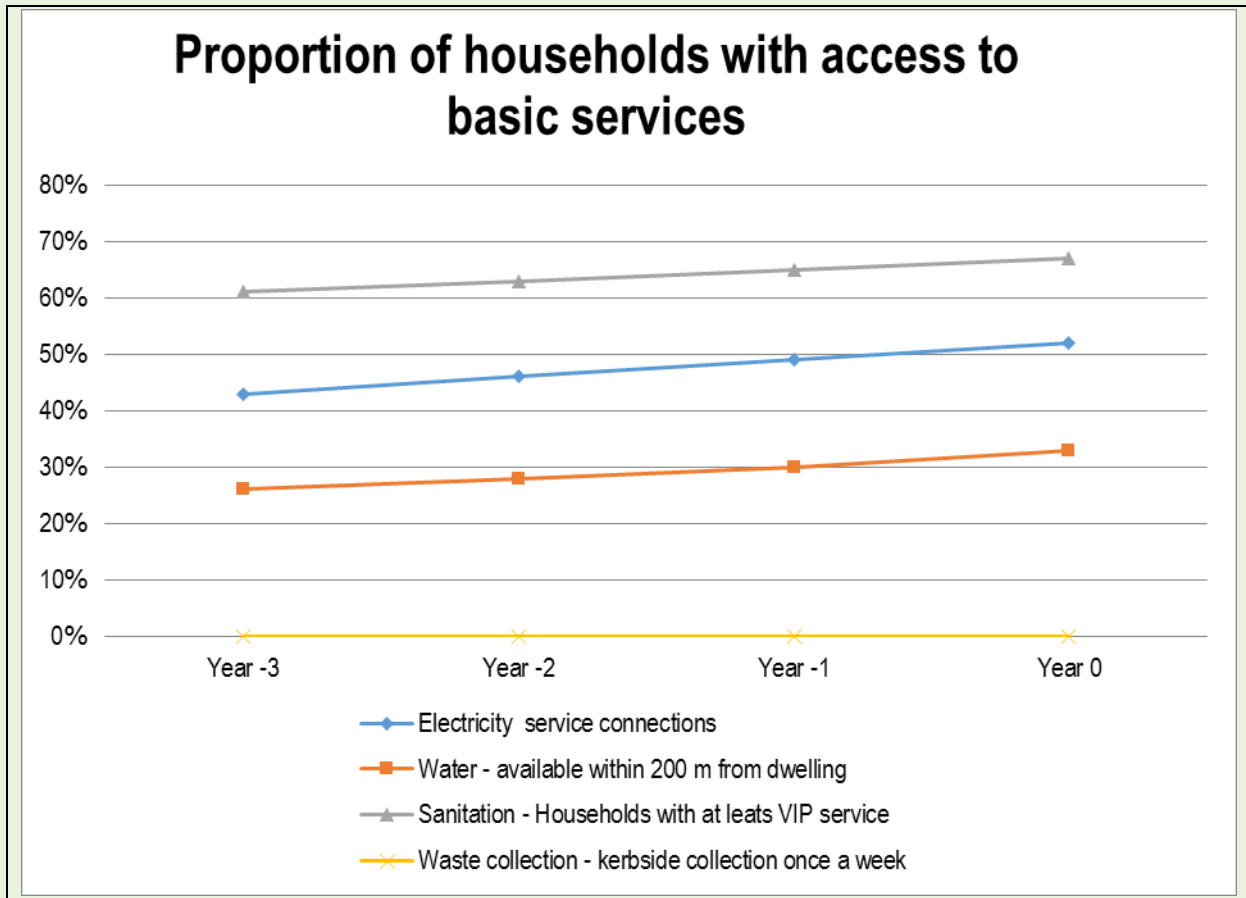
Hlongwa Traditional Authority	706	
Hlubi Traditional Authority	1172	
Mabheleni Traditional Authority	1171	
Ndelu Traditional Authority	2443	
Nhlangwini Traditional Authority	3039	
Nyavini Traditional Authority	647	
Qoloqolo Traditional Authority	1967	
Qwabe P Traditional Authority	1212	
Qwabe M Traditional Authority		
Thulini Traditional Authority	8082	
Sub-Total	24319	0
Informal settlements	0	
Sub-Total	0	0
Total	24319	0

PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES				
	Year -3	Year -2	Year -1	Year 0
Electricity service connections	43%	46%	49%	52%
Water - available within 200 m from dwelling	26%	28%	30%	33%
Sanitation - Households with at least VIP service	61%	63%	65%	67%
Waste collection - kerbside collection once a week	0%	0%	0%	0%

### 1.3. SERVICE DELIVERY OVERVIEW

Umzumbe Municipality is making strides in terms of service delivery; however the pace is not as desirable. The Municipality has an indigent policy where poor households are provided with basic services such as free basic electricity.





#### 1.4. FINANCIAL HEALTH OVERVIEW

In terms of section 62 of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality. The financial services department has been established to address this responsibility. The financial services department comprises the following sub departments: Expenditure and Assets, Budget, Treasury and Revenue and Supply Chain Management.

##### Highlights:

##### Annual Financial Statements:

As per section 122 and 126 of the MFMA, the municipality must for each financial year prepare annual financial statements which must be submitted by the 31 August to the Auditor General.

The annual financial statements for the financial year 2012/2013 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and is on target to be submitted by the 31 August deadline.

### **Monthly Financial Reports:**

In terms of section 71 of the MFMA, the municipality must by no later than 10 working days after the end of each month submit to the mayor and the relevant treasury monthly budget statements.

The monthly financial reports were prepared timeously and were submitted to the Executive Committee (Exco) and Treasury as well as other portfolio committees.

### **Mid-year budget and performance assessment:**

In terms of section 72 of the MFMA, a mid-year budget and performance assessment of the municipality must be made by the 25 January each year.

The preparation of the mid-year budget and performance assessment was compiled and adopted by the Council by the 25 January 2013.

### **Compliance to the Supply Chain Management (SCM) Policy:**

The municipality is in its second year of implementation of Pastel Evolution which has assisted in the facilitating of procurement such as electronic requisitions and orders. Separate files were opened for each individual contract which contained details of the contractor, evaluation and adjudication reports, payments details etc. Bids of at least R 100 000 were submitted to Treasury in accordance with SCM regulations. The evaluation and adjudication of the tenders was done accordingly, when evaluating and adjudicating tenders Preferential Procurement Policy (BBBEE) was considered without compromising the requirements as per the advertisement.

### **Compilation of the Assets Register:**

The municipality compiled the fixed assets register for the 2012/13 financial year in accordance with GRAP 17. This formed part of the process of the annual financial statement preparation.

### **Municipal Property Rates:**

As of 1 July 2009, the municipality began charging for property rates in terms of the Municipal Property Rates Act. The valuation roll was compiled and the property rates billing system was integrated with the general ledger system. During the year the supplementary valuation rolls were advertised and updated on the system. In addition there has been a considerable reduction of government debt.

### **Financial Highlights:**

- The total assets amounted to R 246 345 265 and the total liabilities amounted to
- R 23 311 618 resulting in net assets of R 223 033 647 for the year

- The total revenue amounted to R 141 047 445 and the total expenditure incurred amounted to R 74 649 638 resulting in a surplus of R 66 131 940 for the year
- The cash and investments for the year amounted to R 77 557 478.

#### Challenges:

- The requirements of GRAP 17 posed challenges such as componentizing of infrastructure assets which required specialized knowledge.
- The physical verification of the assets was also challenging due to assets being spread over the large geographical area of Umzumbe.
- The municipality faced challenges such as non - payment of rates and no registered postal addresses. In addition the municipality had capacity issues as property rates required specialized knowledge.
- Capacity constraints within the department.

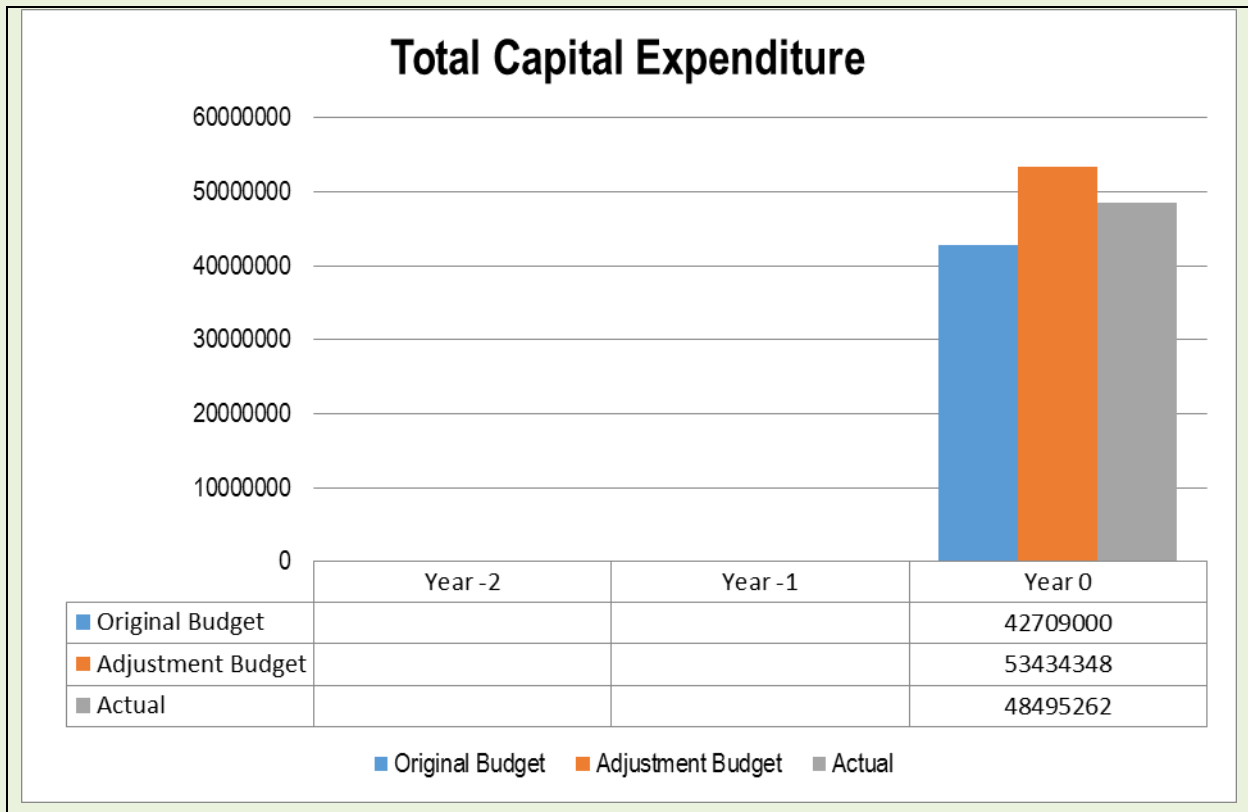
Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	129467921	139738269	141047445
Taxes, Levies and tariffs			
Other			
Sub Total	129467921	139738269	141047445
Less: Expenditure	85848921	86303921	74649638
Net Total*	43619000	53434348	66397807

OPERATING RATIOS	
Detail	%
Employee Cost	26%
Repairs & Maintenance	1%
Finance Charges & Impairment	

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget			42709000
Adjustment Budget			53434348

Actual

48495262



## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality has developed and reviewed numerous policies which are aimed at ensuring the municipality operates within its mandate of developmental local government. One among key important policies is the Skills Development Policy which seeks to capacitate employees to help them discharge their duties with excellence.

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1.6. AUDITOR GENERAL REPORT

**REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND  
THE COUNCIL ON UMZUMBE MUNICIPALITY - *REFER TO THE ATTACHED AUDIT REPORT***

## 1.7. STATUTORY ANNUAL REPORT PROCESS

No .	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

COMMENT ON THE ANNUAL REPORT PROCESS:
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Chapter 12 Of the Municipal Finance Management Act (MFMA) No 56 of 2003 states that:

- (1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this chapter.*

Because the main purpose of the annual report as stated by the (MFMA No 56 of 2003) is to

- (a) Provide a record of the activities of the municipality or the municipal entity during the financial year to which the report relates;*
- (b) To provide a report on performance against the budget of the municipality or the municipal entity for that financial year; and*
- (c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity*

It is important to prepare the annual report nearer to the end of the financial year as possible. Annual reports contain information of service delivery, performance and how the budget was implemented, thus, in order for it to act as a corrective measure for the next budget process, a wide range of data must be made available from the onset. Many of the steps within the IDP process rely on information to be readily available. For instance, the annual performance report that is submitted to the Auditor General at the end of August forms a crucial part in the analysis phase of the IDP.

In order for the process of planning for, implementing and tracking service delivery and performance in a municipality to be a smooth one, it is important to note and ensure alignment between the IDP, Budget and performance management system. The Integrated Development Plan of a municipality is a tool that is used to regularly plan, whilst the SDBIP, which is the capital implementation of the budget, is used to continually monitor and the performance management system is used to periodically measure and review performance. Thus, alignment needs to be ensured.

## **CHAPTER 2 – GOVERNANCE**

### **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

#### **INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE**

Umzumbe Municipality Political governance is the Mayor who is the head of political side chairing the Executive committee as well as the portfolio committee responsible for Finance and Corporate Services. As a municipality we proud ourselves as having a woman Deputy Mayor who is a member of the Exco also serving as a portfolio chair for the Infrastructure and the LED committee.

The Speaker of the council chairs the council meeting of the municipality as well as chairing the Youth Committee of the council. The council has an executive committee made up of eight (8) full time councillors. In dealing with oversight role, the council has a Municipal Public Accounts Committee (MPAC) made up of non- executive committee members. In assisting the Executive committee, there are six (6) portfolio committees established which are: Human Settlement Portfolio, Infrastructure and LED Portfolio, Planning Portfolio, Finance and Corporate Services Portfolio Committees.




In assisting the MPAC and the Council, an external Audit Committee through a shared services approach has been established.

Administrative leg of the Council is led by the Accounting Officer and the managers reporting directly to her (section 56) with all the position being filled at this level of management. Each section 56 is responsible for the department as asserted above in the report. The second level of management is managers that report to the section 56 managers. This forms the extended top MANCO of the municipality.



## 2.1 POLITICAL GOVERNANCE

	<p><b>POLITICAL STRUCTURE</b></p> <p><b>MAYOR</b> Cllr S.T. Gumede EXCO. Chair and Head FBCC Portfolio Committee</p>	<p><b>Function</b></p> <p>In terms of Section 49 of Municipal Structures Act and Regulations 117 of 1998 the Executive Mayor presides at meetings of the executive committee; and performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by municipal council or the executive committee.</p> <p>S56(2): The executive mayor must:</p> <ul style="list-style-type: none"> <li>a) Must identify the needs of the municipality,</li> <li>b) Review and evaluate those needs in order of priority,</li> <li>c) Recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and</li> <li>d) Recommend or determine the best way, including partnerships and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.</li> </ul>
	<p><b>DEPUTY MAYOR</b> Cllr NY Mweshe Head: LED and Infrastructure Portfolio Committee</p>	<p>The Deputy Mayor exercises the powers and performs the duties of the mayor if the mayor is absent or not available or if the office of the mayor is vacant. The Mayor may delegate duties to the Deputy Mayor (Municipal Structures Act 1998, S49).</p>

	<p><b>SPEAKER</b> Cllr S.R. Ngcobo Chairperson of Council</p>	<p>In terms of Section 37 of the Municipal Structures Act and Regulations 117 of 1998 The Speaker of a Municipal Council-</p> <ul style="list-style-type: none"> <li>(a) Presides at meetings of the council.</li> <li>(b) Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).</li> <li>(c) Must ensure that the council meets at least quarterly</li> <li>(d) Must maintain orders during meetings</li> <li>(e) Must ensure compliance in the council and council and council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000; and</li> <li>(f) Must ensure that the council meetings are conducted in accordance with the rules and orders of the council.</li> </ul>
	<p><b>EXECUTIVE COMMITTEE</b> Cllr M.P Shoji Planning Portfolio</p>	<p>Chairperson of the Development Planning Portfolio oversees all matters within the section.</p>
	<p>Cllr Y.L Duma</p>	

	<p>Cllr J.P Mtambo Human Settlement portfolio</p>	<p>Oversees matters within the Human Settlements Portfolio Committee.</p>
	<p>Cllr M Ndlovu</p>	<p>Member of the Planning Portfolio Committee</p>
	<p>Cllr M.P.L. Zungu Community Services Portfolio</p>	<p>Oversees all matters within Community Services Portfolio Committee.</p>

## **COUNCILLORS**

Umzumbe has 38 Councilors 15 are females and 23 are males. 19 of them are ward Councilors and 19 are Proportional representatives. Out of 38 Councilors 26 belong to the ANC, 8 NFP, 2 IFP, 1 Independent and 1 DA.

## **POLITICAL DECISION-TAKING**

Political recommendations are taken at the caucus level of each political party. This is done when the scheduled meetings of the Council meeting are to be convened. Each represented political party caucus before the commencement of the Council meeting be it special or ordinary meeting. After the council meeting a resolution register is compiled and the accounting officer oversees the implementation of the council resolution for reporting in the next council meeting of the Council. It is important to indicate that all the council resolutions have been implemented.

## 2.2 ADMINISTRATIVE GOVERNANCE

	<p><b>MUNICIPAL MANAGER:</b> N C MGIJIMA</p>	<p><b>Function</b></p> <p>The office of the Municipal Manager is responsible for the following services: Development Planning, Communications, Mayoralty Youth Development and Special Programmes.</p> <p>Development Planning – functions are the development of the integrated development plan aligned to performance management system and development planning.</p> <p>Communications, Mayoralty, Youth Development and Special Programmes – main functions of the department are to plan, develop and implement strategies and projects in order to achieve a co-ordinated internal and external communication process, support the administrative functioning of the Mayor’s Office and advance the interest of special groups and young people within Umzumbe.</p>
	<p><b>CHIEF FINANCIAL OFFICER: Title</b> Mr K Audan</p>	<p>The Department is responsible for managing the financial administration of the municipality. It comprises sub departments i.e. <b>Expenditure and Assets, Budget, Treasury and Revenue and Supply Chain Management.</b></p>

	<p><b>DIRECTOR SOCIAL &amp; ECONOMIC DEVELOPMENT : MR T P Cele</b></p>	<p>The Department comprises of three units namely, <b>Community Services, Local Economic Development and Disaster Management</b>. It facilitates and co-ordinates activities and programmes that would yield shared economic growth and marketing of the municipality.</p>
	<p><b>DIRECTOR CORPORATE SERVICES:MR B G Nyuswa</b></p>	<p>Corporate Services Department is composed of two sections. These are <b>Human Resources</b> and <b>Administrative Support</b> Sections with different legislative mandate. The department is mainly operational in nature. It provides strategic direction and support to the services' departments, that by ensuring that human/ physical resources are in place to enable the municipality to meet its service delivery objectives.</p>
	<p><b>DIRECTOR TECHNICAL SERVICES: MR S.S. Phakathi</b></p>	<p>This is the department that has been entrusted with delivery of basic services through operations and maintenance of existing infrastructural services as well as delivering new services so as to reduce backlog in the municipality. It consists of two units namely, <b>Housing Unit</b> and. <b>Project Management Unit</b></p>

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

In aligning our municipality with the transcripts that governs Co-operative Governance and Intergovernmental Relation there are structures that had been establish that involves different relevant stakeholder of each respective structure or forum. In relation to HIV&AIDS matters, the municipality does have an Umzumbe Local AIDS Council, which is under the chairmanship of the Mayor.

The sector departments deal with issues of HIV&AIDS at local level. On a quarterly basis this structure meets discussing programs and projects to be implemented by each stakeholder. NGO council and Gender Committees resides with the office of the Deputy Mayor wherein they also deal with matters that are affecting these structures.

Disability community found their space within the municipality through their disability structure is also and not functioning quite well. Youth Committee is in place being chaired by the Speaker of the council. It looks in all the youth matters that are informed by different youth formations.

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## 2.3 INTERGOVERNMENTAL RELATIONS

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Munimec where mayors meet with the Premier and the MEC'S of the province in discussing issues that affects the municipalities. Parastatals like Eskom sometimes attend these meetings where the issues of backlogs and plans by them are discussed. Provincial Disaster Forum serves as a basis in dealing with disaster issues within the province wherein the district municipalities and their municipalities are also represented. The department of Provincial Treasury on request assisted the municipality on SCM matters; the understanding of the section 71 report for Cllr's and managers was done through the workshop.

### DISTRICT INTERGOVERNMENTAL STRUCTURES

As a family of UGu District Municipality IGR Structures are in existence through District Mayor's forum and Municipal Manager's forum that are functional, with regard to other IGR structures they have been established and ready to operate and will be chaired by the MM's from the respective

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

As clearly asserted in the sections of the MSA section 17(2), Umzumbe Municipality has a clear public participation strategy as well as Communication Strategy. Both strategies seek to address the accountability. As a process of public participation IDP & Budget road shows were conducted in the 3<sup>rd</sup> quarter of the financial cycle. These initiatives gave communities a platform to raise their needs as well as their suggestions to the municipality. Mayoral Izimbizos were the vehicle in communicating progress on what has been promised by the council during its budget road shows. The ward committee functionality gave the municipality to advance and process community needs.

#### 2.4 PUBLIC MEETINGS

##### COMMUNICATION, PARTICIPATION AND FORUMS

As the municipality at the beginning of each financial year a clear process plan on IDP and Budget issues were tabled. During the review of the IDP, a draft IDP was taken to public for comments and placed in strategic areas within the municipality area of jurisdiction, for members of community to comment and make meaningful contributions. The draft IDP was place at the following community facilities: Morrison Post, Mehlomnyama Police Station, Assisi Clinic, Dweshula Clinic, Ophepheni Information Centre, ward 7 Community Hall, Umzumbe Municipal Offices, Mgai Clinic and social welfare, Kwa Smith, Ward 19 Government offices, Ziyabenya Car wash, Junction ward 6 (KwaMrek), Joyisi ward 7, Mgomeni High, Bambumoya Ward 2 and Mtwalume High Clinic.

Once a month ward committees meetings were held to discuss developmental issues. On a quarterly base IDP Rep Forums are held which were attended by various stakeholders.

#### 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes



Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

The Department is headed by the Director: Corporate Services and consists of four sections: Human Resources, Secretariat, Information and Communication Technology (ICT), Registry and Auxiliary Services

#### 2.6 RISK MANAGEMENT

The Municipal Finance Management Act No. 56 of 2003, 62 (1) "the accounting officer is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure-

(c) That the municipality has and maintains effective, efficient and transparent systems-

- i. Of financial and risk management and internal control; and
- ii. Of internal audit operating in accordance with any prescribed norms and standards.

Section 105 of the MFMA also assigns extensive and similar responsibilities to other officials within the municipality and their respective directorates including to ensure "the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility" and "the management, including the safeguarding, of the assets and management of the liabilities, within that official's areas of responsibility". The Internal Audit Section has been tasked with responsibilities to monitoring and supervising of the effective function of the internal audit including:

- Evaluating performance, independence and effectiveness of internal audit and external service providers through internal audit;
- Review the effectiveness of the internal controls and to consider the most appropriate system for the effective operation of its business; and
- Initiating investigations within its scope, e.g employee fraud, misconduct or conflict of interest.

The top five risks to the municipality are:

1. Financial management : Assets (Poor safeguarding of municipal assets)
2. People : Skills attraction and retention (Failure to retain critical scarce skills)
3. Financial Management : Creditors (Failure to pay service providers within 30 days)
4. IT Governance: Inability or failure to provide direction on information technology governance processes which give due consideration to the risks, processes and controls required to ensure IT value and improved service delivery.
5. Financial Management: Procurement (Delays in procurement of goods and services)

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## 2.7 ANTI-CORRUPTION AND FRAUD

Umzumbe Municipality has developed and adopted Anti-corruption and Fraud Prevention Plan and Policy as guided by the following legislative framework:

- **Prevention and Combating of Corrupt Activities Act, 12 of 2004 (PRECCA):** which is aiming at strengthening of measures to prevent and combat corrupt activities
- **Prevention of Organised Crime Act, 121 of 1998 (POCA):** is aiming at combating of organised crime, money laundering and criminal gang activities
- **Financial Intelligence Centre Act, 38 of 2001 (FICA):** The purpose of these entities is to combat money laundering activities. FICA imposes certain reporting duties and compliance obligations.
- **Protected Disclosures Act, 26 of 2000:** Regulates protection over employees who are reporting fraud issues also imposing fines for not reporting such.
- **Municipal Finance Management Act 2003 ("MFMA"):** to facilitate the formal management of municipal finances and associated activities
- **Municipal Systems Act, No 32 of 2000 ("MSA"):** sets out procedures to be adopted by municipal management with regard to a number of aspects affecting the management of a Municipality.

The municipality has developed a numerous set of strategies to deal with fraud and corruption and these include structural strategies, operational strategies, prevention strategies, detection strategies, responsive strategies and maintenance strategies.

The structural strategies represent the action to be taken in order to address fraud and corruption at the structural level by inculcating sound and ethical culture, senior management commitment, assessment of fraud and corruption risk, and employee awareness.

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## 2.8 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Unit falls within the Finance Department. The unit is responsible for ensuring that the goods and services are procured in a manner which is

transparent, competitive, equitable, cost effective and fair, through proper implementation of the SCM policy which is reviewed on a regular basis.

The unit responds to the authorized purchase requisitions for other departments within the municipality using the electronic accounting system called Pastel Evolution. The speedy response to the authorized purchase requisitions where possible is always ensured.

The municipality is striving to empower local businesses and cooperatives to improve our Local Economic Development. The suppliers are rotated in terms of the National Treasury regulations to ensure that everyone is getting equal chance however there are challenges since most of our local businesses are not well established and therefore cannot supply or provide certain goods or services.

## 2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	2013
All current budget-related policies	Yes	2013
The previous annual report (Year -1)	Yes	2013
The annual report (Year 0) published/to be published	Yes	2013
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	2013
All service delivery agreements (Year 0)	N/A	
All long-term borrowing contracts (Year 0)	N/A	
All supply chain management contracts above a prescribed value (R 30,000.00) for Year 0	Yes	2013
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes	2013
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		
Public-private partnership agreements referred to in section 120 made in Year 0	None	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	2013

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### COMPONENT A: BASIC SERVICES

#### 3.1. WATER PROVISION

##### INTRODUCTION TO WATER PROVISION

Water provision is essential component for any investment decisions within the municipality. The water backlog is being experienced in almost all areas within the municipality. The table below indicates the number of households with limited access to water (water below RDP level). Umzumbe in the entire district municipality has by far the highest water backlogs. Water backlogs, even though not significant, are showing an increasing trend in this locality. The largest water backlog is experienced in Umzumbe and accounts for over 35%.



**Water backlog-number of households below RDP –level**

Year	2003	2004	2005	2006	2007	2008
Umzumbe	33,193	33,162	31,066	31,838	31,930	31,975

According to Ugu Infrastructure Audit report, infrastructure development in the rural areas was historically done in a haphazard manner and this resulted in a number of stand-alone rural water schemes that many times are supplied from unsustainable water sources. The existing infrastructure and future master planning identified a number of bulk supply sources that form the basis of the current and future water supply systems in the entire district. The supply zones located in Umzumbe jurisdictional area are:

**Ndelu Supply Zone:** is supplied by Ndelu waterworks from Umzumbe River. The supply zone will also be extended in future to include the areas of Ndelu, Qwabe N, kwa Hlongwa and parts of Mabheleni and Mathulini of the Umzumbe tribal authority areas.

**Mthwalume Supply Zone:** is supplied by mthwalume waterworks and includes the rural areas of Mathulini and Qoloqolo, as well as the urban coastal areas of Mthwalume and Ifafa Beach

**Mhlabatshane Supply Zone:** currently comprises of a number of stand-alone rural schemes (Phungashe, Ndwebu, Assisi schemes) which will in future be incorporated into a single regional water supply scheme. The supply zone covers the area between Umzimkhulu and Umzumbe rivers, from Phungashe in the North West to Frankland in the south east.

Ugu district has been served with RDP level of service. The table below shows population in Umzumbe with access to water services.

**Access to water services in Umzumbe local municipality**

Settlement Category	Serviced RDP	Serviced < RDP	Not Serviced	Total No of People
	< 200 m	200m - 800 m		
Umzumbe	41,514 (27%)	38,917 (25%)	73, 959 (48%)	154, 389

### 3.3 ELECTRICITY

#### INTRODUCTION TO ELECTRICITY

In providing the electricity to some communities of Umzumbe as per the allocation of R7 million from the Department of Energy through the schedule 6 program. This has been the first project to be implemented by the municipality. With regard to other communities Eskom is responsible for them by providing infrastructural program and electrification of households. However it needs to be highlighted the backlog of 44% when it comes to electricity within the municipality. This therefore indicates that the bulk of electricity provision is done by Eskom. It is of importance to indicate that the municipality has developed its own electricity master plan approved by the council.

Electricity Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Energy: (above minimum level)</u></b>				
Electricity (at least min.service level)	–	–	–	–
Electricity - prepaid (min.service level)	–	–	0	0
<i>Minimum Service Level and Above sub-total</i>	–	–	–	–
<i>Minimum Service Level and Above Percentage</i>	0	0	0,0%	0,0%
<b><u>Energy: (below minimum level)</u></b>				
Electricity (< min.service level)	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	651	17 241
Other energy sources	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	651	17 241
<i>Below Minimum Service Level Percentage</i>	0	0	100,0%	100,0%
<b>Total number of households</b>	–	–	1	17

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	35 171	35 171	35 171	35 171	35 171	35 171
Households below minimum service level	35 171	35 171	35 171	35 171	35 171	35 171
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%
<b>Informal Settlements</b>						
Total households	–	–	–	–	–	–
Households ts below minimum service level	–	–	–	–	–	–
Proportion of households ts below minimum service level	0	0	0	0	0	0

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	2	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	0	2	0	0
T 3.3.6					

Capital Expenditure Year 0: Electricity Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Nkehlamandla Electrification	8500000	0	5500000	64.71%	8500000

### 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Solid Waste Service Delivery Levels				
Description	Households			
	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	–	–	–	–
<i>Minimum Service Level and Above percentage</i>	0	0	0	0
<b><u>Solid Waste Removal: (Below minimum level)</u></b>				
Removed less frequently than once a week	–	–	–	–
Using communal refuse dump	–	–	–	–
Using own refuse dump	–	–	–	–
Other rubbish disposal	–	–	–	–
No rubbish disposal	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–



<i>Below Minimum Service Level percentage</i>	0	0	0	0
<b>Total number of households</b>	–	–	–	–

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget No.	Budget No.	No.
<b>Formal Settlements</b>						
Total households	–	–	–	–	–	–
Households below minimum service level	–	–	–	–	–	–
Proportion of households below minimum service level	0	0	0	0	0	0
<b>Informal Settlements</b>						
Total households	–	–	–	–	–	–
Households ts below minimum service level	–	–	–	–	–	–
Proportion of households ts below minimum service level	0	0	0	0	0	0

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	2	0	0
4 - 6	0	0	1	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	0	0	0	0

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	0	0	0	0

Financial Performance Year 0: Solid Waste Management Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	0	0	0	1000000	100%
Repairs and Maintenance	0	0	0	0	0
Other	0	0	0	0	0

<b>Total Operational Expenditure</b>	0	0	0	0	0
<b>Net Operational Expenditure</b>	0	0	0	0	0

Financial Performance Year 0: Waste Disposal and Other Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	0
Expenditure:					
Employees	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0
Other	0	0	0	0	0
<b>Total Operational Expenditure</b>	0	0	0	0	0
<b>Net Operational Expenditure</b>	0	0	0	0	0

Capital Expenditure Year 0: Waste Management Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0

### 3.5 HOUSING

#### INTRODUCTION TO HOUSING

Umzumbe Municipality is the vast rural area and the tool used for the housing delivery is the Rural Housing Subsidy which is only applicable to Ingonyama Trust Board land. The Municipality entered into a Land Availability Agreement for Housing Development. The Municipality is currently developing the land use management system (LUMS) which will transform the rural housing project into

sustainable human settlement. The major challenge facing the Municipality is that most of the household are built in the private land. The beneficiaries are being identified through profiling system and war room in all wards through the programme of Sukuma Sakhe.

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	35171	17741	50,4%
Year -2	34571	17235	49,9%
Year -1	33573	16999	50,6%
Year 0	33573	16871	50,3%

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	2	1	1	50%
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					

Capital Expenditure Year 0: Housing Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	145856501	606090	100034775	-46%	
Project A	76774920	0	34569972	-122%	0
Project B	64868081	0	62849244	-3%	0
Project C	1393910	606090	1353810	-3%	0
Project D	2819590	0	1261749	-123%	0

#### COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Umzumbe Municipality engaged on the Housing development in 2003 and Council at that time decided to cluster all 19 wards as Cluster A (10, 16, 17, 18&19), Cluster B (5, 7, 12, 13&14), Cluster C (1, 2, 3, 6), Cluster D (8, 9, 11, &15) and Nhlanguwini Housing Project which is mainly in ward 4. The Housing development experienced some delays due to planning processes and requirement. The Municipality submitted the application for 3000 unit per Cluster.

- Cluster A: The Municipality managed to start the construction of phase one project and completed 220 units out of 1000 units which were approved by the Minister for phase one implementation.

- Cluster B: The Municipality Managed to complete 976 housing unit out of a 1000 for phase one which was approved by the Minister of Human Settlement.
- Cluster C: The Implementing agent for this project was terminated due to poor performance and another Implementing Agent was appointed and the Municipality Managed to submit the Application pack for phase one (1) to the Department.
- Cluster D: Phase one of 1000 units completed in ward 11&15, and the Application pack for ward 8&9 housing unit was submitted to the Department for recommendation. The Municipality is currently facing the challenge in terms of the land availability since most people reside in a private owned land not Ingonyama (ITB) land.
- Nhlanguini Housing Project: The Municipality Manage to submit the application for 1000 units to the Department of Human Settlement.

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### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Due to the high level of unemployment as well as poverty within the municipal jurisdiction, the majority of the households live below poverty line. These households are mostly child headed households or surviving on an old age grant with a total income of R200 to R1 100 per household. The Municipality has a responsibility as a development institution to ensure that its citizens have equal rights and access to basic services as it is outlined in Constitution of the Republic of South Africa.

The Council of Umzumbe undertook measures by committing itself in developing poverty alleviation initiatives that would improve the standard of life through poverty reduction approach. In doing so the Council designed and approved an Indigent support policy with an objective to dignify the quality of life of these households. This Indigent support policy provides guidelines and procedures in terms of the implementation of these programmes and initiatives to address the challenges of poverty.

The following are the free basic services provided by the municipality:

- |                               |  |
|-------------------------------|--|
| . Dress a child               | <b>School campaign to provide uniform for identified indigent learners</b> |
| . Food security               | <b>One home one garden and indigent support</b>                            |
| . Free Basic Electricity      | <b>50KW free per purchase of electricity</b>                               |
| . Free Alternative Energy Gel | <b>provision to 634 households in Wards 7, Ward 8 and Ward11</b>           |

*T 3.6.1*

#### **COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:**

Hunger and food insecurity are great challenges facing communities residing within the municipal area.



***Photo: Dress a child Event.***

The key challenges include lack of financial and non-financial resources. The municipality has initiated number of programmes to assist in the alleviation of food insecurity. These include community gardens, one home one garden etc. Support in a form of seedlings together with expertise is provided by the municipality in conjunction with the Department of Agriculture to ensure food security.

In terms of the Indigent Support Policy each household registered in the Indigent Register has an entitlement to municipal subsidy. The municipal subsidies include free electricity tokens whereby 50kwlt of electricity is received on every purchase of electricity, approximately 4000 free electricity tokens are issued every month. 634 identified Indigent households in ward 7; ward 8 and ward 11 are in receipt of 20lts of cooking gel.

## COMPONENT B: ROAD TRANSPORT

### 3.7 ROADS

#### INTRODUCTION TO ROADS

As a municipality the projects were identified using the Public Participation wherein they were prioritised and included in the IDP document as a planning tool. The progressive strategy utilised was to design and register the projects under MIG as commitment for the three(3) year cycle. Advertising of projects three (3) months prior the end of the financial year allows the municipality to be able to implement the project and be able to fully expend the conditional grant. The achievement that the municipality had is the full expenditure of the MIG allocation. Roads have been constructed and community hall constructed. As maintenance program the municipality has purchased a new TLB and 4X4 grader.

Gravel Road Infrastructure				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year - 2	145	15	10	100
Year - 1	160	20	12	120
Year 0	166	25	14	140



*Photo: Vhethe Access Road; Ward 06*

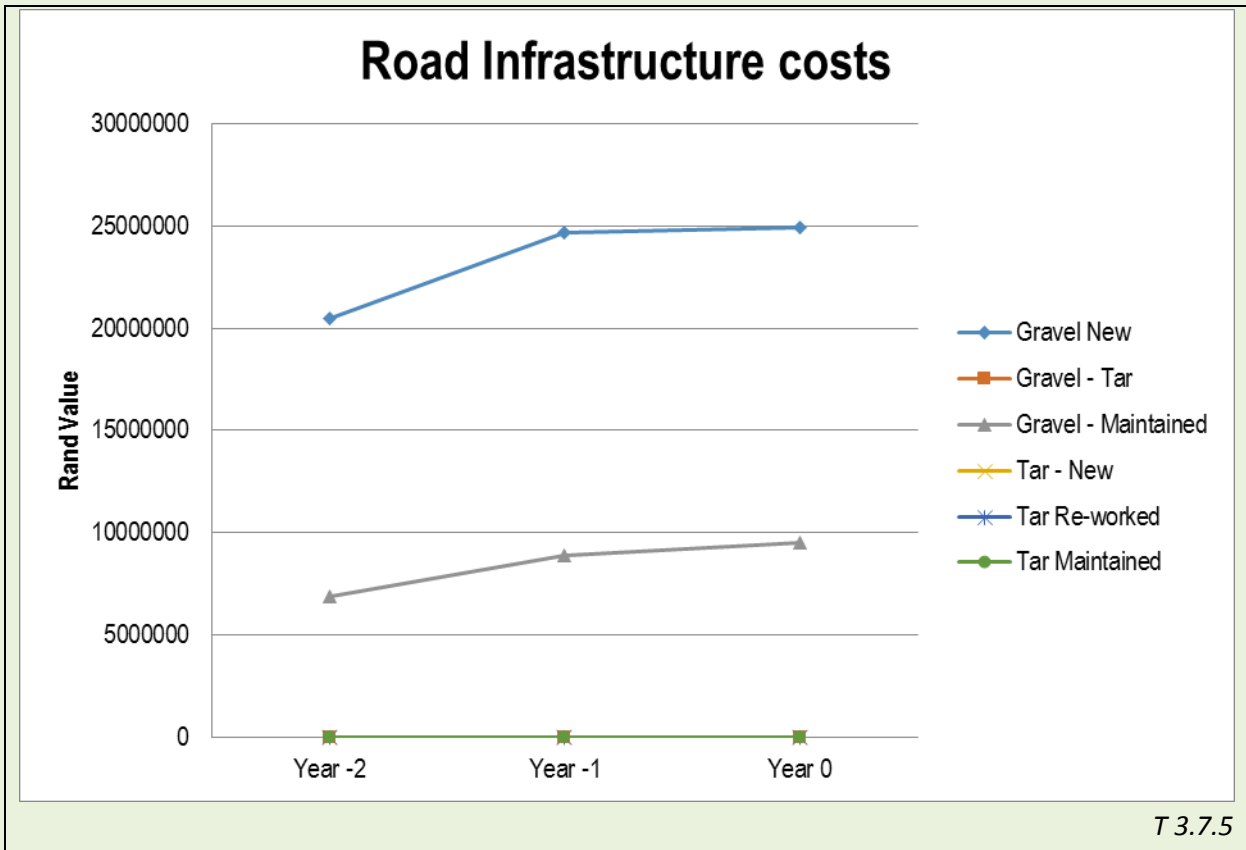


Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	0	0	0	0	0
Year -1	0	0	0	0	0
Year 0	0	0	0	0	0



**Photo: Jiba Access Road; Ward 11**

Cost of Construction/Maintenance						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -2	20499347,86	0	6871409	0	0	0
Year -1	24655000	0	8871409	0	0	0
Year 0	24924084	0	9500000	0	0	0



[illegible]

Employees: Road Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	0	3	1	
4 - 6	2	2	3	3	150%
7 - 9	1	0	1	1	0
10 - 12	2	4	2	2	50%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	8	6	9	7	117%

Financial Performance Year 0: Road Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	0
Expenditure:					
Employees	929722,81	0	0	1008000	100%
Repairs and Maintenance	3000000	3000000	0	0	0
Other	0	0	0	0	0
<b>Total Operational Expenditure</b>	3929723	3000000	0	1008000	-198%
<b>Net Operational Expenditure</b>	3929723	3000000	0	1008000	-198%

Capital Expenditure Year 0: Road Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	40178000	0	40178000	0%	
Esivandeni access road	4002540	0	180869	-2113%	4002540
Mkhoba access road	3833820	2447880	1943244	-97%	6281700
Cimeni access road	1900000	1620039	591088	-221%	3520039

Gospel access road	3952928	0	1235325	-220%	3952928
Ebhanoyini community hall	3871183	0	2249204	-72%	3871183
Mtumaseli access bridge	10335540	0	930312	-1011%	10335540
Gwalagwala access bridge	8023551	0	808765	-892%	8023551
Ndilindi access road	3042902	0	370702	-721%	3042902
Jiba access road	4748631	0	2986136	-59%	4748631
Isivivane access road	4619330	0	1490040	-210%	4619330
Thamizulu access road	3121275	0	254525	-1126%	3121275
UCC access road	3982697	0	358873	-1010%	3982697
Mpisane access road	2794452	932081	218538	-1179%	3726533
Zakhe access road	5315201	0	2280768	-133%	5315201
Malukhakhe access road	5474020	0	2642962	-107%	5474020
Vethe access road	10687272	0	10339250	-3%	10687272
Sgananda access road	7988193	0	574456	-1291%	7988193
Mashazini access road	4383363	0	3168291	-38%	4383363
Bhunwini access road	4881289	0	560074	-772%	4881289
Makhoso access road	5759769	0	699022	-724%	5759769
Masenti access road	9070898	0	1077529	-742%	9070898
Ncapheni access road	3085884	0	430866	-616%	3085884
Esihlabeni access road	2308738	0	1478082	-56%	2308738
Emaplazini access road	1475439	0	124071	-1089%	1475439
Isigubho access road	2000000	0	148607	-1246%	2000000
Mkhize access road	3000000	0	228182	-1215%	3000000
Completion of manoka road	1882044	0	232999	-708%	1882044
Siyakhula access road	9056786	0	928155	-90%	9056786
Mpelazwe access road ward 18	3643990	0	412074	-784%	3643990
Mpelazwe access road ward 17	3995854	0	312160	-1180%	3995854
Mqangqala access road	4143937	0	447417	-826%	4143937

### **COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:**

Transport in Umzumbe Municipality is provided through private mini bus taxis and UGu Transport bus service.



***Photo: Mode of Public Transport in Umzumbe***

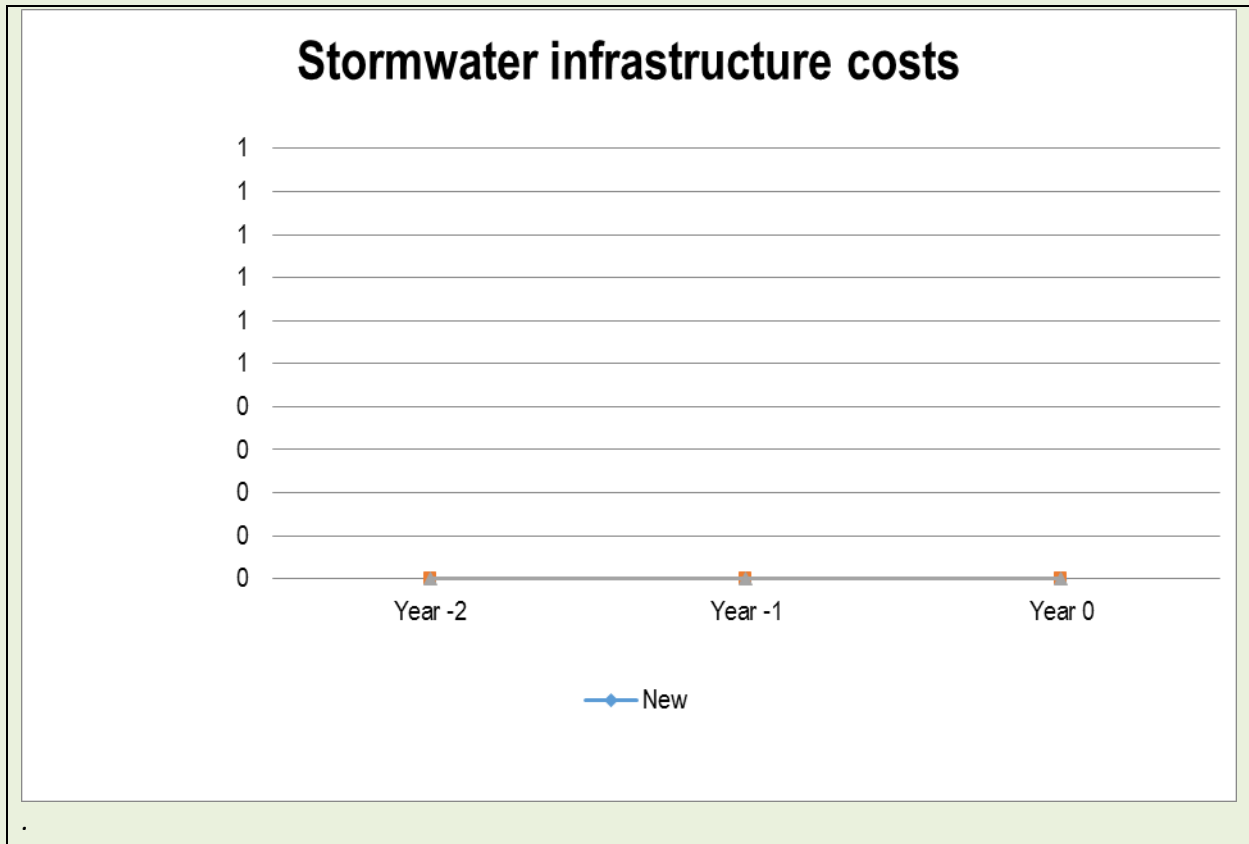


***Photo: Mini Bus Taxis as a Mode of Public Transport***

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

#### INTRODUCTION TO STORMWATER DRAINAGE

There is now formal storm water drainage except near the paved roads.





## COMPONENT C: PLANNING AND DEVELOPMENT

### INTRODUCTION TO PLANNING AND DEVELOPMENT

In terms of physical planning and economic development Umzumbe Municipality, the provincial development corridors offer an opportunity for densification and investment concentration along these corridors (N2 and R102). This will also be alignment with Provincial Government Densification Policy. The shared services centre has been assisting the municipality to beef up capacity in development planning.



***Photo: Strategic corridors in Umzumbe (N2 and R102)***

The availability of UGu district development and service delivery programme, will if implemented will support the municipality in its accord towards developing sustainable human settlements. Being located along the South Coast Tourism region, Umzumbe municipality has an opportunity to grow in the tourism sector and thus contributing to local economic development. The Kwazulu Natal Planning and Development Act together with promulgated Spatial Planning and Land Use Management Act require municipalities to develop wall-to-wall scheme, and this provide Umzumbe an opportunity to ensure a controlled development and orderly planned human settlements.

A lack of land ownership by the municipality becomes a challenge in enforcing land development and management tools especially when coming to land allocation. The already scattered settlements and



rugged terrain also make it difficult for densification. The high rate of unemployment within the municipality poses a challenge for economic development.

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### 3.10 PLANNING

#### INTRODUCTION TO PLANNING

The Development Planning Department is responsible for the development and implementation of Integrated Development Plan, Organisational Performance Management System and implementation of the Spatial Development Framework. The preparation of the Integrated Development Plan of the municipality was an integrated participatory process that began in July 2012 with the development of the process plan, the first IDP forum was held in September where the process plan was presented as well as the Municipal Draft Spatial Development Framework (SDF). The municipality has been able to conduct measurement on quarterly basis where the performance targets were evaluated against the planned targets as per the Service Delivery and Budget Implementation Plan.

In November a total of five mayoral Imbizo's were held in and around the municipality taking a cluster approach in the participation of the community.



**Photo: Mayoral Imbizo**

The municipality is completely rural with no town and very little economic activity.

- The municipality owns no land, close to 40% of the land falls under Ingonyama Trust Board and about 35% is under private ownership and government department. This poses a challenge to the municipality in so far as the enforcement of the laws is concerned.
- A large portion of the population lives in poverty and depends on social grants.
- Attracting investment is a challenge but it can be unlocked through proper settlement planning, zoning of areas to assist in land management as well as environmental

conservation. The municipality does not receive major development applications and this could be attributed to the fact that there is currently no a scheme to enforce development.

- Lack of sufficient infrastructure such as electricity and water supply is hindering the development and sustainability of economic activity in the sense that it does not boost investor confidence.
- Revenue Enhancement: as the municipality is predominantly rural with high level of unemployment and poverty, it makes it difficult for the municipality to generate own venue in terms of waste removal, electricity, sanitation and other municipal services.

In addressing the land use management the Municipality is currently in the process of developing a land use scheme and land use audit. The Municipality will commit itself to implementing and enforcing some of the planning legislature to overcome the spatial planning challenges. In terms of the support given to the impoverished communities, the municipality has updated its indigent policy and provides free basic services across the spectrum.

<b>Applications for Land Use Development</b>						
<b>Detail</b>	<b>Formalisation of Townships</b>		<b>Rezoning</b>		<b>Built Environment</b>	
	<b>Year -1</b>	<b>Year 0</b>	<b>Year -1</b>	<b>Year 0</b>	<b>Year -1</b>	<b>Year 0</b>
Planning application received	-	0	0	0	0	1
Determination made in year of receipt	-	0	0	0	0	1
Determination made in following year	-	0	0	0	0	0
Applications withdrawn	-	0	0	0	0	0
Applications outstanding at year end	-	0	0	0	0	0

Planning Policy Objectives Taken From IDP				
Service Objectives	Outline Service Targets	Year 0		
		Target		Actual
<i>Service Indicators</i>		*Previous Year	*Current Year	
(i)	(ii)	(v)	(vi)	(vii)
<b>Service Objective xxx</b>				
Timeous processing of development application through the PDA process	PDA Applications finalised within 90 days of receipt		PDA Applications finalised within 90 days of receipt	No applications had been received
Development and implementation of SDF	Implementation of Land Use Management Systems		Implementation of Land Use Management Systems	SDF was developed and adopted by Council
Investing in localities of economic growth	Development of sustainable economic nodes and corridors		100%	Development nodes have been identified
To ensure up to date information systems	Establishment of a GIS		100%	GIS was not installed in the reporting year

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	2	2	2	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%

Financial Performance Year 0: Planning Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1650000	1680000	100	95	- 1768321%
Expenditure:					
Employees	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Operational Expenditure</b>	1650000	1680000	0	0	0%
<b>Net Operational Expenditure</b>	0	0	-100	-95	100%

**COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:**

For the year 2012/2013 the Umzumbe Municipality has committed to developing Spatial Development Framework in collaboration with the Department of Cooperative Governance and Traditional Affairs and that has been achieved. The municipality also planned to conduct a detailed land audit which is done concurrently with wall to scheme and the project is on the tender stage. The

Umzumbe Spatial Development Framework outlines a number of projects aimed at transforming the spatial arrangement and need to be implemented within the five year cycle of the IDP. Among those projects is the development of area based plan for Turton, settlement pattern and formalization of Turton, preparation of nodal development framework for St Faith and Phungashe. A challenge in executing these projects would be financial constraints.

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### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### **INTRODUCTION TO ECONOMIC DEVELOPMENT**

Umzumbe Local Economic Development strategy was reviewed in 2011. It is relevant to the developmental needs of Umzumbe as it puts emphasis on Agriculture and SMME and Cooperative Development. It also goes on to detail the types of projects that could be undertaken by the Municipality in order to meet the targeted goals.

Although these projects have not been followed as they appear in the strategy; in terms of implementation but the sections involvement in agriculture is one of the strongest areas in serviced delivery for the whole municipality. As far as job creation is concerned the LED section's focus and interventions in SMME and Cooperative development has a potential of creating a number of sustainable jobs. In SMME development SMMEs are assisted with equipment and inputs needed by the business to enable production. The approach is to create an enabling environment for the SMMEs to be productive and which in turn will result in jobs being created.

The three priority areas for service delivery in LED are:

- SMME and cooperative development
- Agriculture
- Tourism development

#### **SMME Development**

In this programme the LED section receives and evaluates requests for assistance from SMMEs and cooperatives. The LED section also does needs assessment of the requesting entities. The interventions are granted where it is seen that the requested item is long term equipment or is an input critical and production orientated and if it has the potential of ironing bottle necks in the service provided by the entity. In this way once the production has been facilitated it is natural progression that the entity should be able to employ, thereby contributing to job creation within the municipality.

#### **Agriculture**

- The municipality provides land preparation services free of charge to the community. This is a critical service as it renders no excuse not to plant once it has been done free, as it has become very expensive with the reduced number of oxen which were more accessible in the past. This service does not only focus on emerging farmers that are economically orientated but it also addresses the issue of food security which is a basis of livelihood in any community. In this programme production inputs are also provided to active farmers and cooperatives these inputs range from seeds, fertiliser, water pumps etc.

### **Tourism Development**

- This programme has made huge progress as the municipality now boasts about 13 tourism sites which were none existent four years ago. Some have been enhanced to enable usage.



***Photo: Tourism Site, Msikazi Mountain***

- The development of tour guides through trainings have already created jobs as some have been able to earn a living in this industry when they had no job prospect in the past. The LED section is going to embark on a huge marketing drive for tourism which will further not just put Umzumbe on the map but will continue to create opportunities for business in the area and as well as work and development for the local tour guides.

### **COMMENT ON LOCAL JOB OPPORTUNITIES:**

The LED section is providing support and is organising the informal traders. Although there are challenges of the demographics and the general lay out and sparseness of Umzumbe which makes meetings a nightmare but institutionalisation of the informal sector has begun. It turns out that this sector is more sustainable as there are people who have been selling on the streets since the 70's. So this sector is not transit in nature in Umzumbe, people do not sell because they are in between jobs but they do it as a way of life that is why the LED section is focusing on this sector. The municipality in

its five year plan intends to develop two market stalls. Currently one market stall is being renovated, namely; oPhepheni and Umgai market stalls.

<b>Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)</b>				
<b>Total Jobs created / Top 3 initiatives</b>	<b>Jobs created  No.</b>	<b>Jobs lost/displaced by other initiatives  No.</b>	<b>Net total jobs created in year  No.</b>	<b>Method of validating jobs created/lost</b>
Total (all initiatives)				
Year -2	-	-	-	
Year -1	-	-	-	
Year 0	23		23	
Initiative A (Year 0) SMME Development	11		11	
Initiative B (Year 0) Cooperative Development	10		10	
Initiative C (Year 0) Tourism Development	2		2	

<b>Job creation through EPWP* projects</b>		
<b>Details</b>	<b>EPWP Projects  No.</b>	<b>Jobs created through EPWP projects  No.</b>
Year -2	5	120
Year -1	7	130
Year 0	9	155

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	3	3	3	0	0%

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

### INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Community and Social Services is mandated to improve social development through targeted services. Programmes are established to improve the standards of life through a safety net of essential services.

The facilitation of social development for the Community of Umzumbe through the following:

- . Implementation of poverty alleviation programmes within the Municipality:
- . Managing and monitoring of NGOs programme`
- . Management and maintenance of Community facilities within the jurisdiction of the Municipality

#### 3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Umzumbe Municipality has a total of 36 Community facilities which includes halls, Skills Centres and Multi-purpose centres.





**Photo: Sbanini Community Hall, Ward 10**

These structures provide Community with the platform to meet and practice their private activities. This is provided without any prejudice or any form of segregation based on gender or race. These Community halls are placed where people from all background have an equal access.

**Photo: Ebhanoyini Community Hall**



Museum, Art Gallery and Libraries do not exist within Umzumbe Local Municipality.

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### 3.13 CEMETORIES AND CREMATORIUMS

Although this is function for local municipalities to perform, Umzumbe Municipality is at the current moment not performing it. This is due to the fact that the municipality is 100% rural and thus traditional methods of burial are practiced. There are community cemeteries which are owned and managed by church missionaries within the area of jurisdiction of the municipality.

## COMPONENT E: ENVIRONMENTAL PROTECTION

### INTRODUCTION TO ENVIRONMENTAL PROTECTION

UGu district municipality has a Biodiversity sector plan which encompasses all the local municipalities in their district. The project WFTC (working for the coast) provides for the rehabilitation and protection of dunes, the coast, maintenance of estuaries environmental protection.

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### 3.15 POLLUTION CONTROL

Pollution control for Umzumbe is supported by UGu District Municipality as well as the Department of Agriculture and Environmental Affairs as there is currently no staff dealing directly with pollution control. All support is provided by the department as well as the district.



***Photo: Skip Bins Provided as Pollution Control Measures***

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	0	0	0	0

### 3.21 FIRE

#### INTRODUCTION TO FIRE SERVICES

The section has shared services with Umdoni, Vulamehlo and UGu District. The training for fire fighters is not yet completed as they do not have the advance driving which should allow them to drive the fire engines. Training of three (3) fire fighters was done enabling them to drive fire services and respond to incidences.



**Photo: Fire Fighters**

The shared service needs a strategic approach considering the geographical setup of Umzumbe. It still is a challenge for a skid unit at Umdoni to respond in some areas of Umzumbe like ward 1, 2, 5, 6, 7, to mention the few and make it in time to save people and properties. Umzumbe also has no water hydrants which forces the response vehicles to either obtain water from other municipalities such as Hibiscus Coast or Buhlebezwe depending on where the fire incident is reported.

<b>Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc</b>					
<b>Job Level</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	1	1	1	0	0%
4 - 6	1	2	1	1	50%
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					

#### COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

Four upgrading of sports field was identified and this has not been achieved due to non –responsive of tenderers.

#### COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.



**Photo: Mantiyaneni Sport Field**

#### INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

The municipality has developed and adopted numerous policies that guides its operations ranging from human resource to information and communication technology. Among the policies developed are Human Resource Policy, Information Technology, Skills Development, and employment equity policy.

*T 3.24*

## Financial viability

### Objective

The management of the municipal finances involves both a strategic and operational component. Strategically, the finances must be managed to accommodate fluctuations in the economy and the resulting changes in costs and revenues. Operationally, the municipality must put in place clear financial goals, policies and tools to implement its strategic plan.

The overall strategic plan is to ensure that there is transparency, accountability and sound financial management. Forming part of this plan are key performance areas such as : ensuring that all statutory reporting is compiled and submitted to the different spheres of government timeously, annual financial statements are prepared in accordance with GRAP and submitted on time, effective and efficient utilisation of financial resources, compliance to the Supply Chain Management Policy and the maintenance of assets effectively with respect to additions;disposals;impairments on the assets register.

Formed with a purpose to manage this strategic and operational component of municipal finance, the Financial Services Department is headed by the Chief Financial Officer and comprises the following sections:

- Expenditure and Assets
- Budget, Treasury and Revenue
- Supply Chain Management

### Function of the Financial Services Department

*Expenditure and Assets* – The Manager: Expenditure and Assets is responsible for salaries administration, creditor’s management, VAT compliance, government grants administration, maintenance of assets and investments.

*Budget, Treasury and Revenue* – The Manager: Budget, Treasury and Revenue is responsible for ensuring that budgets are prepared, budgets are effectively utilised, reporting to National treasury and other spheres of government, financial forecasting, property rates, collection of other income.

*Supply Chain Management* – The Manager: Supply Chain Management is responsible for the implementation of the Supply Chain Management policy and ensuring that the goods and services are procured in manner which is transparent, competitive, equitable, cost effective and fair.

Debt Recovery							
							R' 000
Details of the types of account raised and recovered	Year -1		Year 0			Year 1	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	2359115			3100795		4157557	
Electricity - B							
Electricity - C							
Water - B							
Water - C							
Sanitation							
Refuse							
Other							
<i>B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.</i>							
							T 3.25.2

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### 3.26 HUMAN RESOURCE SERVICES

#### INTRODUCTION TO HUMAN RESOURCE SERVICES

The municipality has in the past financial year prioritised the following areas in far as Human resource is concerned: Recruitment and selection, staff and councillors training, review of job description, development of Work Place Skills Plan, review of policies, computer equipment and IT systems. It is with great excitement that the municipality has been able to achieve all these targets.

*T 3.26.1*



### 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

#### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT's priority is to upgrade the IT infrastructure and ensure that the ICT Services are up and available all the time. ICT has upgraded the internet connectivity which enables improved connectivity and transfer of data. ICT has implemented the e-mail service with the Umzumbe.gov.za domain and issued users with their e-mail addresses. The Anti-virus solution is also in place.

T 3.27.1



***Photo: IT Systems***

Annual Performance Report- 2012/2013																		
Employee Name:																		
Job Title:																		
Employee Number																		
Department:	Municipal Manager's Office																	
Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET 2012/2013 First Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Second Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Third Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Fourth Quarter	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification	
			SDBIP Target 2011/2012	Actual Performance														
Municipal Managers Office																		
Batho Pele programme	Batho Pele programmes conducted	9	Service Commitment Charter and service standards for each department	<b>Target achieved:</b> Implementation of Service Commitment Charter and Service Standards	Preparation of SDIP; 1 Batho Pele Awareness campaign in Cluster D	<b>Target Met.</b> Preparation of SDIP in progress and ongoing till third quarter, 1 Batho Pele Committee meeting was held with Ugu BP co-ordinator on assistance as to processes on establishing the SDIP; Awareness campaign done on two schools from Ward 12, Cluster B	Development of complaints and suggestion policy	<b>Target Met.</b> The draft is in place awaiting to go through relevant structures for adoption	Municipal Service week and 1 Batho Pele Awareness campaign in cluster B	<b>Target not met</b>	Launch of SDIP and service commitment charter	Target not achieved	SDIP was put on hold since the content of document was not clear from the District forum.	N/A			Attendance Registers	
			Adopted Municipal SDIP by Council	SDIP still at draft stage and is led by departmental champions in their respective departments.		1 Batho Pele Awareness campaign in cluster C	<b>Target Met.</b> 1. Batho Pele fliers were distributed during Mayoral Izimbizo. 2. Batho Pele Awareness was done with all NGO's within Umzumbi on the 15th of November 2012, at the Margate Hotel. 6 A1 charts of the new Vision and Mission of the municipality and the		1 Batho Pele Awareness campaign in cluster A	<b>Target Met:</b> Batho Pele awareness was conducted for Ward Committee members in collaboration with the Speaker's office in Margate Hotel on the 07th of June 2013	N/A	N/A						
Presidential hotline	Service delivery report	4 progress reports	4 quarterly reports	<b>Target Achieved:</b> Presidential Hotline ongoing	50 queries attend to	<b>Target Met.</b> 20 queries attend to	Quarterly progress report on cases attended to	<b>Target met:</b> 12 cases were attended to in this quarter, Ward 2,Cllr Ngwabe complaints were about water, electricity and roads. - Ward 6, Cllr Radebe, complains were about electricity and roads - Ward 13, Cllr Cele,complains were about water, road and electricity			Quarterly progress report on cases attended to	Achieved, no queries were received this quarter.	N/A	N/A		Inhouse	Quarterly progress report	
Risk Management Programme	Risk Management Committee Meetings	5	Adopted and implented risk register	Risk Assessment was done, an updated Risk Register in place but not adopted by Council	1 Risk management Committee meeting and 1 risk assessment	<b>Target Met.</b> 1 Risk management committee meeting held and Risk assessment rolled out to user departments.	1 risk management committee meeting	<b>Target Met.</b> 1 Risk management committee meeting held on the 1st of November 2012. Risk reporting template was adopted by the council	1 risk management committee meeting	<b>Target not met</b>	1 risk management committee meeting	<b>Target Met:</b> Revision of risk assessment was conducted on the 08th of May 2013.	N/A	N/A		Inhouse	Attendance Registers	
Improved Communications Systems	Conduct customer satisfaction surveys	2 survey's conducted	2 municipal service week	<b>Target Achieved:</b> 2 Municipal service week was held, one with Topmanco and the other with extended manco	N/A	N/A	1 staff satisfaction survey conducted.	<b>Target not met.</b>	1 customer satisfaction survey conducted.	<b>Target not met</b>	N/A	N/A	N/A	N/A	N/A	N/A	Report on survey conducted	
Improved audit opinion	Established internal audit	4+	N/A	N/A	Quarterly reporting to the Audit Committee	<b>Target Met:</b> Audit committee meeting was held on the 2012 of August 2012	Quarterly reporting to the Audit Committee	<b>Target Met.</b> 1 audit committee meeting was held on the 20 December 2012 at Ugu Main boardroom.	Quarterly reporting to the Audit Committee	<b>Target met</b>	Quarterly reporting to the Audit Committee	<b>Target Met:</b> Audit Committee meeting was held on the 20th of June 2013 where reporting was done by internal audit	N/A	N/A	N/A	N/A	Attendance Registers	
	Fraud prevention plan in place and implemented	6/30/2013	N/A	N/A	Analysis of legislation concerning fraud issues and development of a fraud prevention plan	<b>Target Met.</b> Fraud prevention plan drafted and sent as an Item to Top Manco	presentation to the relevant stakeholders	<b>Target Met.</b> Fraud and prevention plan was adopted by the council on the 22nd of November 2012	Implementation of the plan	<b>Target met</b>	Monitoring and evaluation of the progress of the plan.	<b>Target Met:</b> Fraud and corruption issues are a standing agenda item on Topmanco, Exco, Council and MPAC meetings	N/A	N/A	N/A	In-house	Council Resolution	
IDP/PLANNING																		
Simplified IDPs focusing on planning for the delivery of 10 critical municipal services	Credible IDP adopted by Council with 10 critical services identified and included and aligned to outcome 9	Final draft adopted by council	IDP adopted by Council	IDP 2012/2013 - 2016/2017 document adopted by Council	Adoption of the draft PMS, budget process plan	<b>Target Met:</b> process plan circulated to Cogta for input and Council for adoption	first draft adopted by council	<b>Target Not Met:</b> the draft IDP will be adopted in the 3rd quarter	2nd draft adopted by Council	<b>Target Not Met:</b> draft IDP adopted by council and submitted for IDP assessments	Final draft adopted by Council	<b>Target achieved:</b> IDP was adopted by council on the 21st of May 2013	N/A	N/A			council resolution	
implementation of performance contracts	Number (as well as percentage) of performance agreements signed reflecting national government priorities	5	N/A	N/A	Five draft performance agreements dispatched to Sec 57 for perusal and signing	<b>Target Met:</b> all Directors signed performance agreements for 2012/2013 financial year.	Circulated to the relevant sector departments	<b>Target Met:</b> contracts have been circulated to departments such as Cogta, AG, treasury etc.	Nil	N/A	N/A	N/A	N/A	N/A		200000	34110	N/A
Functional PMS	Fully functional OPMS	yes	Adopted PMS policy	Reviewed PMS policy for 2011/2012 financial year	yes	<b>Target met</b>	Yes	<b>Target Met;</b> OPMS is fully functional	Yes	<b>Target Met;</b> OPMS is fully functional	Yes	<b>Target Met;</b> OPMS is fully functional	N/A	N/A			Quarterly review reports	
Functional PMS	Number of quarterly reviews conducted	4 quarterly reviews conducted	Number of quarterly reviews conducted	Four quarterly reviews conducted by 13 July 2012	First quarterly review to assess municipal performance	<b>Target Met:</b> preparation and facilitation for the first quarterly review	conducting the first quarterly review and recommendation of the	<b>Target Met:</b> first quarterly review conducted in the second quarter and the second quarterly review	conducting the second quarterly review and preparation of the third	<b>Target Met:</b> second quarterly review conducted in the second	conducting the third quarterly review and preparation of the	<b>Target Met:</b> third quarterly review conducted in the	N/A	N/A			quarterly review minutes	

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET 2012/2013 First Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Second Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Third Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Fourth Quarter	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance													
Functional PMS	Number of reports submitted in terms of performance in accordance with Section 46 of the MSA	1 report submitted	N/A	N/A	N/A	N/A	N/A	N/A	performance report submitted	Target met: performance report submitted to Cogta	N/A	N/A	N/A	N/A	0.00	0.00	performance report
Functional PMS	Adoption date of the annual report	Mar ch 2013 , final adoption	Adopted annual report	Adopted annual report by council	Put together performance information for the previous financial year	Target Met: performance information consolidated and presented to the Audit Committee and also included into the draft annual report to be submitted to relevant committees for	Compilation of report through presentation to various committees	Target Met: the report has been compiled and presented to various committees such as MPAC and Council as well as Planning committee	Adoption of first draft by Council	Target Met: Final Annual Report adopted by council	N/A	N/A	N/A	N/A	100000	0.00	council resolutions
Integrated Spatial Planning	Developed and adopted spatial framework	Nov-12	Adopted SDF by Council	work in progress status quo is complete as well as the analysis phase, currently underway with the strategy formulation	conduct public meeting and ensure collection of data	Target Met: meetings with Amakhosi conducted with surveys and random interviews with members of the public	Compilation of the report through input by all PSC members and other interested parties	Target Met: the draft SDF document has been prepared	Advertisement and presentation for public comments before final adoption	Target Met: SDF advertised for public comment and draft adopted by council	Adoption by Council	Target met: SDF was adopted by council	N/A	N/A	Cogta Funding	0.00	council resolution
Establishment of GIS	functionality of a GIS that covers the whole municipality	100%	N/A	N/A	Procurement of equipment and programme	Target not met	training of staff on the GIS and installation of the programme	Target Not Met: equipment has been procured but training will take place over a period of 3-4 months due to busy schedule for trainings	Use of the programme for development planning queries and other related matters	Target Not Met: purchase order has been sent to supplier and Software to be delivered	On going use of the programme and service	Target not met: Software has been procured still waiting on the district to disseminate the data to the municipality	N/A	N/A	R75000 Grant	R34000	N/A
Communications Mayorality and Youth Development																	
Good governance and community participation	Number of ward committee management meetings held and percentage attendance by members	190	N/A	N/A	3 ward committee meeting per ward	Target achieved. Meetings were held in all wards	38 ward committee meetings	Target achieved ward committee meetings were held in each ward.	38 meetings	Target achieved ward committee meetings were held in each ward.	57 Ward Committee meetings	Target achieved Ward Committee meetings were held in each ward	N/A	N/A	950000	R836 930.00	minutes and attendance registers
Good governance and community participation	Number of community meetings organised by the ward committee and percentage attendance by the ward committee	19	N/A	N/A	3 community meetings per ward	Target not achieved	2 community meetings per ward	Target achieved.	2 community meetings per ward	Target not achieved.	3 community meetings per ward	Target not achieved	No evidence of seating of community meetings, such as minutes of meetings and attendance registers	Ward Councillors to submit report of community meetings		N/A	minutes and attendance registers
Good governance and community participation	Submission and tabling of ward reports and plans to the Council covering needs and priorities for the ward, feedback on the performance of the Councils various line /	4	N/A	N/A	1 report from ward committee meetings to be tabled to Council	Target not achieved	1	Target achieved. A report was submitted to the council meeting that was held on the 22nd of November 2012	1 report	Target not achieved.	1 report from Ward Committee meetings to be tabled to Council	Target achieved The report was tabled to Council meeting held on 21 May 2013	N/A	N/A	N/A	N/A	Council agenda for 21 May 2013
Good governance and community participation	Percentage of stipends paid to ward	100%	Ensure monthly payment of stipends	Target Achieved	100% ward committees paid	Target achieved	100% ward committees paid	Target achieved payments were made toward committees as per	100% ward committees paid	Target achieved	100% ward committees paid	Target achieved	N/A	N/A	950000	R 836 930.00	Schedule of payments
Good governance and community participation	Development of policy on ward committee stipends	Jun-13	N/A	N/A	Information collection and consultation	Target achieved	Development of draft policy	Target achieved The policy was developed in the previous quarter	Presentation of draft policy to council for adoption	Target not achieved	Implementation of the policy	Target not achieved	Draft policy was submitted to the Executive Committee and it was resolved that Councillors be workshopped on the policy	Draft policy will be presented to the next Council meeting	Inhouse	N/A	Draft policy for ward committee stipends
Good governance and community participation	Ward committee skills development	2	Conduct training on ward committees as per skills gaps	Target Achieved : training conducted on module 1 & 2	1 module on skills development	Target achieved	Nil	N/A	1 module on skills development	target not achieved	There was nothing scheduled for this quarter however, ward committees were trained on minutes taking and report writing (29 - 30 April 2013) and also	Target achieved	3rd quarter target had challenges of funding		R 410000.00	593745	N/A
Good governance and community participation	Public Participation Framework	01-Nov-12	Development of draft framework on public participation	Target not achieved	Development of Draft framework on public participation	Target not achieved	Obtaining inputs from ward committees on draft framework	Target not Achieved The draft policy was developed, though it was not distributed to Ward Committee members for inputs due to the delays caused by the Province on finalising its policy	submission of draft public participation framework to council	Target not Achieved	Workshop on Public Participation Strategy	Target not achieved	There were delays caused by Cogta since they were not yet approved their Public Participation Framework		70000	0.00	Draft policy

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance													
Printing and despatching of internal publications	Number of publications printed & distributed	20450	printing and distribution of 20 000 copies	Target Not met: 15 000 copies of Inkanyez YomZumbe Newsletter printed and distributed	5000 copies of internal newsletter printed	Target Achieved	5000 copies printed and distributed	Target Met 5000 copies of Inkanyez yomZumbe were printed and distributed to all 19 wards of uMzumbé with municipal developmental stories	5000 copies printed and distributed	target met	5000 copies printed and distributed	Target Met: 5000 copies of Inkanyez yomZumbe were printed and distributed to all 19 wards of uMzumbé with municipal developmental stories	N/A	N/A	160000	71960	Copies of the 3rd Quarter Inkanyez YomZumbe
Mayor's Publicity Programme	Number of radio slots	20 radio slots	3 radio slots plus one advert	Target Achieved: Monthly radio slots on Ukhozi FM and Radio Sunny South	3 radio slots on Ukhozi Fm and one radio slot on Radio Sunny South	Target Achieved	3 radio slots with Ukhozi FM and 3 with Radio Sunny South	Target Met The Mayor has attended publicity radio slots on Ukhozi FM and Radio Sunny South, as part of marketing uMzumbé and promotion of all municipal development programmes	3 radio slots with Ukhozi FM and 3 with Radio Sunny South	Target Met	1 radio slot with Ukhozi FM and 3 with Radio Sunny South	Target Met: 1 radio slot was done with Ukhozi and 3 with Radio Sunny South	N/A	N/A	250000	214150	Copies of radio slot preparation
Planning and implementation of municipal events	Number of municipal events	18 municipal events	N/A	N/A	Prepare quarterly events calendar, hold 3 events committee meetings, 1 handover event, 1 sod turning event	Target Achieved	4 izimbizo, 1 sod turning, hand over of project, offer support to other events (Provincial events)	Target Met Mayoral izimbizo, sod turnings and handovers were held successfully in different clusters for all 19 wards, as part public consultation	4 IDP/ budget road shows, 01 sod turning, 01 hand over of project event, 01 other event (Provincial events/project specific)	Target not met : 4 Sod turning events took place	01 sod turning, 01 hand over of project event, 01 other event (Provincial events/project specific)	Target not Met	Inadequate funds to host events as planned	To request sufficient budget o be allocated for community participation/events	900000	864598.04	Events pictures and attendance register
Marketing and promotion programme	branded municipal assets and services to improve corporate image	Achieve 70% branding	N/A	N/A	40 % branding. (Branding of municipal vehicles )	Target not achieved. Only two vehicles have been branded	20% signage and branding of stationery	Target Met Municipal vehicles were branded with corporate colours, Calendars and diaries were designed and printed	15 % branding	Target Met, youth summit folders, note pads and banners branded and two new vehicles branded	5% heritage sites branding	Target not Met: Heritage sites not branded	Inadequate funds to implement project	To request sufficient funding to be allocated for marketing and branding of municipal services/ facilities.	300000	151154	branded municipal vehicles and stationery for youth summit
ensure functional and updated website	fully functional and updated website	4 times a year	Review and update content on the website	Target not achieved: Content was submitted to web designer for inclusion on the website	Updated website content in September 2012	Target not achieved. Web site is now being reviewed internally by IT Department	website content updated on 30 December 2012	Target Not Met IT Management is working on the municipal website	website content updated three times a quarter	Target Met	website content updated on 30 June 2013	Target Met: Website updated three times	N/A	N/A	Inhouse	N/A	Updated website
promotion of participatory democracy	number of youth programmes	20	2nd Umzumbé Youth In Business Indaba implemented	Target Met: Youth in business indaba was held at Capenta Bay Hotel	youth special general meeting	Target met	Youth in business Indaba	Target met. Youth in business Indaba was held at Margate Hotel on the 02nd to the 03rd of	NQF Level 5 Certificates	Target met. Esayidi FET through NARYSEC project has recruited, trained and placed 40	N/A	N/A	N/A	N/A			report
promotion of participatory democracy			Career exhibition implemented	Target met: Career exhibition was implemented at Phunposhe	young women empowerment	Target met	Computer Information Kiosk	Target not met	career guidance and exhibition	Target not met	N/A	N/A	N/A	N/A			report
promotion of participatory democracy			2nd Umzumbé Youth In Business Indaba	Target Met: Youth in business indaba was held at Capenta Bay Hotel	youth small business fair	Target met	Moral Regeneration Campaign	Target met. Moral Regeneration Campaign was held in	youth development summit	Target met.	Youth Day Commemoration	Target Met: Youth Day was celebrated at ward 1. Dueshele Sports.	N/A	N/A			report
promotion of participatory democracy			04 campaigns implemented	Mandela Day, Exams Prayer, HIV/AIDS and Drug Awareness	youth structures meetings	Target met	Exams Prayer	Target met. Exams Prayer was held on the 17th to the 19th of October 2012 visiting High	drugs awareness campaign	Target met	Teenage pregnancy Campaign	Target Met: The teenage pregnancy awareness campaign was held at ward 7 Bhandyi	N/A	N/A	R1100 000	R718386.31	report
promotion of participatory democracy			N/A	N/A	drivers license program	target not met	workshops conferences and transport arrangements	Target met	Turton beach games	Target met	N/A	N/A	N/A	N/A			report
promotion of participatory democracy			N/A	N/A	workshops conferences and transport arrangements	Target met	N/A	N/A	Tertiary education assistance programme	Target Not Met	N/A	N/A	N/A	N/A			Report
promotion of participatory democracy			N/A	N/A	sport council capacity building workshop	target met	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
promotion of participatory democracy	kwanaNaloga games	3			1 winter games (selection tournaments)	target met	KwaNaloga games	Target met. KwaNaloga games has taken place at the Ladysmith on the 07th to the 11th of December 2012	Accommodation bookings for SALGA games	Target met.	N/A	N/A	N/A	N/A	280000	81123.65	Report
SPECIAL PROGRAMS																	
HIV/AIDS Programmes	HIV/AIDS awareness campaigns	5 HIV/AIDS Programs	10 Projects	7 Projects implemented, only 3 were not implemented namely: Training of health care givers, establishment of home base care and Umzumbé Aids Summit	LAC meeting	Target met: 2 projects implemented namely: LAC meeting and Ward AIDS Committee establishment in ward 5,13,14,17 and 18	1 LAC meeting, Launch of ward HIV/AIDS committees in 5 wards, Commemoration of World Aids day	Target Met: The LAC meeting held in November 14,2012 in the Council Chamber. HIV/AIDS committees have been launched in all 19 wards from October to December 2012.	1 LAC meeting	Target met: 2 projects implemented namely: LAC meeting and training of Wards AIDS Committee.	1 LAC meeting	Target Met: The LAC meeting was held on the 02nd of May 2013 at the Council Chamber.	N/A	N/A	430000	4 900.00	Attendance Registers
Disability Programmes	Host Disability Events	4	10 Projects	7 projects implemented, only 3 were not implemented namely: Carrier day, Music show/drama and Health and hygiene awareness	Disability sports day	Target met : 2 projects implemented namely: 2 Disability meeting	National disability day celebration	Target Met: National Disability Day was celebrated in Ward 5 where there was a Disability Pallament on 6-7 December 2012.	Health and Hygiene awareness for the disabled people	Target not met	Capacity building on self reliance and business skills	Target Not Met	Funds were exosted on the Annual General Meeting which was held in 27 March 2013 where the gender structure was revived.	N/A	320000		Attendance Registers

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification		
			SDBIP Target 2011/2012	Actual Performance		First Quarter		Second Quarter		Third Quarter							Fourth Quarter	
Gender Programmes	Implement Gender Programmes	5	12 Projects	6 Projects implemented and 6 were not implemented. Sixteen days of Activism was done together with World Aids Day. 6 Project that were not implemented were: Establishment of young women	National women's day celebration, Men's dialogue sugar mama's	Target met : 3 projects implemented namely: Men's Forum Summit, Women empowerment workshop and Parental care workshop	16 Days of activism campaign	Target Met: Sixteen days of activism held Sibanini Community Hall on 29 November 2012.	Sugar daddy's campaign	Target not met.	Women in health indaba.	Target not met:The Mother's day celebration was held on 12 May 2013 in partnership with Vulamehlo Municipality at Vulamehlo Municipality Hall.		300000	199737.55	Attendance Registers		
Right of a Child Programmes	Implement Right of a Child Programmes	9	13 Projects	8 Projects were implemented	Take a girl and boy child to work, Sanitary Dignity	Target met: 3 projects implemented namely: Umkhosi womhlanga, Take a boy and a girl	Children's Christmas party  Sanitary Dignity	Target Met: The children Christmas Party held at Hibberdene Mecury Children's Home in December 11, 2012. Sanitary dignity campain held at Mqhakama High School	a) Back to school campaign b) Sanitary dignity	Target met: Back to School campaign held at Zibonele High School and Sanitary dignity campain held at Mqhakama High School	Sanitary Dignity	Target Met: Sanitary dignity campaign was held on 18 April 2013 at Syakhula and Mqhakama high school.	N/A	N/A	800000	116622.77	Attendance Registers	
Senior Citizens Programmes	Implement Senior Citizens Programmes	10	10 Projects	7 Projects implemented and only 3 were not implemented namely: Care and	2 Golden games, Intergeneration dialogue, launch of luncheon clubs	Target met: 3 projects implemented namely: Senior Citizens meeting, District Golden Games and Provincial Golden Games	1.National Golden games and launch of 2 luncheon clubs.	Target Met: National Golden games held in October 06-11 in North West. We received one Gold Medal in Rugby ball through by Mrs Doncabe from wardt 13. 2 luncheon clubs launched in ward 14 and 19 which are Nathi	a) Golden games b) Launch of luncheon clubs	Target Met: Selections of players in wards has been done.	1 Golden games and 1 Luncheon clubs	Target Met: All the luncheon clubs were visited.	N/A	N/A	260000	146506.95	Attendance Registers	
							Christmas party for senior citizens;											
Employee Name:	KUSHI AUDAN																	
Job Title:	CHIEF FINANCIAL OFFICER																	
Department:	FINANCE																	
Key Result Area	Key Performance Indicator	Annual Target	Quarterly Target		Actual Performance	Quarterly Target 2012/2013	Actual Performance	Quarterly Target 2012/2013	Actual Performance	Quarterly Target 2012/2013	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification		
			SDBIP Target 2011/2012	Actual Performance		1st Quarter		2nd Quarter		3rd Quarter							4th Quarter	
Financial Management	Approved 2012/2013 Annual Budget	Approved 2013/2014 Annual Budget	Approved 2012/2013 Annual Budget	Target achieved	Council adopted a budget process plan	Target achieved.	N/A	N/A	N/A	Council adopt the draft 2013/2014 budget for public comments and advertise budget thereafter	Target achieved.The draft budget was adopted in March 2013.	N/A	N/A	0.00	0.00	Council resolution/Annual budget		
Financial Management	Approved 2011/2012 performance assessment and adjustment budget	Approved 2012/2013 performance assessment and adjustment budget	Approved 2011/2012 performance assessment and adjustment budget	Target achieved	N/A	N/A	N/A	Budget inputs collected from various departments	Target achieved.	Adopted 2012/2013 adjustment budget	Target achieved.The adjustment budget was adopted in January 2013 and was later finally adopted in February 2013 to include the approved roll over	N/A	N/A	0.00	0.00	Council resolution/ performance assessment and adjustment budget		
Financial Management	12 Monthly Financial Reports submitted to the Accounting Officer and Provincial Treasury before the 10th working day of each month	12 Monthly Financial Reports	12 Monthly Financial Reports	Target achieved	3 Monthly reports and 1 Quarterly report	Target achieved.The monthly financial reports are submitted every month to EXCO, FBCC and Treasury. There are no challenges anticipated in meeting this target for the rest of the	3 Monthly reports and 1 Quarterly report	Target achieved.The monthly financial reports are submitted every month to EXCO, FBCC and Treasury. There are no challenges anticipated in meeting this target for the rest of the year.	3 Monthly reports and 1 Quarterly report	Target achieved. The monthly financial reports are submitted every month to EXCO, FBCC and Treasury. There are no challenges anticipated in meeting this target for the rest of the year.	3 Monthly reports and 1 Quarterly report	N/A	N/A	0.00	0.00	Monthly reports		
Financial Management	Audited Annual Financial Statements for 2010/2011	Prepared and submitted by 31 August 2012 and opinion issued by AG.	AFS prepared and submitted by 31 August 2011	Target achieved	2011/2012 Annual Financial Statements reviewed by Audit Committee and Submitted to Auditor-General	Target achieved.The AFS was prepared and submitted by 31 August 2012.	N/A	N/A	N/A	Timeous response to the Auditor-General's queries at informal queries and management letter level.	Target achieved.All management responses were handed to AG and Management Letter issued by AG Municipality received an unqualified audit	Tabling Audit Report before Council and corrective measures tabled to address the audit issues raised.	Target achieved.The audit report & corrective measures were tabled to council	N/A	N/A	250000	233512	Audited Annual Financial Statements for 2011/2012 and AG Report
Financial Management	2010/2011 Approved Annual Report	2011/2012 Approved Annual Report	2010/2011 Approved Annual Report	Target achieved	N/A	N/A	N/A	N/A	N/A	Submit financial related items to the Accounting Officer for inclusion in 2011/2012 Annual Report	Target achieved.All financial items were included in the Annual Report and was approved in March 2013	N/A	N/A	0.00	0.00	Annual report		
Financial Management	Report on closing balances	Report on closing balances	Report on closing balances	Target achieved	Notify Auditor-General, Provincial Treasury in terms of MFMA	Target achieved.The report on closing balances were submitted to Treasury and AG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00	0.00	Report on closing balances		
Financial Management	Updated cash books Updated General Ledger, Bank and Creditors reconciliation statements	12 Updated cash books Updated General Ledger, 12 Bank reconciliations, Creditors reconciliations	12 Updated cash books Updated General Ledger, 12 Bank reconciliations, Creditors reconciliations	Target achieved	Three monthly cash books updated general ledger, bank and creditors reconciliations	Target achieved.The transactions were recorded and month end processes completed	Three monthly cash books updated general ledger, bank and creditors reconciliations	Target achieved.The transactions were recorded and month end processes completed	Three monthly cash books updated general ledger, bank and creditors reconciliations	Target achieved.The transactions were recorded and month end processes completed	Three monthly cash books updated general ledger, bank and creditors reconciliations	N/A	N/A	0.00	0.00	Cash book, GL and reconciliations		

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance													
Financial Management	Payment vouchers	Maintaining timeous payment of internal and external audit fees	Maintaining timeous payment of internal and external audit fees	Target achieved	Payments to auditors if invoiced.	Target achieved.Payment of internal and external audit fees were made timeously	Payments to auditors if invoiced.	Target achieved.Payment of internal and external audit fees were made timeously	Payments to auditors if invoiced.	Target achieved.Payment of internal and external audit fees were made timeously	Payments to auditors if invoiced.	Target achieved.Payment of internal and external audit fees were made timeously	N/A	N/A	=850000+416 000	1052647.4	Payment vouchers
Financial Management	Payment of service providers within 30 days	Maintaining timeous payment of service providers upon the receipt of the invoice	Maintaining timeous payment of service providers upon the receipt of the invoice	Not achieved	General expenses are paid within 30 days after the receipt of an invoice.	Target not achieved. There has been a steady improvement in paying within 30 days. However there is still delays caused by invoices being handed to incorrect officials or invalid tax invoices. Also delays by requesting department officials in providing adequate documents/GRN's	General expenses are paid within 30 days after the receipt of an invoice.	Target not achieved. There has been a steady improvement in paying within 30 days. However there is still delays caused by invoices being handed to incorrect officials or invalid tax invoices. Also delays by requesting department officials in providing adequate documents/GRN's	General expenses are paid within 30 days after the receipt of an invoice.	Target not achieved. There has been a steady improvement in paying within 30 days. However there is still delays caused by invoices being handed to incorrect officials or invalid tax invoices. Also delays by requesting department officials in providing adequate documents/GRN's	General expenses are paid within 30 days after the receipt of an invoice.	Target not achieved. There has been a steady improvement in paying within 30 days. However there is still delays caused by invoices being handed to incorrect officials or invalid tax invoices. Also delays by requesting department officials in providing adequate documents/GRN's	There has been a steady improvement in paying within 30 days. However there is still delays caused by invoices being handed to incorrect officials or invalid tax invoices. Also delays by requesting department officials in providing adequate documents/GRN's	Invoices are stamped when received, centralised receiving office, monitored by creditors department, scm procedure handed to all staff.	0.00	0.00	Payment vouchers
Financial Management	No. of VAT 201 returns	Submission of 12 VAT 201 returns	Submission of 12 VAT 201 returns	Target achieved	Completed 3 VAT returns for June, July, August	Target achieved. The VAT 201 returns	Completed 3 VAT returns for September, October, November	Target achieved. The VAT 201 returns were submitted	Completed 3 VAT returns for December, January, February	Target achieved. The VAT 201 returns were submitted	Completed 3 VAT returns for March, April, May	Target achieved. The VAT 201 returns were submitted	N/A	N/A	0.00	0.00	Vat returns
Financial Management	Remuneration schedule and payslips by the 19th of each month.	Maintaining timeous payment of salaries and delivery of salary advices	Maintaining timeous payment of salaries and delivery of salary advices	Target achieved	Monthly authorised payroll by the CFO prior to the payment. Signed payslips register acknowledging the receipt of payslip. The salary schedule is authorised and sent to the bank by the 19th of each month	Target achieved. The monthly payroll was authorised prior to the payment. Signed payslips register acknowledging the receipt of payslip. The salary schedule was authorised and sent to the bank by the 19th of each month	Monthly authorised payroll by the CFO prior to the payment. Signed payslips register acknowledging the receipt of payslip. The salary schedule was authorised and sent to the bank by the 19th of each month	Target achieved. The monthly payroll was authorised prior to the payment. Signed payslips register acknowledging the receipt of payslip. The salary schedule was authorised and sent to the bank by the 19th of each month	Monthly authorised payroll by the CFO prior to the payment. Signed payslips register acknowledging the receipt of payslip. The salary schedule was authorised and sent to the bank by the 19th of each month	Target achieved. The monthly payroll was authorised prior to the payment. Signed payslips register acknowledging the receipt of payslip. The salary schedule was authorised and sent to the bank by the 19th of each month	Monthly authorised payroll by the CFO prior to the payment. Signed payslips register acknowledging the receipt of payslip. The salary schedule was authorised and sent to the bank by the 19th of each month	Target achieved. The monthly payroll was authorised prior to the payment. Signed payslips register acknowledging the receipt of payslip. The salary schedule was authorised and sent to the bank by the 19th of each month	N/A	N/A	0.00	0.00	Remuneration schedule
Financial Management	Payment vouchers by the 7th of each month	Maintaining Timeous payment of 3rd parties.	Maintaining Timeous payment of 3rd parties.	Target achieved	Monthly payments to 3rd parties made before the 7th of each month for quarter 1	Target achieved. The 3rd parties were paid timeously	Monthly payments to 3rd parties made before the 7th of each month for quarter 2	Target achieved. The 3rd parties were paid timeously	Monthly payments to 3rd parties made before the 7th of each month for quarter 3	Target achieved. The 3rd parties were paid timeously	Monthly payments to 3rd parties made before the 7th of each month for quarter 4	Target achieved. The 3rd parties were paid timeously	N/A	N/A	0.00	0.00	3rd party payments
Financial Management	No. of Journal entries	12 monthly journal entries	12 monthly journal entries for Payday to agree to GL	Target achieved	Processing monthly journal entries from Pay Day to Pastel in the General Journal	Target achieved. The processing for payroll journals was completed	Processing monthly journal entries from Pay Day to Pastel in the General Journal	Target achieved. The processing for payroll journals was completed	Processing monthly journal entries from Pay Day to Pastel in the General Journal	Target achieved. The processing for payroll journals was completed	Processing monthly journal entries from Pay Day to Pastel in the General Journal	Target achieved. The processing for payroll journals was completed	N/A	N/A	0.00	0.00	Journals
Financial Management	IRP5's issued as per approval from SARS	IRP5's issued to all employees	IRP5's issued to all employees	Target achieved	N/A	N/A	N/A	N/A	N/A	N/A	Issue IRP5's to employees and councillors and let them to sign to acknowledge the receipt	Target achieved. IRP5's have been approved by SARS	N/A	N/A	0.00	0.00	IRP5's
Financial Management	No. of authorised input forms	12 monthly authorised inputs	12 monthly authorised inputs for payroll	Target achieved	Monthly authorised batch for financial input captured in Pay Day System for the quarter	Target achieved. Monthly inputs for payroll were authorised	Monthly authorised batch for financial input captured in Pay Day System for the quarter	Target achieved. Monthly inputs for payroll were authorised	Monthly authorised batch for financial input captured in Pay Day System for the quarter	Target achieved. Monthly inputs for payroll were authorised	Monthly authorised batch for financial input captured in Pay Day System for the quarter	Target achieved. Monthly inputs for payroll were authorised	N/A	N/A	0.00	0.00	Authorised inputs
Financial Management	% of S/T budget spent	100% Spending of S/T budget	N/A	N/A	25 % Spent	Target could not be achieved as staff did not go for any training	25 % Spent	Target achieved.	25 % Spent	Target achieved.	25 % Spent	Target achieved.	N/A	N/A	100000	100000	Payment vouchers
Financial Management	Post billing report and valuation roll	Maintain accurate rates billing and maintenance valuation roll	Maintain accurate rates billing and maintenance valuation roll	Target achieved	Updating pastel billing system and follow up on outstanding debt	Target achieved. System has been updated and rates have been billed	Updating pastel billing system and follow up on outstanding debt	Target achieved. System has been updated and rates have been billed	Updating pastel billing system and follow up on outstanding debt	Target achieved. System has been updated and rates have been billed	Updating pastel billing system and follow up on outstanding debt	Target achieved. System has been updated and rates have been billed	N/A	N/A	1200000	1141504	Valuation roll and billing
Financial Management	Assets Register and General ledger	1 GRAP compliant asset register and updated general ledger and depreciation	1 GRAP compliant asset register and updated general ledger for 2010/2011	Target achieved	Asset register was compiled.	Target achieved. The 2011/2012 asset register was compiled.	N/A	N/A	N/A	N/A	The computerised GRAP asset register is updated, asset verification performed and updated general ledger	Target achieved	N/A	N/A	=650000-P75+6300000	383179.59	Asset register
Financial Management	Investment Register and Bank Statements	1 Updated investment register and updated general ledger	1 Updated investment register and updated general ledger	Target achieved	Accrue interest on investments on a monthly basis and update investment register for interest	Target achieved. Accountant interest on investments on a monthly basis and update investment register for interest	Accrue interest on investments on a monthly basis and update investment register for interest	Target achieved. Accountant interest on investments on a monthly basis and update investment register for interest	Accrue interest on investments on a monthly basis and update investment register for interest	Target achieved. Accountant interest on investments on a monthly basis and update investment register for interest	Accrue interest on investments on a monthly basis and update investment register for interest	Target achieved. Accountant interest on investments on a monthly basis and update investment register for interest	N/A	N/A	0.00	0.00	Investment register & Statements
Financial Management	Bank statements	12 Monthly bank statements	N/A	N/A	Bank statements for the quarter	Target achieved. Bank statements have been acquired	Bank statements for the quarter	Target achieved. Bank statements have been acquired	Bank statements for the quarter	Target achieved. Bank statements have been acquired	Bank statements for the quarter	Target achieved. Bank statements have been acquired	N/A	N/A	=90000+2400 0	=87521.58+2 4000	Bank statements
Financial Management	Computers	Staff are properly equipped to perform their functions	N/A	N/A	N/A	Target achieved. Computers have been purchased	N/A	N/A	N/A	N/A	N/A	N/A			60000	41047.27	Computers/Vouchers

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance		First Quarter		Second Quarter		Third Quarter		Fourth Quarter						
Financial Management	Authorised requisition , Purchase order,quotations and quotation summaries	Authorised orders, requisition forms and quotations	Authorised orders, requisition forms and quotations	Target achieved	Orders are authorised after an authorised requisition form and three quotations requested.If less than three quotations then reasons presented	Target achieved.The SCM process entailed usage of pastel evolution and Authorised orders, requisition forms and quotations were utilised	Orders are authorised after an authorised requisition form and three quotations requested.If less than three quotations then reasons presented	Target achieved.The SCM process entailed usage of pastel evolution and Authorised orders, requisition forms and quotations were utilised	Orders are authorised after an authorised requisition form and three quotations requested.If less than three quotations then reasons presented	Target achieved.The SCM process entailed usage of pastel evolution and Authorised orders, requisition forms and quotations were utilised	Orders are authorised after an authorised requisition form and three quotations requested.If less than three quotations then reasons presented	Target achieved.The SCM process entailed usage of pastel evolution and Authorised orders, requisition forms and quotations were utilised	N/A	N/A	0.00	0.00	Authorised orders, requisition forms and quotations	
Financial Management	Bid adjudication report	Maintain Timeous adjudication of Bid documents after evaluation	Maintain Timeous adjudication of Bid documents after evaluation	Target achieved	Bid adjudication committee to appoint within a reasonable time after evaluation	Target achieved.Adjudication of Bid documents done after evaluation	Bid adjudication committee to appoint within a reasonable time after evaluation	Target achieved.Adjudication of Bid documents done after evaluation	Bid adjudication committee to appoint within a reasonable time after evaluation	Target achieved.Adjudication of Bid documents were done timeously.	Bid adjudication committee to appoint within a reasonable time after evaluation	Target achieved.Adjudication of Bid documents were done timeously.	N/A	N/A	0.00	0.00	Bid reports	
Financial Management	Listing of bids as per Treasury web site	Maintain reporting compliance	Maintain reporting compliance	Target achieved	Report to provincial treasury each bid of at least R100,000 awarded to service providers if any.	Target achieved.Reports to provincial treasury for each bid of at least R100,000 awarded to service providers if any were submitted	Report to provincial treasury each bid of at least R100,000 awarded to service providers if any.	Target achieved.Reports to provincial treasury for each bid of at least R100,000 awarded to service providers if any were submitted	Report to provincial treasury each bid of at least R100,000 awarded to service providers.	Target achieved.Reports to provincial treasury for each bid of at least R100,000 awarded to service providers were submitted	Report to provincial treasury each bid of at least R100,000 awarded to service providers if any.	Target achieved.Reports to provincial treasury for each bid of at least R100,000 awarded to service providers were submitted	N/A	N/A	0.00	0.00	Bid listings	
Financial Management	Tax clearance certificates and registration certificates	Tax clearance certificates submitted	Tax clearance certificates submitted	Target achieved	Review invoices for Vat registration (if applicable).Obtaining tax clearance certificates	Target achieved.Tax clearance certificates were submitted for compliance	Review invoices for Vat registration (if applicable).Obtaining tax clearance certificates	Target achieved.Tax clearance certificates were submitted for compliance	Review invoices for Vat registration (if applicable).Obtaining tax clearance certificates.	Target achieved.Tax clearance certificates were submitted for compliance	Review invoices for Vat registration (if applicable).Obtaining tax clearance certificates.	Target achieved.Tax clearance certificates were submitted for compliance	N/A	N/A	0.00	0.00	Tax clearance certificates submitted	
Financial Management	Compliance with policies through addressing of corrective measures	Management responses	Compliance with policies through addressing of corrective measures	Target achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Financial Management	Local suppliers are used by the municipality where possible	Local suppliers are used	Local suppliers are used by the municipality where possible	Target achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Financial Management	Service delivery is aided through Batho Pele principles	Public participation	Service delivery is aided through Batho Pele principles	Target achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
																0.00		
Employee Name:	Sandile Phakathi																	
Job Title:	Director Technical Services																	
Employee Number																		
Department:	Technical Services																	
Key Result Area/ Project	Key Performance Indicator	Annual Target	Quarterly Target		Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	Quarterly target		Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target	Actual performance		First Quarter		Second Quarter		Third Quarter		SDBIP Target 2012/2013	Actual performance					
Technical Services																		
Improved access to basic services	Number( as well as percentage) of consumer units with access to portable (drinkable ) water	D.M.	N/A	N/A	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	DM	Target met	N/A	N/A	N/A	N/A	Progress report submitted to Technical Services
Improved access to basic services	Number( as well as percentage) of schools with access to portable (drinkable ) water	D.M.	N/A	N/A	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	DM	Target met	N/A	N/A	N/A	N/A	Progress report submitted to Technical Services
Improved access to basic services	Number( as well as percentage) of clinics with access to portable (drinkable ) water	D.M.	N/A	N/A	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	D.M.	Target met	N/A	N/A	N/A	N/A	Progress report submitted to Technical Services
Improved access to basic services	Number(as well as percentage) of consumer units with access to sanitation	D.M.	N/A	N/A	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	D.M.	Target met	N/A	N/A	N/A	N/A	Progress report submitted to Technical Services

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance													
Improved access to basic services	Facilitation for the constant supply of water to the Umzumbe community	Facilitation of access to water to 3000 households	N/A	N/A	Ensure facilitation to 750 households	Target met	Ensure facilitation to 750 households	Target met	Ensure facilitation to 750 households	Target met	Facilitation of access to water to 3000 households	Target met	N/A	N/A	N/A	N/A	Progress report submitted to Technical Services
Improved access to basic services	Number (as well as percentage of schools with access to sanitation	D.M.	N/A	N/A	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	D.M.	Target met	N/A	N/A	N/A	N/A	Progress report submitted to Technical Services
Improved access to basic services	Number (as well as percentage of clinics with access to sanitation	D.M.	N/A	N/A	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	D.M.	Target met	N/A	N/A	N/A	N/A	Progress report submitted to Technical Services
Improved access to basic services	Number of consumer units with access to refuse removal at least once per week	D.M.	N/A	N/A	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	Quarterly progress reports from Ugu	Target met	D.M.	Target met	N/A	N/A	N/A	N/A	Progress report submitted to Technical Services
Improved access to basic services	Implementation of the Umzumbe Waste Management Plan	40% implementation integrated waste management plan	Adoption of the waste management plan.	Target not achieved	Tender processes	Target not met: finalising negotiations processes with Umdoni Municipality on entering into a shared service on collection of waste within Umzumbe	Appointment of service provider	Target met:	Appointment of service provider	Target met:	40% implementation integrated waste management plan	Target met: Agreement has been reached with Umdoni Municipality for SLA	N/A	N/A	R500 000.00	N/A	Council Resolution
Improved access to basic services	Facilitation of waste collection by Umdoni Municipality	Distribution of skip bins at strategic locations within Umzumbe Mun.	N/A	N/A	1 waste management vehicle purchased	Target not met: awaiting review of the organogram	Finalisation of SLA and payment terms	Target not met:	Recruitment of 20 local general workers on contract basis	Target not met:	Distribution of skip bins at strategic locations within Umzumbe Mun.	Target not met:	A clean up campaign has to be done with the community first, which is by law prior to locating skip bins	A clean up campaign will be conducted on the 18 July 2013 (Mandela day)	R1500 000.00	N/A	N/A
Improved access to basic services	Number of registered landfill/ waste disposal sites	Nil			Nil	Nil	Nil	Nil	Nil	Nil			N/A	N/A	N/A	N/A	N/A
Improved access to basic services	Number (as well as percentage) of consumer with access to electricity	250 households with access to electricity	Houses to be electrified.	2 community schools connected	117 households with access to electricity	Target not met: the service provider has been appointed but still awaiting a letter of authorisation from Eskom	61 households with access to electricity	Target not met: Project is on tender phase, appointment of contractor is delayed because we are still waiting for a letter of authorisation from Eskom	61 households with access to electricity	Target not met: Project is on tender phase, appointment of contractor is delayed because we are still waiting for a letter of authorisation from Eskom (appeal stage)	250 households with access to electricity	Target not met:	We are waiting for completion of Isilwane project which is done by Eskom, the capacity for Nkehlamandla relies on Isilwane	N/A	R8500 000.00	R 3,544,099.13	N/A
Improved access to basic services	Implementation of the Electricity Master Plan	31-Dec-12	N/A	N/A	Communication between the municipality and Eskom.	Target met:	1 functional electricity master plan developed	Target not met: Eskom submitted master plan at the end of December 2012	1 functional electricity master plan developed	Target met: Eskom submitted master plan at the end of December 2012	31-Dec-12	Target met: Eskom submitted master plan at the end of December 2012	None	None	N/A	N/A	Eskom master plan
Improved access to basic services	Number (as well as percentage) of households with access to free basic water	D.M.	N/A	N/A	Quarterly progress reports from Ugu	Target met:	Quarterly progress reports from Ugu	Target met:	Quarterly progress reports from Ugu	Target met:	D.M.	Target met:	N/A	N/A	N/A	N/A	Submitted progress report to Technical Services Dept
Improved access to basic services	Number (as well as percentage of households with access to free basic sanitation	Facilitation of access to sanitation 1000 households	N/A	N/A	Ensure facilitation to 250 households	Target met:	Ensure facilitation to 250 households	Target met:(2100 with sanitation)	Ensure facilitation to 250 households	Target met:(2100 with sanitation)	Facilitation of access to sanitation 1000 households	Target met	N/A	N/A	N/A	N/A	Submitted progress report to Technical Services Dept
	Number (as well as percentage of households with access to free basic electricity	Eskom	N/A	N/A	Quarterly progress reports from Eskom	Target met:	Quarterly progress reports from Eskom	Target met:	Quarterly progress reports from Eskom	Target met:	Eskom	Target met	N/A	N/A	N/A	N/A	Submitted progress report to Technical Services Dept
Provision of basic services and infrastructure	Upgrading of sports fields	4 sports fields upgraded	2 Sportfields to be upgraded.	1-Completed and the other one under construction.	Planning, design and advert	Target not met: completed planning and design stages, still awaiting advert	Tender phase	Target met:	Site hand over to contractors	Target not met:	4 sports fields upgraded	Target not met:	Tender was re-advertised as all tenders who submitted offers initially were none responsive	Contractor was appointed on the 07 June 2013	R2 000 000.00	N/A	N/A
Provision of basic services and infrastructure	KM of access roads constructed and maintained	20.3km of access roads constructed	53 Km roads to be constructed.	33 km achieved	Planning, design and advert	Target not met: planning and design stages completed, awaiting advert	Appointment of contractors for 16.3 km of access roads to be constructed	Target met: Projects are on contractual obligation stage	Appointment of contractors for 4km and construction of 20.3 km of access roads	Target not met: The 4km roads are still on tender stage and construction for 16.3km is underway	20.3km of access roads constructed	Target not met:	Appointment for 4km is being prepared. 2.1km is practically completed and the remaining 14.2km will be approximately 80% completed	Fastrack construction of 4km and the remaining 14.2km will be completed by end of July 2013	R 29, 924 084.00 + R 10,253,916.00 (roll over) =R 40,178,000.00	40178000	N/A



Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET 2012/2013 First Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Second Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Third Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Fourth Quarter	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance													
Provision of basic services and infrastructure	Number of community facilities maintained	19 community facilities maintained	1 Community facilities to be constructed.	Nil	Assessment and advert	Target not met: assessment of community facilities done, planning, design stages completed and awaiting advert	Tender phase	Target met:	Maintenance phase	Target not met: The contractor was appointed on the 09th April 2013	19 community facilities maintained	Target met: community facilities maintained and inspected	All facilities have been maintained, but they are located in different areas of Umzumbe, which is delaying final inspections to issue completion certificates	Final inspections are arranged and they are on-going, with last inspections targeted at end of July 2013	R3, 800 000.00	R 1,220,367.92	N/A
Provision of basic services and infrastructure	Facilitation for the Ntsezi Msane Heritage Site business plan (phase 1)	N/A	N/A	N/A	To facilitate all Council processes needed	Target met	Progress report on the compilation of the business plan	Target met	Progress report on the compilation of the business plan	Target met:	N/A	Target met	Finalising of scope of work was delayed	Project foot print will be presented to the project technical team on Friday 12 July 2013, thereafter it will be presented to Exco, then a business plan will be produced	1000000	N/A	Business Plan
Provision of basic services and infrastructure	Procurement of plant and equipment	1 grader purchased	N/A	N/A	Procurement process	Target not met: awaiting for sitting of bid adjudication for	Purchase of grader	Target not met:	Implementation and monitoring phases	Target not met:	1 grader purchased	Target met	N/A	N/A	R3000 000.00	R2,903,900.00	Grader in Municipality premises
Housing Development	Facilitation for the provision of housing to Umzumbe community	500 houses built	Facilitating the construction of 650 houses.	The Municipality managed to develop	Facilitate planning, design and advert	Target met	125 houses built	Target not met: 87 Houses Completed	125 houses built	Target not met: 102 Houses Completed	500 houses built	Target met	N/A	N/A	N/A	N/A	Happy letters
Municipal Transformation and Institutional Development	Renovation, repairs and maintenance of municipal buildings	Municipal office buildings improved and maintained	N/A	N/A	Improved and well maintained office buildings	Target not met:	Procurement processes	Target met: Construction in progress	Appointment of service provider and initiating renovation processes	Target met: Construction is complete	Municipal office buildings improved and maintained	Target met	N/A	N/A	R 500 000.00	R 477 191.41	Completion certificate
ADDENDUM																	
	EPWP	submission of reports			N/A	N/A	N/A	submission of labour reports to the department of public works	N/A	submission of labour reports to the department of public works			N/A	N/A	N/A	N/A	
Employee Name:	Bongani Nyuswa																
Job Title:	Director: Corporate Services																
Employee Number																	
Department:	Corporate Services																
Key Result Area/ Project	Key Performance Indicator	Annual Target	Annual Performance 2011/2012		QUARTERLY TARGET 2012/2013 First Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Second Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Third Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Fourth Quarter	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual performance													
Institutional Development and Transformation	Recruitment and selection	13 people to be employed			10 to be employed	Target met: 10 employed: Director Technical Services, PMU Manager, Manager Human Settlement, Community Development Officer, Fleet Control Officer, 4 Finance interns, 1	2 employed	Target met: 4 employed: Manager Budget & Treasury Unit, Technical Officer, IT Officer and Special Practitioner	N/A	Target Met: Three employees have been appointed, Manager IDP, 1 T Officer, and Special Programmes Practitioner.	1 employed	Target Met: 4 staff appointed - IT Officer, Special Programmes Unit Officer, Environmental Officer and Finance Intern	N/A	N/A	2575580	17125567.32	Advertisements , appointment letters and interviews schedule.
Institutional Development and Transformation	Staff Training	1 employee CPMD ELMDP 2 Employees Project Management, 16 employees short courses and other training as per WSP EG, Computer Course, Project			Enrolment for CPMD, ELMDP and other courses as per the WSP	Target not met: Corporate Services: 2 Employees Attended IMPSA, 1 Employees Attended the ILGM Conference. Social and Economic Development: 1 Employee attended	ongoing	Target not met: Corporate Services: 1 employee attended the Office Management training, 1 employee attended Pastel training and 2 attended a job description training MM's Office: 2 employees attended office management training	Ongoing	Target met: 11 officials attended pastel training, 2 employees attended audit risk indaba workshop, 4 employees have been registered to do MFMIP ( competency level) and two officials are registered to do Project Management.	Progress report	Target Met: 11 employees attended Pastel Evolution, 2 staff enrolled on Project Management. 4 Directors are enrolled for Municipal Finance Management Programme	N/A	N/A	300000	295010.44	Signed Authority to attend forms.
Institutional Development and Transformation	Councillors Training	2 councillors ELMDP, and short courses EG Computer Course, Labour Relation			N/A	N/A	ongoing	Target not met: 4 Cllrs enrolled for ELMDP they will begin their classes as soon as the required number for class has been reached	Target met: 6 councillors attending ELMDP	Target Met : 6 Councillors have been registered to do	Progress report	6 Cllrs enrolled in ELMDP 1 Cllr attended Induction programme	The University is taking much longer to begin classes.	N/A	R 250 000	126000	Faxed registration forms.
Institutional Development and Transformation	Review of job description	13 Job descriptions developed for new employees and reviewed as and when required			Enrolment of 2 Cllrs for ELMDP and CPMD.	Target not met: 4 Cllrs enrolled for ELMDP they will begin their classes as soon as the required number for class has been reached.	Job descriptions developed for new employees and reviewed as and when required	Target met: Job descriptions developed for new employees and reviewed as and when required.	N/A	Target Met : 28 Job descriptions have been reviewed in order to address the issue of job evaluation.		Target Met: 57 job descriptions reviewed	N/A	N/A	N/A	N/A	Job descriptions signed by employees, HODs and Union Representative s.

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification	
			SDBIP Target 2011/2012	Actual Performance		First Quarter		Second Quarter		Third Quarter							Fourth Quarter
Institutional Development and Transformation	Development of the Workplace Skills Plan	Workplace Skills Plan to be developed and submitted to LGSeta by the end of June			Job descriptions developed for new employees and reviewed as and when required	<b>Target met:</b> 4 Job descriptions developed for new employees and reviewed as and when required.	Implementation for the WSP	<b>Target met:</b> implementation of the WSP	<b>4 employees as per WSP</b>	<b>Target Met:</b> 6 employees enrolled for MFMP competency level.	NA	<b>Target Met:</b> WSP approved by EXCO held on 27 June 2013	NA	N/A	In-house	In-house	Acknowledgment of receipt by LGSETA.
Institutional Development and Transformation	Advertising and public relations	7 posts to be advertised for 7 positions to be published in the Local and National newspaper			Compilation of Workplace Skills Plan	<b>Target met:</b> Compilation of Workplace Skills Plan done and it has been approved by EXCO and submitted to LGSETA.	2 Adverts to be published in Local and National newspapers	<b>Target Met: Tender Notices:</b> Construction of Vethe and Embhanyini Road, Maintenance of community halls and for Housing application forms from planning.	<b>1 post to be advertised</b>	<b>Target met:</b> 3 posts advertised IDP Manager, Ward Committee Assistant clerk and Finance Management Intern.	NA	<b>Target Met:</b> Finance Intern, Senior Manager Communications and Technical Projects	NA	N/A	200000	321062.09	Newspaper adverts
Institutional Development and Transformation	Leave reconciliation	Reconciliation of leave information per person file and pay day system reviewed			4 Adverts to be published in Local and National newspapers	<b>Target Met: 10</b> posts advertised i.e. IT Manager, Manager Internal Auditor, Special Programmes Officer, Youth Development Manager, Technical Officer, Disaster Management	Leave updated and reconciled with pay day (continuous).	<b>Target not Met:</b> Leave updated and reconciled with pay day (continuous).	Target Met	<b>Target Met:</b> Letters have been written to remind qualifying employees to take leave.	N/A	Target Met: Letters have been written to remind qualifying employees to take leave.	NA	N/A	N/A	N/A	Letters written to employees
Institutional Development and Transformation	Formulation and Review of Policies, Plans and Pay day costs (Consultants fees)	4 policies adopted and implemented			Leave updated and reconciled with pay day (continuous).	<b>Target not Met:</b> Leave updated and reconciled with pay day (continuous).	Adoption of the four policies reviewed in the first quarter	<b>Target not met:</b> Caucus Fund Policy and Fleet Management Policy	Implementation of four adopted policies	<b>Target met:</b> implementation of policies such as Caucus Fund Policy, HR Management policy and Fleet Management and Control Policy is monitored.	Implementation of all the adopted four policies	<b>Target Met:</b> IT Policy, SCM Policy, Political Support Staff, Uniform and Protective Clothing policies, Indigent Register, Anti-corruption and Fraud prevention and Integrated Waste Management plans adopted.	N/A	R100 000	In-house	Policies and Plans	
Institutional Development and Transformation	Induction of New employees	13 employees inducted			10 employees inducted	Target not Met	2 employees inducted	Target not Met	N/A	N/A	1 employee inducted	<b>Target Met:</b> 13 employees inducted	N/A	N/A	N/A	N/A	Attendance register/s
Institutional Development and Transformation	Legal Charges	Functional Labour Forum and payment of all legal charges as incidents arise  3 cases			Review process of the following HR, Fleet management, Skills Retention Policy and development of Farewell & HIV/AIDS policies	<b>Target not met:</b> Review process of HR Policy, Fleet Management Policy, Indigent Policy, Communications Policy, Supply Chain Management Policy, IT Policy have been done it	facilitation of payment and co-ordination of disciplinary hearings as and when necessary	<b>Target met:</b> LLF meetings have sat as per schedule, payment made to Seethal attorneys	2 LLF Meetings	<b>Target not Met:</b> The LLF meeting sat in March only.	Facilitate payments for on-going cases	<b>Target Met:</b> Cases for Ntsezi Msane land acquisition paid.	Councillors were committed on the scheduled day.	N/A	140000	66785.08	Proof of payment
Institutional Development and Transformation	License fees : Information Technology and Vehicles	Licensing 10 vehicles, 1 grader, 1 TLB and 4 tractors.			facilitation of payment and co-ordination of disciplinary hearings as and when necessary	<b>Target met:</b> LLF meetings have sat as per schedule, 1 Internal disciplinary hearing conducted.	1 grader	<b>Target met:</b> 1 Grader licenses (NPS 68385) Activating of new fortigate licenses Renewal of licensing for the internet server hosting 50 email account The lifting of the server room (construction)	N/A	<b>Target met:</b> 2 vehicles licenses paid and Pastel Evolution Licence.	8 vehicle, 1 TLB and 4 Tractors	<b>Target met:</b> License renewal for Clocking system and all Municipal fleet	N/A	N/A	200000	111144.75	Proof of payment and Vehicle disc/s
Institutional Development and Transformation	Telephone and contracted cellphones (Bills)	Reduce cellphone expenditure by 3%			2 Vehicles and 1 grader by 30 September 2012	<b>Target met:</b> 2 vehicles licensed. Symantec backup exec configuration (in progress).  Appointed a supplier for the email server off-site hosting.	Soft-lock cellphones on monthly basis	<b>Target met:</b> Down grading and upgrading for cellphone authorised users. Cancellation of contract for those who resign. Payment of cellphones on a monthly basis	Soft-lock cellphones on monthly basis	<b>Target met:</b> Telephone bills have been paid on a monthly basis.	Facilitation of payment for telephone and cellphone bills	<b>Target Met:</b> Payment done	N/A	N/A	1290000	1160639.53	Proof of payment
Institutional Development and Transformation	Electricity (Bills)	Reduce telephone expenditure by 20%			Soft-lock cellphones on monthly basis	<b>Target met:</b> Down grading and upgrading for cellphone authorised users. Cancellation of contract for those who resign. Payment of cellphones on a monthly basis	De-activate all pin codes and re-allocate only to critical users	<b>Target met:</b> Payment of telephone on a monthly basis. Deactivating telephone codes for unauthorised users.	Facilitation of payment for telephone and cell phone bills.	<b>Target met:</b> Telephone bills have been paid on a monthly basis.	Facilitaiton of payment for electricity bills	<b>Target Met:</b> Payment done	Upgrade on electrical power by ESKOM	N/A	120000	79232.18	Proof of payment

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance													
Institutional Development and Transformation	Security Services	100% Monitor security performance and ensure that access control plan complies with section 63 (1) a of the MFMA			De-activate all pin codes and re-allocate only to critical users	<b>Target met:</b> Payment of telephone codes for unauthorised users.	Monthly inspection of security records as evidence of security check when entering or exiting municipal buildings	<b>Target met:</b> Monthly inspection of security records as evidence of security check when entering or exiting municipal buildings.	Facilitation of payment for security bills.	<b>Target Met:</b> Payments done on a monthly basis and processes for new Company has been started.	Facilitation of payment and appointments of a new Security company	<b>Target Met:</b> Security – Ithunzi Security Services appointed after Buldgos contract expired, payment made to Buldgos and Ithunzi Security	There has been a high level of break-ins and theft of Laptop Computers	Appointment of new security company will be done in the four quarter, however tender processes have started.	360000	307497.28	Proof of payment
Institutional Development and Transformation	Subsistence and travelling including re-imbursement of interviewees	Ensure that authorisation for councillors and employees' travelling done by the Speaker and relevant HOD respectively Keep all records of payment for claims done. Re-imburse candidates for			Monthly inspection of security records as evidence of security check when entering or exiting municipal buildings	<b>Target met:</b> Monthly inspection of security records as evidence of security check when entering or exiting municipal buildings. Facilitate payment of monthly bill	<b>Target Met:</b> Report to FBCC indicated the employees attended training.. 1 employees attended the Office Management 2 Employees attended the Archives Training and 1 employee attended Pastel Training. IT Officer attended a workshop on Website development.	<b>Target Met:</b> Report to FBCC indicated the employees attended training.. 1 employees attended the Office Management 2 Employees attended the Archives Training and 1 employee attended Pastel Training. IT Officer attended a workshop on Website development.	Ensure that authorisation for councillors and employees' travelling done by the Speaker and relevant HOD respectively Keep all records of payment for claims done. Re-imburse candidates for section 57 managers only	<b>Target met:</b> Monthly inspection of security records as evidence of security check when entering or exiting municipal buildings.	7 employees	<b>Target Met:</b> S&T – Payment in June for MFMP delegates and Disaster Workshop	NA	N/A	150000	117855.13	Authority to attend forms training
Institutional Development and Transformation	Workmen's compensation Commissioner and purchase of protective clothing.	Procurement of Uniform for 7 General assistants employees			Reports to the relevant Portfolio on workshops, conferences, summits and courses attended	<b>Target Met:</b> Report to FBCC indicated the employees attended ILGM. 1 employees attended the ILGM Conference 2 Employees attended the IMPSA conference. IT	<b>Target Met:</b> Report to FBCC indicated the employees attended training.. 1 employees attended the Office Management 2 Employees attended the Archives Training and 1 employee attended Pastel Training. IT Officer attended a workshop on Website development.	<b>Target Met:</b> Report to FBCC indicated the employees attended training.. 1 employees attended the Office Management 2 Employees attended the Archives Training and 1 employee attended Pastel Training. IT Officer attended a workshop on Website development.	N/A	N/A	N/A	<b>Target Met:</b> Payment done	NA	N/A	60000	15505.22	Proof of payment
Institutional Development and Transformation	Effective Property Management	3 Offices to be Furnished Maintenance done as and when required.			Procure uniform for 7 General assistants and protective clothing for securities and general assistants however still waits delivery.	<b>Target Met:</b> Purchasing of uniforms (7) and protective clothing for securities and general assistants	<b>Target not met:</b> Buglar guard installed at the Registry. The main gate was repaired Male toilets were repaired Maintenance done as and when required.	<b>Target not met:</b> Buglar guard installed at the Registry. The main gate was repaired Male toilets were repaired Maintenance done as and when required.	1 office furnished	<b>Target met.</b>	N/A	<b>Target Met:</b> Repairs of handles for 4 offices.	N/A	N/A	105000	148394.64	Proof of payment
Institutional Development and Transformation	Computer equipment including IT systems and website hosting	upgrade of website and configuration 1 server for email hosting			3 offices to be furnished Maintenance done as and when required.	<b>Target not Met:</b> 2 Offices fully furnished, 8 Offices were painted. Fence repaired and parking bays repainted.	upgrade website, configuration of email server.	<b>Target not met:</b> Updating anti-virus system on continuous basis	N/A	<b>Target Met:</b> Reconfigure firewall, web hosting and computer repairs has already been done.	N/A	<b>Target Met:</b> Network cables upgraded (10 offices), 2 x UPS (Uninterrupted Power Supply), 7 x External hard drives purchased, 3 x laptops purchased (MM, Ssr Committee Officer and HR Officer)	N/A	N/A	180000	105309.23	Proof of payment
Institutional Development and Transformation	Maintenance of motor vehicles and running costs	1 grader, 1 TLB and 10 vehicles			upgrade website, configuration of email server.	<b>Target not met:</b> Updating anti-virus system on continuous basis	Maintenance of motor vehicles is done as when due	<b>Target met:</b> Purchased 8 tyres for Quantum, Isuzu single cab and Toyota Hilux, Double cab, corolla	Maintenance done when necessary	<b>Target met:</b> repairs done on NPS 51932, NPS 54015, NPS 67894, Mayoral vehicle and Grader	Maintenance done when it is neces	<b>Target Met:</b> NPS 67332 - Tow bar-fussion, NPS 67895	N/A	N/A	795000	749053.91	Proof of payment
Institutional Development and Transformation	Secretariat for Council meetings	4 Council meetings, 12 Exco meetings, 24 Portfolio Committees meetings and related logistics.			Maintenance of motor vehicles is done as when due	<b>Target met:</b> NPS 74720 went or the service, repaired registration numbers for NPS 54015, Procuring of 4 tyres Repaired NPS 67400 Repaired Isuzu	1 Council, 3 Exco, 3 FBCC, 1Community Services, 1 LED and 1 Planning Committee meetings were held.	<b>Target Met:</b> 1 Council, 3 Exco, 3 FBCC, 1 Planning Committee, 1 MPAC, 1 Youth Development Committee, 1Community Services Committee and LLFCommittee meetings were held.	1 Council Meeting , 3 Exco, 3 FBCC, 4 Port-folio comittes, 3 MPAC(SCOPA) and 2LFF	<b>Target met:</b> Secretariate services provided to 2 Council Meetings , 4 Exco, 2 FBCC, 4 Port-folio comittes, 2 MPAC(SCOPA), only 1 LFF meeting was conducted	1 Council Meeting , 3 Exco, 3 FBCC, 4 Port-folio comittes, 3 MPAC(SCOPA) and 3 LFF	<b>Target met:</b> EXCO 26 April, FBCC 24 April, Planning 18 April, Sukuma Sakhe 22 April, Human Settlement 23 April, Comm Services 09 April, LED 16 April, MPAC 30 April, Council 21 May, EXCO 16 May, MPAC 31 May, LFF, Exco held on 27 June 2013, FBCC held on 19	N/A	N/A	165000	158073.96	Attendance register/s

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET	Actual Performance	QUARTERLY TARGET	Actual Performance	QUARTERLY TARGET	Actual Performance	QUARTERLY TARGET	Actual Performance	QUARTERLY TARGET	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance	2012/2013		2012/2013		2012/2013		2012/2013							
					First Quarter		Second Quarter		Third Quarter		Fourth Quarter							
Institutional Development and Transformation	Printing and Stationery	Acquisition of printing stationery for secretariat  Stationery purchased as and when required.			1 Council, 3 Exco, 3 FBCC, 1 Community Services, 1 LED and 1 Planning Committee meetings were held.	<b>Target Met:</b> 2 Council, 3 Exco, 3 FBCC, 1 Planning, 1 LED and 1 Housing Committee, 3 MPAC, Youth Development Committee and LLFC Committee meetings were held.	Acquisition of printing stationery for secretariat and daily use  Stationery purchased as and when required.	<b>Target Met:</b> Printing and stationery for secretariat and daily use procured when due.	Facilitation of 3 payments for printing and stationery	<b>Target met:</b>	Facilitation of 3 payments for printing and stationery	<b>Target Met:</b> Payment done	N/A	N/A	410000	403547.92	Proof of payment	
Institutional Development and Transformation	Newspaper	Purchase newspapers on daily basis			Acquisition of printing stationery for secretariat and daily use  Stationery purchased as and when required.	<b>Target Met:</b> Ilanga newspapers is delivered on weekly basis to the Municipality.	Purchase newspapers on daily basis	<b>Target Met:</b> Ilanga newspapers is delivered on weekly basis to extract issues relevant to the Municipality.	Acquisition of printing stationery for secretariat and daily use  Stationery purchased as and when required.	<b>Target met:</b> Ilanga newspapers is delivered on weekly basis to extract issues relevant to the Municipality.	As and when is required	<b>Target not met:</b>	Delivery of newspapers is the challenge since the delivery company only goes along the N2 and our arrangement with Hibberdene Garage fell off	N/A	R5 000	0.00	Proof of payment	
Institutional Development and Transformation	Distribution of Agendas.	Agendas for all committees must be distributed (5) five days before the date of the meeting			Purchase newspapers on daily basis	<b>Target Met:</b> Ilanga newspapers is delivered on weekly basis to extract issues relevant to the Municipality.	Agendas for all committees must be distributed (5) five days before the date of the meeting	<b>Target not met:</b> Agendas distributed to all committees (5) five days before the date of the meeting.	Purchase newspapers on daily basis	<b>Target not met:</b>	Purchase newspapers on weekly basis	<b>Target not met:</b>	Late submission of items and breakages of photocopier machine.	New photocopier machine has been procured and departments will signed when submitting items.	N/A	N/A	Dispatch register.	
Institutional Development and Transformation	Rental and lease charges	Payment of rent and lease on a monthly basis			Agendas for all committees must be distributed (5) five days before the date of the meeting	<b>Target not met:</b> Agendas distributed to all committees (5) five days before the date of the meeting.	Payment of rent and lease on a monthly basis	<b>Target Met:</b> Lease agreement facilitated and payment of rent and lease done on a monthly basis	Facilitation of rent of 3 photocopying machine	<b>Target met:</b> the department is currently renting 3 photocopying machine that is the one registry and lease done on a monthly basis.	Facilitation of rent of 3 photo-copying machines	<b>Target Met:</b> Lease and rental - Payment made to Nashua	N/A	N/A	230000	165000	Proof of payment	
Institutional Development and Transformation	Number of Parkhomes to be purchased	2 Parkhomes			Payment of rent and lease on a monthly basis	<b>Target Met:</b> Lease agreement facilitated and payment of rent and lease done on a monthly basis	Procurement process of parkahomes	<b>Target Met:</b> 4 parkhomes purchased. Electricity cable installed	N/A	N/A	N/A	N/A	N/A	N/A	375000	378000	Delivery Note	
Institutional Development and Transformation	Acquisition of fleet	Dispose 2 Vehicles and Procure 2			Procurement process of parkhomes	<b>Target Met:</b> Procurement processes for 2 parkhomes has been done and awaits delivery.	Procurement process for the purchase of vehicles	<b>Target met:</b> A service provider has been appointed and waits delivery	purchasing of 2 vehicles and implementation thereof	<b>Target met:</b> Two vehicles bought	N/A	Disposal of 2 (Corolla – NPS 67894 & Isuzu D/Cab – NPS 66695, Acquisition of Toyota Avanza – NPS 72950, Toyota Etios have been purchased and have not delivered yet.	N/A	N/A	600000	596277.8	Delivery Note	
Institutional Development and Transformation	Electricity (Bills)	Monitor budget and facilitate payment of monthly bills			Procurement process for the purchase of vehicles	<b>Target met:</b> Lease agreement facilitated and payment of rent and lease done on a monthly basis	Facilitate payment of monthly bills for electricity	<b>Target Met:</b> Facilitated payment of monthly bills for electricity	Facilitation of payment for telephone and cell phone bills.	<b>Target met</b>			NA	N/A	135000	65335.44	Proof of payment	
Institutional Development and Transformation	Water (Bills)	Monitor and budget facilitate payment of monthly bills			Facilitate payment of monthly bills for electricity	<b>Target Met:</b> Facilitated payment of monthly bills for electricity	Facilitate payment of monthly bills for electricity	<b>Target Met:</b> Water leakages identified and fixed in the water tank. Facilitated payment of monthly bills for water.	Facilitation of 1 progress report on water bill.	<b>Target met:</b>	0,5% Reduction	<b>Target Met:</b> Water bills paid	NA	N/A	35000	882.75	Proof of payment	
Employee Name:	Patrick Cele																	
Job Title:	Director: Social and Economic Development																	
Employee Number																		
Department:	Social and Local Economic Development																	
Department:																		
Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET	Actual Performance	QUARTERLY TARGET	Actual Performance	QUARTERLY TARGET	Actual Performance	QUARTERLY TARGET	Actual Performance	QUARTERLY TARGET	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance	2012/2013		2012/2013		2012/2013		2012/2013		2012/2013					
COMMUNITY SERVICES UNIT																		
Restoring dignity through work opportunities	Number of wards where CWP has been implemented	12 wards				Target met, the 11.06 wards have been visited for verification: 01, 06, 10, 17, 19 and 18	Management and Coordination of CWP	Target met, the 11.06 wards have been visited for verification: 01, 06, 10, 17, 19 and 18. Progress reports are submitted on monthly basis.	Coordination and facilitation.	<b>Target met.</b> Facilitated the preparation of land for planting in ward 08. Negotiated land for the second communal garden in ward 18, facilitated the ploughing of 2hcts in ward 15. Distribution of seeds to all 12 wards, and provided storage for seeds.	Coordination and facilitation	<b>Target met,</b> 1475 participants employed in 2012-2013. Activities include <b>Home base care</b> (ARV literacy, Care and support to senior citizens and the bed ridden or Terminally ill), <b>School support</b> (teacher aid and stability, Sport coach, School	N/A	N/A	N/A	N/A	N/A	
	Number of projects implemented per ward																	
	types of projects implemented																	

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance													
Management of Community Facilities	Revenue collection and management of 38 women	Collected revenue from 10 Community Facilities, facilitated procurement processes for the 38 women, purchased cleaning material for the facilities			Revenue collected from 3 Community Facilities	Target met, 4 Community Facilities where revenue is being collected: Mnafu Hall, Esbanini Hall, Eshlonyaneni Hall, Nogoduka Hall, Ward 17 MPCC and Municipal Old Offices. MOA is currently being signed with SASSA for the	Revenue collected from 3 Community Facilities	Target met, 6 Community Facilities where revenue is being collected: Mnafu Hall, Esbanini Hall, Nogoduka Hall, Ward 17 MPCC and Municipal Old Offices. MOA is currently being signed with SASSA for the usage of Municipal Facilities	Revenue collected, cleaning materials purchased, 38 women paid stipend	Target met, revenue is being collected in 7 community facilities (Mngomeni Hall, Mnafu Hall, Eshlonyaneni Hall, Sbanini Hall, Nogoduka Hall, ward 17 MPCC, Mhlonjmyama Hall).	Revenue collection	Target met, revenue has been collected from the following Community Facilities Mngomeni Hall, Eshlonyaneni Hall, Nogoduka, Mhlonjmyama Hall, Mnafu Hall, Sbanini Hall, Ward 17 MPCC.			None		
Adopted Grant in Aid Policy	Developed grant in aid policy	adopted and implemented Grant in Aid policy			Collection of information	Target met, information have been collected through consultation with sister municipality and others	first draft Grant in aid Policy	Target met, first draft has been developed	first draft Grant in Policy	Target met, first draft developed, to be submitted to all relevant committees	Adoptin of the Policy	Target met, The draft was submitted to TOP Manco, Community Services and EXCO.	there are no challenges the delay was as a result o the draft to be submitted to all relevant Committees	awaiting to be submitted to Council for adoption/approval	N/A	N/A	
Establishment of traffic department	feasibility study	Feedback and recommendations on the process			Conducting feasibility study	Target not met	Conducting feasibility study	Target met, A concept has been developed to conduct a Community survey.	Conducting feasibility study	Target met, feasibility study processes have commenced, a study tour to be conducted on other relevant municipalities.	Conducting feasibility study	Target met, Consultation was done with Umuzwabantu Municipality.	N/A	N/A	R70 000	15000	
NGO program	Grant in Aid applications, forum meeting	Grant in Aid proposal advertised, 1 forum meeting held			Assessment of training needs and 1 forum meeting	target met, Assessment of training needs was done and 1 forum meeting	Training of NGOs and 1 forum meeting	target met, Training was conducted at Margate Hotel from the 14th to the 16th of November 2012. with 27 NGOs(2 delegates per NGO), 1 forum meeting held on the 6th of November 2012.	Grant in Aid proposals received, 1 forum meeting held	Target met, Proposals received, analysed and recommendations forwarded. 1 meeting held on the 6th of February 2013 at ward 17 MPCC	Provision of support to NGO's	Target met, Provision of support was done to 15 NGOs from Umzumbe, training was done on Leadership at the House of Rising Sun and 1 NGO forum	N/A	N/A	200000	200 000	
Improved access to free basic services	A total number of indigent households assisted	4728 families benefiting			Gel provision	Target met, Gel has been distributed in ward 11 and in ward 8	Gel provision	target met, Gel has been distributed in ward 11 and to be delivered in ward 8	Gel provision	Target met, Gel has been distributed in ward 11 and in ward 8	Gel provision	Target met, Gel has been distributed in ward 11 and in ward 8	N/A	N/A	2 000 000	660000	
					4000 free electricity tokens provided	Target met, tokens collected on monthly bases and payment done	4000 free electricity tokens provided	target met, tokens collected on monthly bases and payment done	4000 free electricity tokens provided	Target met, tokens collected on monthly bases and payment done	4000 free electricity tokens provided	Target met, tokens collected on monthly bases and payment done	N/A	N/A		1510000	
					Solar panels maintenance	target not met	Solar panels maintenance	target not met	Solar panels maintenance	Target not met,	Solar panels maintenance	Target not met,	The service provider has not provided the municipality with the signed contract agreement as well as the proof of service rendered.	Facilitate the signing of the contract and the submission of the proof of service rendered.		0.00	
provision of free basic services	number of indigent household assisted	200 households distributed with seeds			Gel provision	target met	Distribution of seeds to 80 families	target met, distribution was done in the ff wards: 04, 17, 18, 19, 10, 11 and 09. 395 families benefited.	Distribution of seeds	Target met, Seeds distributed in wards 01, 02, 05, 08, 13, 14, 15, 612 families benefited	Distribution of seeds	Target met, Distribution was also done to CWP for 12 wards.	N/A	N/A	400000	95800	
					Free electricity tokens	target met	cleaning of facilities	target met, payment done and monitoring is being done	cleaning of facilities	Target met, payment and monitoring done to 35 women and cleaning material distributed to all 19 wards	Cleaning of facilities	Target met, Cleaning of Community Facilities is done by 35 women. Payment for last 2 months will be done in the new financial year.	N/A	N/A		205420	
					Solar panels maintenance	target not met	10 indigent families supported	target met, 20 families assisted with food parcels	10 indigent families supported	Target met, 20 families assisted with food parcels	10 Indigent families supported	Target met, 4 families were referred to SASSA for further interventions.	N/A	N/A		R 99,550	
improved access to free basic services	an adopted and updated indigent register	1000 households profiled			N/A	N/A	Collect and update indigent data	Target met, 533 households profiled (783 total households)	250 households profiled	Target met, 850 households profiled to date. 1 indigent register adopted by the Council	250 households profiled	Target met, 270 households profiled.	N/A	N/A	N/A	None	
Burial Support	Number of households assisted	120 families to be assisted			30 indigent families supported	target met,186 families assisted, Public Service week families that were identified has been supported	30%	Target met, 14 wards profiled( 03, 04, 05, 06, 09, 10, 11, 13, 14, 15, 16, 17, 18, 19)	30 families to be assisted	Target met, 15 families provided with storage coffin and transport.( 186 families assisted during the 1st quarter = 201)	30 families to be assisted	Target met, 31 families assisted with coffin storage and transport.	N/A	N/A	150 000	115 420	
ADENDUM																	
OSSP	number of meeting held	10 meetings to be held			Operation Sukuma Sakhe	Facilitation, coordination and secretariat is being provided	Operation Sukuma Sakhe	Facilitation, coordination and secretariat is being provided	2 meetings	target met 2 meetings held and 1 report submitted to the DTT .	3 meetings	Target met, 3 meeting held and 2 reports submitted to DTT	N/A	N/A	N/A	N/A	
Public participation					events cordination and planning		events cordination and planning	Participation in the Mayoral Izimbizo	events cordination and planning	Participation in the Mayoral Izimbizo.		Target met, Participated in the coordination of the mayoral izimbizo and other events.	N/A	N/A	N/A		
Dress a child	number of learners benefited	1425 learners to be benefited			provision of technical support for Umkhosi Umibhongo				Distribution of uniform	target not met, distribution has been done in Cluster A, B, C (102 schools)	Distribution of uniform	Target met, 108 schools received uniform			463000	463000	
DISASTER MANAGEMENT UNIT																	

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET 2012/2013 First Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Second Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Third Quarter	Actual Performance	QUARTERLY TARGET 2012/2013 Fourth Quarter	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance													
Disaster Management Awareness Campaigns	Number of Awareness Campaigns conducted	4 Awareness Campaigns			1 campaign	Target met: Awareness campaign conducted on the 28th September 2012 at ward 6, Mabheleni Sports complex.	1 Awareness Campaigns	7 awareness campaigns were conducted this quarter. 1 in ward 1, 1 in ward 10 and 5 during the Mayoral Izimbizo's.	1 awareness campaign	Target met. No awareness campaign was conducted this quarter. Budget was exhausted even though the annual target was excessively achieved.			R 250 000.00	R 247 000.00	250000	247000	
Capacity Building on Disaster Management	Number of meetings	Conduct 4 meetings for the Volunteers			1 meeting	Target met: Progress meeting with Volunteers was held on the 25th (Ward 17, MPCC) and 28th September (Ward 3, Mpumza Hall)	Conduct 1 meetings for the Volunteers	No meeting was held for the volunteers	1 meeting	Target met. 2 volunteer meetings were held this quarter on the 15th and 16th May 2013 and 18th and 19th June 2013. They both were held at Ward 17 MPCC and Phungsho Education Centre respectively			R 160 000.00	R 160 000.00	160000	160000	
Training on Disaster Management	number of trainings	3 training sessions			1 meeting	Target met: Progress meeting with Volunteers was held on the 25th (Ward 17, MPCC) and 28th September (Ward 2, Mpumza Hall)	Conduct 1 trainings	1 training was conducted for councillors on Environmental Affairs issues. Training was held on 25th October 2012 at Council Chambers	1 training	Target met. Training for staff members was conducted on the 13 to 14 April 2013 at Margate Hotel.	N/A	N/A	R 50 000.00	R 50 000.00	50000	50000	
Development of Umzumbe Communication Plan	Final disaster management communication plan adopted by council	Develop Umzumbe Disaster Management Communication Plan			N/A	N/A	first draft of the disaster management communication plan	Procurement processes for service provider has commenced.	Approved Disaster Management Plan.	Target met. The draft document went through all relevant committees and an approved document is available.	N/A	N/A	R 45 000.00	R 41 500.00	45000	41500	
Disaster Management Stakeholders forum	number of forum meetings held	hold 4 forum meetings			N/A	N/A	Hold 1 Forum meetings	5 meetings with different stakeholders were held in response to the heavy rains on the 10 December 2012	1 Forum meeting	Target met. DM Advisory Forum meeting was held on the 5th June 2013 at the Council Chamber.	N/A	N/A	R 40 000.00	R 38 000.00	40000	38000	
Fire Fighting shared services	Signed SLA	Signed SLA and its implementation.			N/A	N/A	Implementation and reports on the functioning of the SLA	2 meetings were held towards the review of SLA. Draft is in final stages.	Implementation of the SLA.	Target met. Fire fighting shared service is functional although with constraints.	The vastness of Umzumbe makes it difficult for trucks at Umdoni to respond to some areas in time to save people and properties		R 550 000.00	R583000	550000	R583000	
Disaster Management Incident support	Respond to disaster incidents as and when they occur	respond to disaster incidents as and when they occur			Assessment and provision of relevant support to affected families	Target met: 345 cases were reported this quarter. 25 House fires due to candles, illegal connections and veld fires. Affected families were assisted accordingly	assessments and provision of relevant support to affected families	199 cases were reported of families that were affected by fires, heavy rainfall, lightning and murder.	Provide support to families within 72 hours of incident reporting	Target met. 43 cases were reported this quarter with 1 fatality, 17 cases of fire due to candles left unattended and electrical faults. 26 cases of houses affected by heavy rainfall especially in the month of April. 30 food parcels, 72 blankets, 3 tents, 2 gel stoves, bag of	N/A		R 100 000.00	85 650	100000	85650	
ADENDUM																	
Mitigate risks in municipal events	Develop disaster management plan for municipal events					Mitigate disasters in events hosted by Umzumbe Municipality	Created floor plans, enforced temporal structure compliance, organized marshals and other related safety measures to ensure that all events are safe for both community		Created floor plans, enforced temporal structure compliance, organized marshals and other related safety measures to ensure that all events are safe for both community and municipality.	target met	The challenge is still with service providers especially those that provide temporal structures that are not complying with the regulations and not provide temporal structure certificate which disturbs the smooth proceedings of events.	Enforcement of the Memorandum Of Understanding and workshoping service providers on the use thereof.					
LOCAL ECONOMIC DEVELOPMENT																	
Community work programme implemented and cooperatives supported	Development of SMMEs (number of trainings and workshops offered)	8			Processing of application forms and compiling of list of trainees for SMME trainings.	Target met. Trainings identified are bricklaying 7, plumbing 14 and carpentry 14. we have a list of 35 people has been submitted to DEDT. Profiling of SMMEs is still in progress.	Procurement process: for trainers and relevant materials for training.	Target Not Met	Training of SMMEs	1 target met 5 trainings held were: Pre-financing, SMME training by DEDT, BBEEE training, arts & Culture training: 1 @ Shani 2. @ ward 17 community hall. List of trainings for SMMEs in bricklaying, plumbing & carpentry is ready. Arts & craft training in	Registration of trainees to a formal business entity, monitoring and progress report	Target not met	N/A	N/A	R 3 800 000	N/A	

Key Result Area/Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance	First Quarter		Second Quarter		Third Quarter		Fourth Quarter						
Community work programme implemented and cooperatives supported	Development of SMMEs (number of emerging contractors on data base and registered)	20			Upgrade database of emerging contractors and identification of stakeholders.	Target met. An assessment of funded SMME's has been conducted and a list of requests for assistance for new SMME's has been compiled and awaiting the evaluation process.	5 Information dissemination workshops.	Target met. Monitored SMMEs that still need further assistance were identified and have been procured for	Assisting entities to comply	Target not met.	Progress report	Target not met					
Community work programme implemented and cooperatives supported	Development of SMMEs (number of SMMEs assisted)	10 funded SMMEs			Monitoring of funded SMMEs and report thereof.	Target met. An assessment of funded SMME's has been conducted and a list of requests for assistance for new SMME's has been compiled and awaiting the evaluation process.	Monitoring continued and gap identification	Target not met	Processing of proposals for SMMEs and procurement of inputs	Target met. Monitored SMMEs that still need further assistance were identified and have been procured for	Monitoring the delivery of inputs. Progress report	Target met. Through the information dissemination stakeholders SMMEs have been referred for assistance especially with the BBBEE and Inkomb, SEDA, Nedbank etc.	N/A	N/A		248 029.00	
Community work programme implemented and cooperatives supported	Development of SMMEs (number of cooperatives assisted)	8			Assessment of struggling co ops for resuscitation in partnership with DED and other stakeholders.	Target met. 12 cooperatives have been assessed. Identification of new cooperatives has been conducted	Training of crafters for quality management	Target met. Crafters were trained before they exhibited in Arts & Craft Conference @ the IOC. Zuzakoni, Nazoke, Mkhuba & Nqabayokhila. Scottburgh: Nazoke, Siyabangena, Mkhuba, Zuzakoni, Nqabayokhila, Gateway Mkhuba	Training s provided where needed. Revival of saving clubs.	Target met. 30 co operatives trained by Letsatsi on Co operative Development	Monitoring of acquired skills implementation.	Target met. The report on the trained co operatives assisted in identifying the gaps and the co operative needs. Isabatha report to this effect is in the evidence. The trainings are still continuing.	N/A	N/A	350 000	250527.16	
Community work programme implemented and cooperatives supported	Development of SMMEs (number of crafters exposed to markets)	5 mentored crafters			Identification of crafters for training and sourcing of service providers	Target met. 6 crafters that have been exposed are Zuzakoni co operatives, Umzumbe leather works and Mkhuba arts and Crafts, Siyabangena co op, Myekeni Mthembu creations and	Training of crafters for quality management	Target met. Elections for the arts & culture forum are successful and training needs were identified	Development of Umzumbe crafters website	Target not met.	Marketing of crafters products and progress report	N/A	N/A	N/A		162 180.00	
Community work programme implemented and cooperatives supported	Development of SMMEs (number of different genre competitions- Ingoma Isicathamiya, go seth)	3 artists within genres performing at a professional level			Hosting of uMzumbe Music festival.	Target not met. Tenderers were non responsive	Election of new arts and culture forum. And identification of arts and culture training needs	Target not met. The budget of R500 000 has to be committed during the adjustment	Compiling terms of reference and procuring service providers to provide training	Target not met.	Training of arts and culture forum members	N/A	N/A	N/A		298 000.00	
Promotion of Trade initiatives	Promote Trade initiatives (equipped bakery)	1 equipped and functional bakery			N/A	N/A	Sourcing of equipment for bakery	Target not met. Tenderers were non responsive	Handing over of Mkhaphi bakery equipment.	Target met. The bakery equipment has been handed over to Mkhaphi Bakery and members are supported through mentoring provided through the assistance of Hlahindela.	Provision of mentoring and support	Target met. Trainings were conducted during the 3rd quarter in conjunction with old mutual.	N/A	N/A	500 000	438000	
Promotion of Trade initiatives	Promote Trade initiatives (number of informal traders per ward)	15			Mobilising and resuscitation of informal traders structure.	Target met. 14 applications have been processed and assessments conducted	Needs assessment	Target met. 8 Applications have been processed and assessments conducted	Consultative meetings and assistance with compliance	Target not met.	Facilitate Trainings in business management and health and hygiene.	N/A	N/A	N/A		In house	N/A
Promotion of Trade initiatives	Development of heritage site	15			Facilitation of applications, assessments and issuing if compliant	Target met. 14 applications have been processed and assessments conducted	Facilitation of applications, assessments and issuing if compliant	Target met. 8 Applications have been processed and assessments conducted	Facilitation of applications, assessments and issuing if compliant.	N/A	Facilitation of applications, assessments and issuing if compliant.	Target not met	N/A	N/A		In house	N/A
Heritage and tourism initiatives	Commemoration of heritage sites	Development of 1 heritage site (Isivivane sika Shaka)			Report on interviews conducted and research done on Isivivane sika Shaka	Target met. Isivivane sika Shaka on which research culminated in the time travel development. Isivivane sika Shaka at Cabhane where the information is being compiled	Time travel to be staged with schools and community on Isivivane sika Shaka	Target met	Improvement of access to Isivivane sika Shaka site by installing walking trails	Target met. The walking trails have been completed in Isivivane sika Shaka and Itshe lika Maria. The story board has been developed.	Development of story board on Isivivane sika Shaka site and release of documentary	Target not met	N/A	N/A	1 000 000.00	880 000.00	

Key Result Area/ Project	Key Performance Indicator	Annual Target	QUARTERLY TARGET		Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	QUARTERLY TARGET 2012/2013	Actual Performance	Concerns and Challenges	Corrective Measures	Overall Budget	Current Expenditure	Means of Verification
			SDBIP Target 2011/2012	Actual Performance		First Quarter		Second Quarter		Third Quarter						
Heritage and tourism initiatives	Promotion of Tourism Initiative (tour guide development)	2 heritage activities to be commemorated			N/A	N/A	Isivivane sika Shaka commemorated	Target not met. The proposals are at evaluation stage.	Ntelezi Msane commemorated	Target not met	N/A	Q3 Target met. The Ntelezi Msane Heritage Day was commemorated on the 20 April 2013. The memorial garden is also commissioned				
Heritage and tourism initiatives	Promotion of Tourism Initiative (number of tourism initiatives)	2 tourism initiatives			Formalisation of the relationship between the municipality and Tour guide group.	Target not met yet. Pending the tourism workshop that is going to be in October. The tour guides are also in line for a first aid workshop. Then the SLA could be drafted.	Shared Service	Target not met	Monitoring progress and reporting on the functionality of the co-operatives	Target not met.	Monitoring and Reporting on the functionality achievements of tour guide group.	Target not met				
Heritage and tourism initiatives	Promotion of Tourism Initiative (number of tourism initiatives)	2 tourism initiatives			Tourism plan, terms of reference & advert	Target not met. The requisition has been done and terms of references and advert have been drafted.	Appointment of service providers	Target not met. In the process of procuring converted container to accommodate 12 traders	Monitoring of work in progress	Target not met.	Draft tourism plan presented for approval of council.	Target not met	N/A	N/A	981000	
Promotion of sustainable economic growth	Implementation of agricultural programmes	1 Sustainable agricultural project per ward (19)			Identification of needs with Dept of Agri advisor and implementation thereof.	Target not met	Fencing of community gardens	Target not met. Assessments have been done & resulted in identification of the following programme of action: 9 projects to do own fencing 5 projects to get irrigation 19 to get full inputs and 16 that converted to own	Needs assesment (inputs)	Target met. The process of needs assesment has been undertaken, the list of projects that have potential and need assistance has been compiled in partnership with the Department of Agriculture.	Procurement of inputs and other relevant interventions	Target met. Inputs have been procured covering the fenced projects that have not been operational.	N/A	N/A	1 000 000.00	181753
Promotion of sustainable economic growth	Empowerment of informal traders and infrastructure development	Market stall and empowerment of 15 informal traders			Development of terms of references	Target not met	Procurement processes for infrastructure development for the market stall	Target not met. The LED section has done the inspection and measurements have been taken. The Dept of Technical services has been working on the bill of materials.	Simplified business skills training	Target no met	Handing over of the market stall.	Target met. Kwa Phungashe Market Stall has been renovated	N/A	N/A	1 000 000.00	981 000.00
Improved Ward Committees	Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring (number of LED forums held)	4 LED forums held			1 <sup>st</sup> LED forum	Target met. The LED forum has been successfully held.	2 <sup>nd</sup> LED forum	Target met. LED & Tourism forum was held at the House of the rising sun on 7 & 8 December 2012	3 <sup>rd</sup> LED forum	N/A	4 <sup>th</sup> LED forum	Target not met			R 200 000.00	R 181 753.00



## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### INTRODUCTION

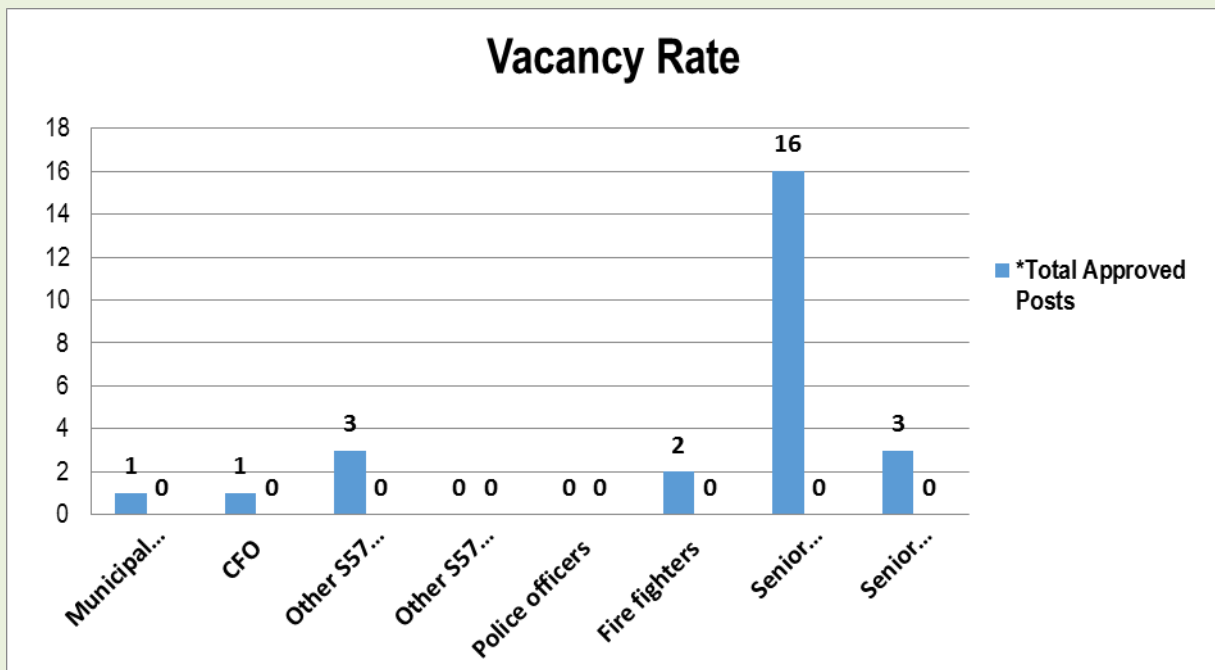
The strategic posts on approved organogram have all been filled, all appointment were done in accordance with approved HR Policy, Collective Agreement and Basic Conditions of Employment Act. The rate of sick leave is approximately 1.3%. There is a high level of commitment on the side of workforce. The Local Government Sector Education Training Authority has reimbursed the Municipality for compliance with Workplace Skills Plan.

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	Year -1	Year 0			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	0	0	0	0	%
Waste Water (Sanitation)	0	0	0	0	%
Electricity	0	0	0	0	%
Waste Management	0	0	0	0	%
Housing	1	3	1	2	66%
Waste Water (Storm water Drainage)	0	0	0	0	%
Roads	5	7	6	1	50%
Transport	0	0	0	0	%
Planning	3	4	4	0	0%
Local Economic Development Planning (Strategic & Regulatory)	6	9	6	3	33%
Disaster	20	24	20	4	16%
Community & Social Services	2	5	2	3	60%
Environmental Protection	3	3	3	0	0%
Finance	0	2	1	1	50%
Corporate Policy Offices and Other	11	13	10	3	15%
Totals	25	29	25	4	13%
	80	99	78	21	23.9%

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0,00
CFO	1	0	0,00
Other S57 Managers (excluding Finance Posts)	3	0	0,00
Other S57 Managers (Finance posts)	0	0	0,00
Police officers	0	0	0,00
Fire fighters	2	0	0,00
Senior management: Levels 2-3 (excluding Finance Posts)	16	0	0,00
Senior management: Levels 2-3 (Finance posts)	3	0	0,00
<b>Total</b>	<b>26</b>	<b>0</b>	<b>0,00</b>



Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	0	0	0%
Year -1	0	0	
Year 0	14	7	0%

#### COMMENT ON VACANCIES AND TURNOVER:

On the Municipal Manager's post we had an employee from the District who was seconded to act as the Municipal Manager. The post was advertised and the proper recruitment procedures were followed, unfortunately the panel could not find the suitable Candidate as a result the post was re-advertised. The post remained vacant for approximately 12 months.

On the Manager: Information Technology's post, this was a new section. The post was advertised and the proper recruitment procedures were followed, unfortunately the panel could not find the suitable Candidate as a result the post was re-advertised.

We have developed the Staff Retention Policy which is in process of adoption by the Council

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

*MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.*

*The policies have been developed and some reviewed and adopted by the Council. Refer to the table below.*

## 4.2 POLICIES

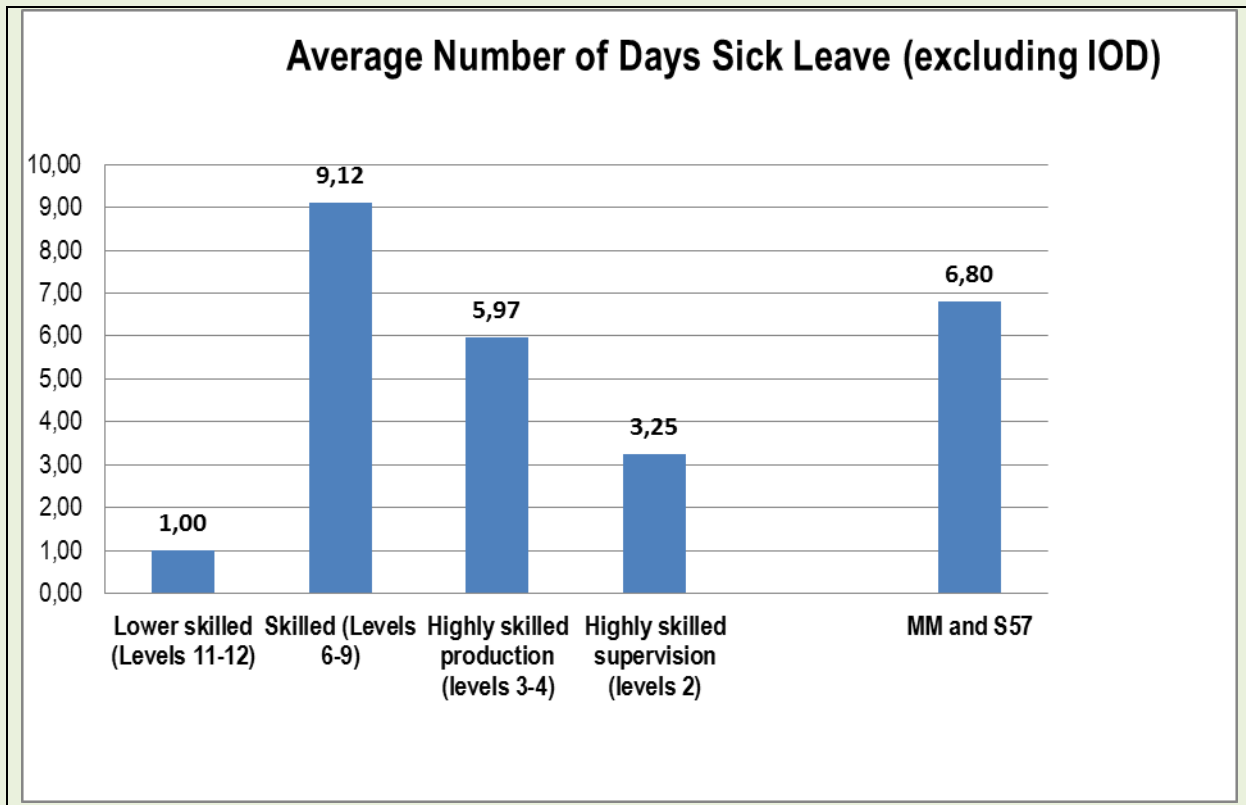
HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
2	Attraction and Retention	100%	100%	
3	Code of Conduct for employees	100%	100%	HR Policy adopted on Jan 2013
4	Delegations, Authorisation & Responsibility	100%	100%	28 August 2013
5	Disciplinary Code and Procedures	100%	100%	HR Policy adopted on Jan 2013
7	Employee Assistance / Wellness	100%	100%	HR Policy adopted on Jan 2013
8	Employment Equity	100%	100%	HR Policy adopted on Jan 2013
9	Exit Management	100%	100%	HR Policy adopted on
10	Grievance Procedures	100%	100%	HR Policy adopted on Jan 2013
11	HIV/Aids	100%	100%	HR Policy adopted on Jan 2013
12	Human Resource and Development	100%	100%	HR Policy adopted on Jan 2013
13	Information Technology	100%	100%	Adopted on 25 March 2013
15	Leave	100%	100%	HR Policy adopted on Jan 2013
16	Occupational Health and Safety	100%	100%	29-Jun-06
20	Official Working Hours and Overtime	100%	100%	HR Policy adopted on Jan 2013
24	Recruitment, Selection and Appointments	100%	100%	HR Policy adopted on Jan 2013
27	Sexual Harassment	100%	100%	HR Policy adopted on Jan 2013
28	Skills Development	100%	100%	HR Policy adopted on Jan 2013
29	Smoking			
30	Special Skills	100%	100%	HR Policy adopted on Jan 2013
32	Uniforms and Protective Clothing	100%	100%	Adopted on 25 March 2013
33	Other:			

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	0	0	0%	0	0
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
<b>Total</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>

*T 4.3.1*

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 11-12)	12		3	12	1,00	
Skilled (Levels 6-9)	146	4%	10	16	9,12	
Highly skilled production (levels 3-4)	209	15%	20	35	5,97	
Highly skilled supervision (levels 2)	13		2	4	3,25	
MM and S57	34	1%	4	5	6,80	
<b>Total</b>	<b>414</b>	<b>7%</b>	<b>39</b>	<b>72</b>	<b>5,75</b>	<b>0</b>



**COMMENT ON INJURY AND SICK LEAVE:**

During the financial year under review, there were no injuries on duty. The sick leave rate is estimated at 1.3%.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
SCM Manager		03-Jun-13	Still in progress	Still in progress
SPU Manager		03-Jun-13	Still in progress	Still in progress

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
SCM Manager		Still in progress	Still in progress
SPU Manager		Still in progress	Still in progress

### COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

There were two employees who were suspended towards the end of the financial year and their cases are still in progress.

#### 4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 11-12)	Female	0	0	0	0%
	Male	0	0	0	0%
Skilled (Levels 9-10)	Female	0	0	0	0%
	Male	0		0	0%
Highly skilled production (levels 6-8)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled supervision (levels 4-5)	Female	0	0	0	0%
	Male	0	0	0	0%
Senior management (Levels 2-3)	Female	0	0	0	0%
	Male	0	0	0	0%
MM and S56	Female	0	0	0	0%
	Male	2	2	5&7	5&7%
Total		2	2		
Has the statutory municipal calculator been used as part of the evaluation process?					Yes

### COMMENT ON PERFORMANCE REWARDS:

There were two S54 employees who got the performance bonus. One of them got 5% and the other got 7%.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

*Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.*

***55% of employees were capacitated in various LGSETA accredited learning programs as per approved Workplace Skills Plan.***

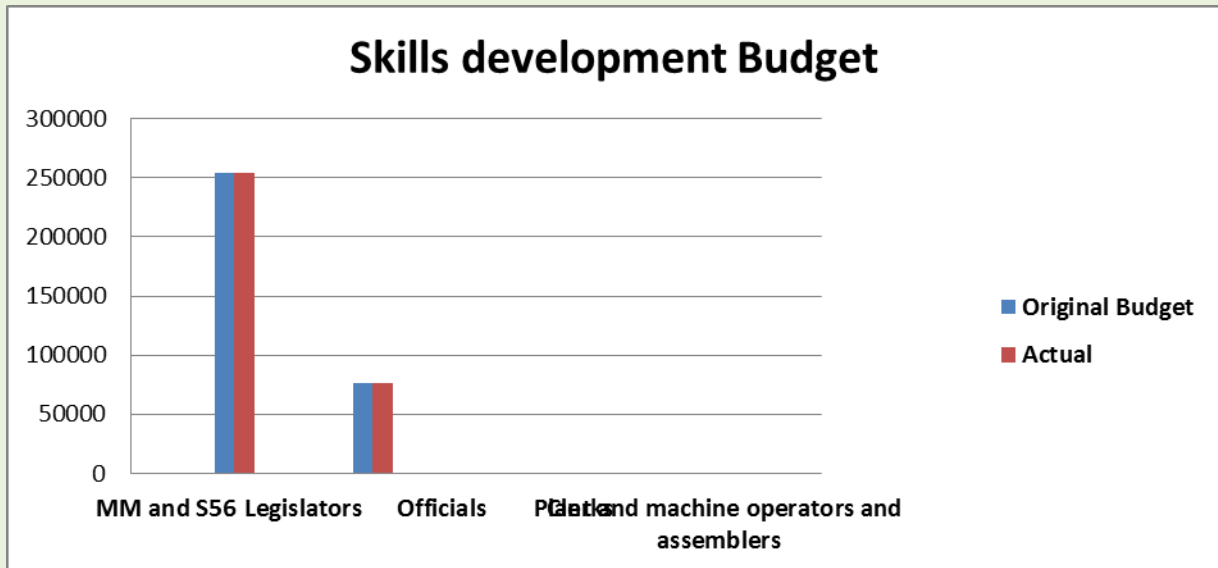


#### 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and s56	Female		5							0	1			1
	Male		5							1	2		1	2
Councillors, senior officials and managers	Female		2							3	3		3	3
	Male		3							4	4		4	4
Technicians and associate professionals*	Female		4							2	2		2	2
	Male		8							8	9		8	9
Professionals	Female		8							6	6		6	6
	Male		6							2	2		2	2
Sub total	Female		19							11	12		11	12
	Male		22							15	17		15	17
Total		0	82	0	0	0	0	0	0	52	58	0	52	58
*Registered with professional Associate Body e.g CA (SA)														T 4.5.1

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
<i>Accounting officer</i>	1	0	1	0	1	1
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	0	0	0	0	0	0
<i>Any other financial officials</i>	0	0	0	0	0	0
<b>Supply Chain Management Officials</b>						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S56	Female	1								
	Male	4							253600	253600
Legislators	Female	15								
	Male	23							76800	76800
Officials	Female									
	Male									
Clerks	Female									
	Male									
Plant and machine operators and assemblers	Female									
	Male									
Sub total	Female									
	Male									
Total		43							330600	330600
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
T4.5.3										



**COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:**

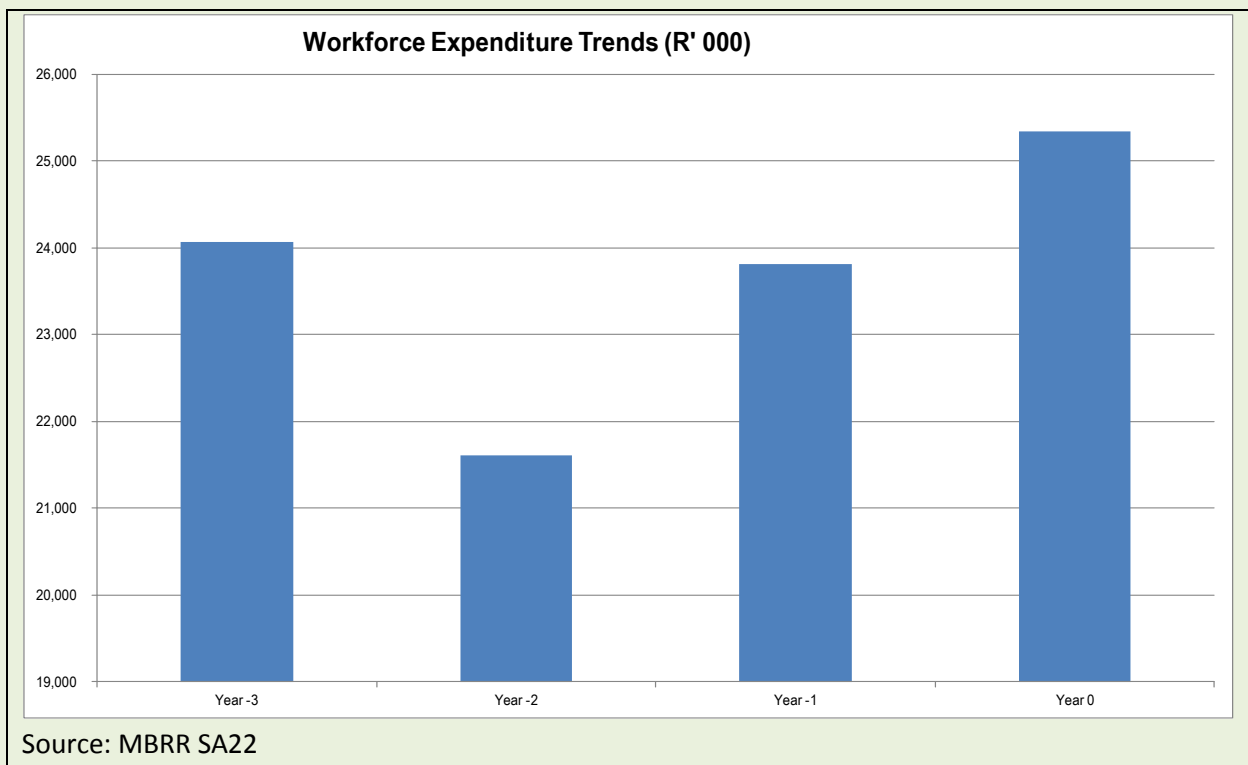
20% of S54 and S56 employees comply with the MFMA Competency Regulations and the other 80% is currently enrolled for the Competency Level Qualification

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

We have established the Training Committee which scrutinises the Personal Development Plans from the Employees which then recommends to the Human Resource Manager the number of employees who could be financially assisted taking into consideration the approved budget and WSP for the project. We use LGSETA accredited service providers for the training of the employees and the Supervisors monitor the performance after the training.

#### 4.6 EMPLOYEE EXPENDITURE



#### COMMENT ON WORKFORCE EXPENDITURE:

The expenditure pattern shows a steady increase due to the fact that we are employing more staff members.

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 11-12)	Female	0
	Male	0
Skilled (Levels 9-10)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	1
Highly skilled supervision (Levels 4-5)	Female	1
	Male	2
Senior management (Levels 2-3)	Female	0
	Male	0
MM and S 56	Female	0
	Male	0
Total		4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
0	0	0	0	0

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

*The Management recommended to Council the upgrade of four posts due to the workload and the level of qualification for incumbents. There are no variances.*

DISCLOSURES OF FINANCIAL INTERESTS

*At the beginning of the Financial Year all Employees and Councillors were issued with the disclosure forms that had to be signed and brought back to the Municipality.*

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## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

#### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	R e f	Budget Year 2012/13									Budget Year +1 2013/14	Budget Year +2 2014/15
		Original Budget	Prio r Adj uste d	Accum. Funds	Mul ti- year capi tal	Unfore. Unavoid.	Nat. or Prov . Gov t	Other Adjusts.	Tota l Adju sts.	Adjuste d Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue By Source</b>												
Property rates	2	2 843	–	–	–	–	–	–	–	2 843	3 070	3 316
Property rates - penalties & collection charges									–	–		
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - other									–	–		
Rental of												

facilities and equipment								-	-		
Interest earned - external investments								-	-		
Interest earned - outstanding debtors								-	-		
Dividends received								-	-		
Fines								-	-		
Licences and permits								-	-		
Agency services								-	-		
Transfers recognised - operating		125 535					-	-	125 535	116 561	124 085
Other revenue	2	1 090	-	-	-	-	-	-	1 090	1 177	1 271
Gains on disposal of PPE								-	-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>129 468</b>	-	-	-	-	-	-	<b>129 468</b>	<b>120 809</b>	<b>128 672</b>
<b><u>Expenditure By Type</u></b>	-										
Employee related costs		25 755	-	-	-	-	-	-	25 755	27 301	28 939
Remuneration of councillors		10 348					-	-	10 348	10 969	11 627
Debt impairment								-	-		
Depreciation & asset impairment		6 300	-	-	-	-	-	-	6 300	6 804	7 348
Finance charges								-	-		
Bulk purchases		-	-	-	-	-	-	-	-	-	-
Other materials								-	-		
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants								-	-		
Other expenditure		87 065	-	-	-	-	(455)	(455)	86 610	94 030	101 553
Loss on disposal of PPE								-	-		
<b>Total Expenditure</b>		<b>129 468</b>	-	-	-	-	<b>(455)</b>	<b>(455)</b>	<b>129 013</b>	<b>139 104</b>	<b>149 467</b>
<b>Surplus/(Deficit)</b>		<b>(0)</b>	-	-	-	-	<b>455</b>	<b>455</b>	<b>455</b>	<b>(18 296)</b>	<b>(20 795)</b>



Transfers recognised - capital								-	-		
Contribution								-	-		
Contributed assets								-	-		
<b>Surplus/(Deficit) before taxation</b>	(0)	-	-	-	-	-	455	455	455	(18 296)	(20 795)
Taxation								-	-		
<b>Surplus/(Deficit) after taxation</b>	(0)	-	-	-	-	-	455	455	455	(18 296)	(20 795)
Attributable to minorities								-	-		
<b>Surplus/(Deficit) attributable to municipality</b>	(0)	-	-	-	-	-	455	455	455	(18 296)	(20 795)
Share of surplus/(deficit) of associate								-	-		
<b>Surplus/(Deficit) for the year</b>	(0)	-	-	-	-	-	455	455	455	(18 296)	(20 795)

## 5.2 GRANTS

### GOVERNMENT GRANTS AND SUBSIDIES ALLOCATION

GOVERNMENT GRANTS AND SUBSIDIES- ALLOCATION	Current Year 2012/2013						
	Approved Budget	Adjusted Budget	Full Year Forecast	Actual as at 31 December 2012	Balance	Budget Year 2013/2014	Budget Year 2014/2015
<b>- National Grants Allocations</b>							
Equitable share	86 177 000	86 177 000	86 177 000	64 633 000	21 544 000	93 230 000	100 756 000
Municipal Systems Improvement Grant (MSIG)	800 000	800 000	800 000	800 000	0	900 000	950 000
Local Government Financial Management Grant (FMG)	1 500 000	1 500 000	1 500 000	1 500 000	0	1 750 000	1 770 000
Municipal Infrastructure Grant (MIG)	29 908 000	29 908 000	29 908 000	18 841 000	11 067 000	31 549 000	33 373 000
<b>Sub Total - National Grant Allocations</b>	<b>118 385 000</b>	<b>118 385 000</b>	<b>118 385 000</b>	<b>85 774 000</b>	<b>32 611 000</b>	<b>127 429 000</b>	<b>136 849 000</b>
<b>Provincial Grants Allocations</b>							
Department of Sports and Recreation	150 000	150 000	150 000	150 000	0	0	0
Integrated National Electricity Programme	7 000 000	7 000 000	7 000 000	6 000 000	1 000 000	0	0
<b>Sub Total - Provincial Grants Allocations</b>	<b>7 150 000</b>	<b>7 150 000</b>	<b>7 150 000</b>	<b>6 150 000</b>	<b>1 000 000</b>	<b>0</b>	<b>0</b>
<b>TOTAL GRANT ALLOCATIONS</b>	<b>125 535 000</b>	<b>125 535 000</b>	<b>125 535 000</b>	<b>91 924 000</b>	<b>33 611 000</b>	<b>127 429 000</b>	<b>136 849 000</b>

### 5.3 ASSET MANAGEMENT

The municipality has an asset management policy. The policy also incorporates elements of GRAP. There is a manager and accountants that are responsible for asset management. The municipality compiled the fixed assets register for the 2012/13 financial year in accordance with GRAP 17. This formed part of the process of the annual financial statements preparation.

T 5.3.1

Repair and Maintenance Expenditure: Year 0				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	5880000	5880000	807649	86%

### 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013			AS AT 30 JUNE 2012		
BUDGET MANAGEMENT							
1	Percentage over- spending of the final approved operating expenditure budget	Not  over-spent	% over-spent	Limitation	Not over-spent	% over-spent	Limitation
		Not over-spent			Not over-spent	-	

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013			AS AT 30 JUNE 2012		
2	Percentage under- spending of the final approved capital budget	Not under-spent	% under-spent	Limitation	Not under-spent	% under-spent	Limitation
			2.7%			64.5%	
GRANT MANAGEMENT							
3	Percentage under- spending of conditional grants received	Not under-spent	% under-spent	Limitation	Not under-spent	% under-spent	Limitation
			21.6%			80.2%	
EXPENDITURE MANAGEMENT							
4	Creditor- payment period <sup>1</sup>	Days		Limitation	Days		Limitation
		14.3			10		
REVENUE MANAGEMENT							
5	Debtor- collection period (before impairment)	Days		Limitation	Days		Limitation
		119.8			270		

FINANCIAL INDICATORS					
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013		AS AT 30 JUNE 2012	
6	Debtor- collection period (after impairment)	Days	Limitation	Days	Limitation
		29.1		187	
7	Debtors impairment provision as a percentage of accounts receivable	% debtors impaired to accounts receivable	Limitation	% debtors impaired to accounts receivable	Limitation
		75.7%		-	
8	Debtors impairment provision as a percentage of revenue from goods and services rendered on credit	% debtors impaired to revenue from goods and services	Limitation	% debtors impaired to revenue from goods and services	Limitation
		24.8%		-	
9	Percentage water losses incurred	% water losses	Limitation	% water losses	Limitation
		n/a		n/a	
10	Percentage electricity losses incurred	% electricity losses	Limitation	% electricity losses	Limitation
		n/a		n/a	

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013			AS AT 30 JUNE 2012		
ASSET AND LIABILITY MANAGEMENT							
11	A deficit for the year was realised (total expenditure exceeded total revenue)	No	Yes	Limitation	No	Yes	Limitation
		X			X	-	
12	A net current liability position was realised (total current liabilities exceeded total current assets)	No	Yes	Limitation	No	Yes	Limitation
		X			X	-	
13	A net liability position was realised (total liabilities exceeded total assets)	No	Yes	Limitation	No	Yes	Limitation
		X			X	-	
14	Percentage of PPE	% PPE and intangible assets impaired		Limitation	% PPE and intangible assets impaired		Limitation

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013			AS AT 30 JUNE 2012		
	and/or intangible assets impaired	0.2%			0.6%		
15	Percentage of loan receivables (loans awarded) and/or investments impaired	% loans and investments impaired		Limitation	% loans and investments impaired		Limitation
		0			n/a		
CASH MANAGEMENT							
16	The year- end bank balance was in overdraft	No	Yes	Limitation	No	Yes	Limitation
		0			X		
17	Net cash flows for the year from operating activities were negative	No	Yes	Limitation	No	Yes	Limitation
		74 420 354					
18	Cash and cash	Bank in overdraft	% cash to operating expenditure	Limitation	Bank in overdraft	% cash to operating expenditure	Limitation

FINANCIAL INDICATORS									
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013				AS AT 30 JUNE 2012			
	equivalents as a percentage of operating expenditure		103.9%				-		
19	Creditors as a percentage of cash and cash equivalents	Bank in overdraft	% creditors to cash	Limitation		Bank in overdraft	% creditors to cash	Limitation	
			3.8%				-		
20	Percentage by which unspent conditional grants received exceeds cash available at year-end	Bank in overdraft	Not exceeded	% exceeded	Limitation	Bank in overdraft	Not exceeded	% exceeded	Limitation
			Not exceeded				-		
21	Current liabilities as a percentage of net cash inflows for the year from operating activities	Negative/no cash flows	% current liabilities to cash inflows	Limitation		Negative/no cash flows	% current liabilities to cash inflows	Limitation	
			-31.3%				-		



FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013			AS AT 30 JUNE 2012		
22	Long-term debt as a percentage of net cash inflows for the year from operating activities	Negative/no cash flows	% long-term debt to cash inflows	Limitation	Negative/no cash flows	% long-term debt to cash inflows	Limitation
			0.0%			-	
23	Employee benefit obligation as a percentage of net cash inflows for the year from operating activities	Negative/no cash flows	% employee benefit obligation to cash flows	Limitation	Negative/no cash flows	% employee benefit obligation to cash flows	Limitation
			337.5%			-	

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

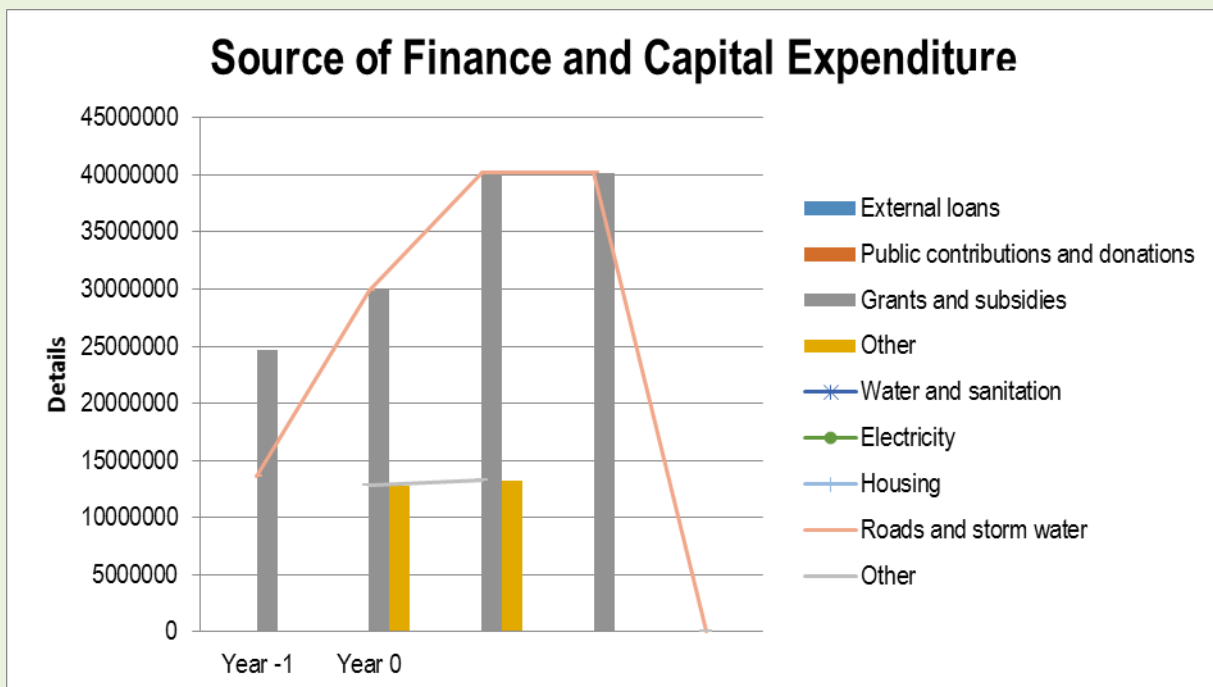
### 5.5 CAPITAL EXPENDITURE

The municipality has a capital budget of R53 million and has spent 91 % for the total capital budget. A large proportion of the funding is related to MIG funds.

### 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year -1 to Year 0							
R' 000							
Details		Year -1	Year 0				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans			0			
	Public contributions and donations						
	Grants and subsidies	24655000	29908000	40178348	40178348	100,00%	134,34%
	Other		12801000	13256000			
<b>Total</b>		<b>24655000</b>	<b>42709000</b>	<b>53434348</b>	<b>40178348</b>	<b>100,00%</b>	<b>134,34%</b>
Percentage of finance							
	External loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Grants and subsidies	100,0%	70,0%	75,2%	100,0%	100,0%	100,0%
	Other	0,0%	30,0%	24,8%	0,0%	0,0%	0,0%
Capital expenditure							
	Water and sanitation						
	Electricity						
	Housing						

	Roads and storm water	13661004	29924000	40178348	40178348	34,27%	34,27%
	Other		12785000	13256000		3,68%	-100,00%
<b>Total</b>		<b>13661004</b>	<b>42709000</b>	<b>53434348</b>	<b>40178348</b>	<b>37,95%</b>	<b>-65,73%</b>
<i>Percentage of expenditure</i>							
	Water and sanitation		0,0%	0,0%		0,0%	0,0%
	Electricity		0,0%	0,0%		0,0%	0,0%
	Housing		0,0%	0,0%		0,0%	0,0%
	Roads and storm water	100,0%	70,1%	75,2%	100,0%	90,3%	-52,1%
	Other	0,0%	29,9%	24,8%	0,0%	9,7%	152,1%
T 5.6.1							



Umzumbe municipality's main source of funding is government grants.

T 5.6.1.1

## 5.7 CAPITAL SPENDING ON LARGEST PROJECTS

Capital Expenditure of largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Roads and infrastructure	29 908 000	40 178 348	40 178 348	134%	100%

Umzumbe municipality's main capital projects are that of roads infrastructure. A large portion of funds are allocated to roads infrastructure.

T 5.7.1.1

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

MIG grants have been utilised to address the backlogs.

T 5.8.1

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is key to the sustainability of the municipality and its ability to provide services to the communities

T 5.9

## 5.9 CASH FLOW

### Cash Flow Statement

Figures in Rand	Note(s)	2013	Restated 2012
<b>Cash Flows From Operating Activities</b>			
<b>Receipts</b>			
Government grants and subsidies		133 735 000	104 309 997
Receipts from customers		2 716 108	2 828 337
Interest Income		3 465 211	1 893 608
		<u>139 916 319</u>	<u>109 031 942</u>
<b>Payments</b>			
Cash Paid to Suppliers and Employees		(65 495 965)	(55 654 807)
<b>Net Cash Flows From Operating Activities</b>	22	<u><b>74 420 354</b></u>	<u><b>53 377 135</b></u>
<b>Cash Flows From Investing Activities</b>			
Purchase of Property, Plant and Equipment	2	(48 390 423)	(17 553 346)
Purchase of other intangible assets	3	(42 334)	(17 474)
Proceeds from sale of assets		146 049	-
<b>Net Cash Flows From Investing Activities</b>		<u><b>(48 286 708)</b></u>	<u><b>(17 570 820)</b></u>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>		<b>26 133 646</b>	<b>35 806 315</b>
Cash and Cash Equivalents at the Beginning of the Year		51 423 832	15 617 517
<b>Cash and Cash Equivalents at the End of the Year</b>	7	<u><b>77 557 478</b></u>	<u><b>51 423 832</b></u>

#### CASH FLOW OUTCOMES:

The municipality's cash flow is monitored regularly showing a favorable liquidity position. As at 30 June 2013, the municipality had cash and cash equivalents of R77,6 million.

## 5.10 BORROWING AND INVESTMENTS

### BORROWING AND INVESTMENTS

The municipality holds investments amounting to R9, 6 million. Interest is earned at competitive rates. The municipality does not have any borrowings.

T 5.10.1

Municipal and Entity Investments			
	R' 000		
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<b><u>Municipality</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners	9566066	9566066	9566066
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	9566066	9566066	9566066
<b><u>Municipal Entities</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies			

(sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>	0	0	0
<b>Consolidated total:</b>	9566066	9566066	9566066
<i>T 5.10.4</i>			

## COMPONENT D: OTHER FINANCIAL MATTERS

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### 5.12 SUPPLY CHAIN MANAGEMENT

The municipality is in its second year of implementation of Pastel Evolution which has assisted in the facilitating of procurement such as electronic requisitions and orders. Separate files were opened for each individual contract which contained details of the contractor, evaluation and adjudication reports, payments details etc.

Bids of at least R 100 000 were submitted to Treasury in accordance with SCM regulations.

The evaluation and adjudication of the tenders was done accordingly. When evaluating and adjudicating tenders, HDIs, women, disabled, youth, locality, SMME components etc. were considered without compromising the requirements as per the advertisement.

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### 5.13 GRAP COMPLIANCE

The municipality has to prepare annual financial statements in accordance with GRAP. The annual financial statements for the 2012-2013 year was prepared in accordance with GRAP and were submitted to the Auditor General for audit.



## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

*T 6.0.1*

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

#### 6.1 AUDITOR GENERAL REPORTS YEAR -1 (**PREVIOUS YEAR**) Refer to the attached Audit Report

The municipality received an unqualified audit for the previous financial year. The report was tabled to council together with corrective measures to address the audit findings.

### COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

#### 6.2 AUDITOR GENERAL REPORT YEAR 0

The municipality received an unqualified audit for the previous financial year. The report was tabled to council together with corrective measures to address the audit findings. **Refer to the attached Audit Report**

**UMZUMBE MUNICIPALITY**

**MANAGEMENT REPORT FINDINGS for the year ended 30 June 2013**

**CORRECTIVE ACTION PLANS**

<b>NO</b>	<b>FINDING</b>	<b>CORRECTIVE ACTION</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE MANAGER</b>
1	Acquisition of single service split – procurement process not followed	Each department will review their plans prior to any requests for goods/services in order to check if goods/services need to be procured through tender processes.	28 February 2014	All departments
2	Suppliers in service of the state	The municipality has flagged these suppliers and will not continue to do business with them. In addition, request for quotations documents will have spaces provided for suppliers to declare their interests. The municipality will consider the use of AG or Treasury to vet suppliers.	31 March 2014	Municipal Manager
3	Preferential points system not applied	A documents check list will be developed which will facilitate the submission of BBBEE verification certificates. The calculation of points will be documented. Notify service providers that failure to submit required documents will result in	Immediate	SCM Manager

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBLE MANAGER
		disqualification.		
4	Tax clearance certificate not obtained	A documents check list will be developed which will facilitate the submission of tax clearance certificates. These tax clearance certificates will be checked for validity and be properly filed. Notify service providers that failure to submit required documents will result in disqualification.	Immediate	SCM Manager
5	Municipality transacting with suppliers with whom employees have an interest	The municipality has flagged these suppliers and will not continue to do business with them. In addition, request for quotations documents will have spaces provided for suppliers to declare their interests. The municipality will consider the use of AG or Treasury to vet suppliers.	31 March 2014	Municipal manager
6	Two phased/staged approach of appointment of engineers	The municipality will amend their SCM policy to clearly outline the process for the panel of consulting engineers.	31 March 2014	Municipal manager, CFO & Director: Technical services
7	Targets are not specific	The 2013/14 IDP process will be reviewed and amended to include key performance indicators that fulfill the requirements of the guidelines.	28 February 2014	IDP Manager

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBLE MANAGER
8	Long outstanding receivables	The municipality will follow up with government departments in order to facilitate payment.	31 March 2014	CFO
9	Uncollected receivables	The municipality will consult with lawyers regarding the matter.	28 February 2014	Municipal manager
10	Inaccuracies in depreciation calculation	The accounting policy in the notes to the AFS will be updated and changed to state that the depreciation formula changes whenever any of these parameters (RUL, residual value, impairment) are changed/ adjusted.	Immediate	CFO
11	Fair value of assets	The accounting policy in the notes to the AFS will be updated to indicate that in the absence of an acquisition date, these assets are recognized, fair valued, and added to the fixed asset register on the date that they were identified.	Immediate	CFO
12	Inconsistency between planned and reported information	The corrective measure in this regard would be to ensure that the respective Managers and Directors stick to the targets set out in the SDBIP and thus ensuring consistency and compliance. In cases where targets are reported to have	28 February 2014	IDP Manager

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBLE MANAGER
		been achieved the Portfolio of evidence will need to be provided by the reporting departments. The management will ensure proper monitoring and performance reporting by using the new reporting template provided by the Department of Cooperative Governance and Traditional Affairs, Performance Management System Section.		
13	Non-compliance with CIDB regulations	A compliance checklist in respect of the CIDB regulations will be compiled and monitored for adherence.	28 February 2014	Director: Technical Services
14	Provision for debt impairment: Restated comparative and non-alignment of movement in opening and closing balances	The notes to the AFS will be reviewed and more detailed disclosure will be made to enhance transparency.	30 June 2014	Chief Financial Officer
15	Supplier duplications on database	The supplier database will be reviewed on a consistent basis to ensure that supplier information is accurate and not duplicated. Duplicate suppliers will be blocked in the supplier database.	30 April 2014	SCM Manager
16	Payday system not timeously updated for	All leave will be captured frequently as soon as they are	28 February 2014	Director: Corporate services

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBLE MANAGER
	leave transactions	approved and submitted to Human Resources. Memos that are sent to staff advising them to take leaves will also be sent to their HODs to avoid carelessness. Staff will also be encouraged to read the HR Policy in order to familiarise themselves of what is expected of them regarding leave.		
17	Employee did not submit sick note for more than two days	The number of days of sick leave will be monitored by management. Where more than two days of leave has been taken, management should ensure that a sick note is presented.	Immediate	Director: Corporate services
18	Trade and other payables adjustments	The trade and other payables will be reviewed and the error corrected.	31 December 2013	Manager : Expenditure & Assets

#### MFMA SECTION 71 RESPONSIBILITIES:

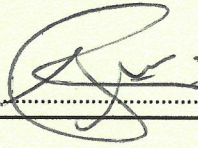
Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. In terms of section 71 of the MFMA, the municipality must by no later than 10 working days after the end of each month submit to the mayor and the relevant treasury monthly budget statements.

The monthly financial reports were prepared timeously and were submitted to the Executive



Committee (Exco) and Treasury as well as other portfolio committees.

Signed (Chief Financial Officer).....



Dated

20/01/2014

T6.2.5

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs.



	Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a

	given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr D K Msomi	PT	LLF/Community Services-ANC	Ward 1	86	14
Cllr C S Ngwabe	PT	Housing-Independent	Ward 2	43	57
Cllr M R Mqadi	PT	Housing-ANC	Ward 3	100	0
Cllr S P Maluleka	PT	Planning-ANC	Ward 4	43	57
Cllr S T Gumede	FT	EXCO/FBCC-ANC	Ward 5	86	14
Cllr S E Radebe	PT	LED-ANC	Ward 6	86	14
Cllr T L Peters	PT	Housing-ANC	Ward 7	43	57
Cllr J P Mntambo	FT	Housing/EXCO-ANC	Ward 8	71	29
Cllr M J Mkhize	PT	MPAC/LED-ANC	Ward 9	86	14
Cllr T M Mbayi	PT	MPAC/LED/Youths-ANC	Ward 10	43	57
Cllr N E Mhlangu	PT	FBCC/Youths-ANC	Ward 11	86	14
Cllr K B M Mbhele	PT	FBCC-ANC	Ward 12	71	29
Cllr S R Cele	PT	LED-ANC	Ward 13	100	0
Cllr M S Mdletshe	PT	Community Services-ANC	Ward 14	100	0
Cllr M P L Zungu	FT	Community Services/EXCO-ANC	Ward 15	100	0
Cllr M Z Luthuli	PT	MPAC/FBCC-ANC	Ward 16	43	57
Cllr P A Hlongwa	PT	Community Services-ANC	Ward 17	86	14
Cllr O J Mbambo	PT	Housing-ANC	Ward 18	100	0
Cllr A E Zindela	PT	Planning-ANC	Ward 19	71	29
Cllr N Y Dlamini	FT	EXCO/LED-ANC	Party represented	71	29

Cllr S R Ngcobo	FT	Ex-Officio Youth/Council-ANC	Party represented	86	14
Cllr N Caluza	PT	Community Services-ANC	Party represented	100	0
Cllr M P Shoji	FT	Planning/EXCO-ANC	Party represented	71	29
Cllr B Sikhosana	PT	Housing-ANC	Party represented	86	14
Cllr T B Mbhele	PT	FBCC-ANC	Party represented	100	0
Cllr C L Shezi	PT	Planning-ANC	Party represented	100	0
Cllr D Z Shoji	PT	Planning-ANC	Party represented	71	29
Cllr L M R Ngcobo	PT	Community Services-DA	Party represented	100	0
Cllr T M Khuzwayo	PT	MPAC-IFP	Party represented	57	43
Cllr B Caluza	PT	Youth/Planning-IFP	Party represented	29	71
Cllr S C Gasa	PT	Housing-NFP	Party represented	71	29
Cllr N B Shoji	PT	LED-NFP	Party represented	86	14
Cllr Y L Duma	FT	FBCC/EXCO-NFP	Party represented	71	29
Cllr M Ndlovu	FT	Youth/Recess Planning/EXCO-NFP	Party represented	71	29
Cllr M Hlongwa	PT	FBCC-NFP	Party represented	71	29
Cllr T S Khuzwayo	PT	Planning-NFP	Party represented	57	43
Cllr S Lushaba	PT	MPAC/LED-NFP	Party represented	100	0
Cllr KS Doncab	Pt	Community Services	PT	57	43
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					<i>T A</i>

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
MPAC	Help Council to hold executive and the municipal administration to account and ensure the efficient and effective use of municipal resources.
Council	
EXCO	<p>Ensures that the municipality;</p> <ul style="list-style-type: none"> <li>• Provides democratic and accountable government for the community of Umzumbe.</li> <li>• Promotes social and economic development</li> <li>• Promotes health and safety environment.</li> <li>• Provides services in a sustainable manner to the community of Umzumbe.</li> <li>• Ensures that administration, budgeting and planning process of the municipality meet the requirements of Section 153 (a) of the Constitutions.</li> <li>• Oversees the execution of national and provincial functions performed by municipality in accordance with funds provided by relevant government.</li> <li>• It comprises of seven Councillors including the Mayor and Deputy Mayor.</li> <li>• It reviews and identifies community needs in order of priority.</li> <li>• Managing the drafting of IDP, Budget and SDBIP and submit to full Council for adoption.</li> <li>• Refers decisions to Council with or without resolutions.</li> </ul>

	<ul style="list-style-type: none"> <li>Evaluate progress against performance indicators.</li> </ul>
Community Services	<p>The object of the Community Services Committee is to assist the Executive committee to promote a healthy environment by:</p> <ul style="list-style-type: none"> <li>Advising on legislation, prevention and enforcement mechanisms, which are within the financial and administrative capacity of the municipality;</li> <li>Overseeing the enforcement of municipal bylaws and other applicable laws by municipal employees and functionaries in order to ensure that municipal employees and functionaries involved in law enforcement are accountable to a democratically elected body;</li> <li>Overseeing certain municipal services, including health, cultural, cleansing and maintenance services; and</li> <li>To pay attention to educational and welfare services in general as they apply to the entire municipality.</li> </ul>
Development Planning	<p><b>Objectives</b></p> <ul style="list-style-type: none"> <li>Encourage the involvement of the entire municipal community, its bodies; stakeholders and institutions in matter of local government.</li> <li>Participate in National and Provincial programmes</li> <li>Promote the implementation of Integrated Development Plan (IDP)</li> <li>Consider reports to EXCO for preparations of Land Use Management Plan, subdivisions of land; PMS etc.</li> <li>Planning Committee may consider all matters of a policy nature.</li> </ul>
Human Settlements	

LED & Infrastructure	<ul style="list-style-type: none"> <li>• Promotes the implementation of LED and IDP.</li> <li>• Assists in providing funding for local business services centers.</li> <li>• Promotes local economic development programmes.</li> <li>• Oversees rendering of services in historically disadvantaged areas.</li> <li>• Consults with traditional Leaders on matters of the economic development.</li> <li>• Report to EXCO.</li> <li>• Consist of seven members.</li> </ul>
FBCC	<ul style="list-style-type: none"> <li>• Has two departments reporting to it i.e. Finance and Corporate Services.</li> <li>• Administers the capital and operational budget of the municipality.</li> <li>• Advises the EXCO on all legislation relating to billing, rating and taxation; insurance, banking and investments; grants in aid etc.</li> <li>• Oversees Financial Statements, general financial reporting;</li> <li>• Advises EXCO on obtaining proper legal services for the municipality; acquisition and provision of municipal office; implementation and maintenance of an approved maintenance system.</li> <li>• Comprises of seven members.</li> </ul>
Youth Development	
LLF	
	<i>T B</i>

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager's Office	Ms N.C. Mgijima
Financial Services	Mr K. Audan
Corporate Services	Mr B.G. Nyuswa
Technical Services	Mr S.S. Phakathi
Social and Economic Development	Mr P.T. Cele
<i>Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).</i>	
T C	



## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	No (District Function)	
Building regulations	Yes	
Child care facilities	Yes	
Electricity and gas reticulation	No (ESKOM Function)	
Firefighting services	Yes (Shared Services)	
Local tourism	Yes (Shared Services)	
Municipal airports	No (District Function)	
Municipal planning	Yes	
Municipal health services	No	
Municipal public transport	No (District Function)	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes	
Stormwater management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No (District Function)	
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	Yes	
Fencing and fences	Yes	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	Yes	

Local amenities	Yes	
Local sport facilities	Yes	
Markets	Yes (Shared Services)	
Municipal abattoirs	Yes (Shared Services)	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	No	
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes (Shared Services)	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
<b>* If municipality: indicate (yes or No); * If entity: Provide name of entity</b>		<b>T D</b>

## APPENDIX E – WARD REPORTING

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members		Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
<b>1</b>	<b>CLlr D K Msomi</b>		<b>yes</b>	<b>10</b>		<b>Nil</b>
	Bongekile	Dlamini				
	Cele	Pretty				
	Ngwazi	Joshua				
	Fano	Shazi				
	Ngcobo	Nomvume				
	Cele	Squnga				
	Zamisa	Melzina				
	Zondo	Mthethi				
	Mkhungo	Sindiswa				
	Khwela	Gladys				
<b>2</b>	<b>CLlr C S Ngwabe</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>

	Cele	Sabelo				
	Lushaba	Nomusa				
	Ngwabe	Nomcebo				
	Shabane	Mndeni				
	Dlamini	Robert				<i>T E</i>
	Lukhozi	Stanford				
	Shabane	Maswazi				
	Faya	Nobuhle				
	Proffessor	Ngwazi				
	Madlala	Mandisa				
3	Cllr M R Mqadi		yes	10	10	Nil
	Mncibi	Ayanda				
	Mthembu	Buyisile				
	Dlamini	Sipho				
	Mzelemu	Nobesuthu				
	Dlamini	Ephraim				
	Cele	Mandla				
	Ngwabe	Rosalia				
	Makhoba	Nozipho				
	Mthembu	Mzwakhe				
	Dlungwana	Mzomuhle				
4	Cllr S P Maluleka		yes	10	10	Nil
	Dlamini	Moses				
	Nxumalo	Proffessor				
	Msomi	Nonkazimulo				
	Ndlovu	Samuel				
	Caluza	Alphios				
	Phungula	Nomusa				
	Ngubane	Patric				
	Lushaba	Petros				
	Mchunu	Noxolo				
	Dlamini	Mthunzi				
5	Cllr S T Gumede		yes	10	10	Nil
	Mthethwa	Nonhlanhla				
	Malunga	Khonziwe				
	Cele	Zandile				
	Mdabe	Mduduzi				
	Nzama	Busisiwe				

	Khomo	Ntombizodwa				
	Gasa	Gerald				
	Mbhele	Thembisile				
	Mhlongo	Thulisile				
	Hlongwa	Dakaza				
6	Cllr S E Radebe		yes	10	10	Nil
	Mboma	William				
	Shezi	Zwelonke				
	Mncibi	Nokuthula				
	Dlamini	Mathi				
	Mbhele	Nqobile				
	Mthimkhulu	Sandile				
	Mteshane	Nqobile				
	Mhlungu	Zibonele				
	Mbhele	Sandile				
	Gumbi	Zandile				
7	Cllr T L Peters		yes	10	10	Nil
	Ngcobo	Nokubonga				
	Nzama	Sfiso				
	Gamede	Phumzile				
	Mbheleni	Mthembeni				
	Dlamini	Philisiwe				
	Mkhwanazi	Nofading				
	Hlongwa	Sizwe				
	Mntambo	Bongani				
	Mntambo	Nompumelo				
	Sbiya	Thule				
8	Cllr P Mntambo		yes	10	10	Nil
	Luthuli	Zethu				
	Dlamini	Thulisile				
	Mkhize	Phumzile				
	Cele	Sphiwe				
	Shezi	Stephan				
	Biyase	Mandlenkosi				
	Dingila	Makhosazana				
	Qumbisa	Phindile				
	Ngcobo	Bhekinkosi				
	Chamane	Bhekanzama				
9	Cllr M J Mkhize		yes	10	10	Nil

	Gumede	Zola				
	Mjwara	Lindiwe				
	Mkhize	Bheko				
	Mchunu	Fikile				
	Hlongwane	Qobizitha				
	Mnganga	Sandile				
	Dlamini	Lucia				
	Cele	Lungisani				
	Mbumbe	Mkhipheni				
10	Cllr T M Mbayi		yes	10	10	Nil
	Makhanya	Bongiwe				
	Gasa	Tholakele				
	Phewa	Thembani				
	Dlamini	Bandlalakhe				
	Cele	Zethu				
	Blankenberg	Terry				
	Makhathini	Dudu				
	Dlamini	Joice				
	Khomo	Philip				
	Nzimande	Msawenkosi				
11	Cllr N E Mhlangu		yes	10	10	Nil
	Khumalo	Zamani				
	Mkhize	Thumani				
	Zama	Sandile				
	Gumede	Thobeleni				
	Gumede	Mduduzi				
	Shozi	Thobisile				
	Ndlovu	Ntombifuthi				
	Gumede	Dolly				
	Duma	Ayanda				
	Nyuswa	Thandazile				
12	Cllr K B M Mbhele		yes	10	10	Nil
	Mnguni	Petros				
	Mthimkhulu	Fisani				
	Mtolo	Mavis				
	Khumalo	Bonosiwe				
	Doyisa	Japhet				
	Shozi	Nomathemba				

	Ngidi	Bhekizwe				
	Sawoni	Celiwe				
	Shazi	Sphelele				
	Mnguni	Isaac				
13	Cllr S R Cele		yes	10	10	Nil
	Ngcobo	Gugu				
	Khawula	Bonakele				
	Nyele	Hezekia				
	Nyuswa	Nkosinathi				
	Nyuswa	Bongiwe				
	Duma	Dumsani				
	Mkhungo	Philisile				
	Mnguni	Phumlile				
	Chili	Mthobisi				
14	Cllr M S Mdletshe		yes	10	10	Nil
	Shozi	Clementia				
	Shinga	Beauty				
	Doncabe	Philisiwe				
	Gumede	Johana				
	Maluleka	Wilson				
	Shinga	Sebenzile				
	Nzimande	Sbonelo				
	Gumede	Syabonga				
	Mqadi	Babilo				
	Madlala	Zandile				
15	Cllr M P L Zungu		yes	10	10	Nil
	Khawula	Thoko				
	Shezi	Ntombikhona				
	Mbayi	Sibusiso				
	Shabane	Robert				
	Gambushe	Bhoyi				
	Msani	Sindi				
	Gumede	Khanyisile				
	Shabane	Agnes				
	Ngcece	Shadrack				
	Cele	Siyakhula				

16	Cllr M Z Luthuli		yes	10	10	Nil
	Gumede	Nomusa				
	Mhlongo	Sindi				
	Lindiwe	Khumalo				
	Ngcobo	Bongani				
	Shozi	Bhekuyise				
	Zwane	Sbongile				
	Khuluse	Nontokozo				
	Mlita	Bheki				
	Msimango	Duduzile				
	Khambule	Dudu				
17	Cllr P A Hlongwa		yes	10	10	Nil
	Vumeleni	Shazi				
	Hlongwane	Philisiwe				
	Malunga	Nonhlanhla				
	Sengane	Bheki				
	Mkhize	Richard				
	Myende	Lindiwe				
	Mkhungo	Naledi				
	Habile	Phumzile				
	Radebe	Vashwana				
	Khwela	Winnie				
18	Cllr O J Mbambo		yes	10	10	Nil
	Dlamini	Thulani				
	Zamisa	Thulani				
	Nxumalo	Bhekani				
	Msomi	Duduzile				
	Luthuli	Daphney				
	Hadebe	Thandazile				
	Mchunu	Philani				
	Nyawo	Thozza				
	Luthuli	Xolisile				
	Msomi	Albert				
19	Cllr A E Zindela		yes	10	10	Nil
	Chiliza	Gesi				

	Mlotshwa	Sakhephi				
	Jeza	Robert				
	Nzama	Nhlanhla				
	Mkhize	Ntokozo				
	Xulu	Bonginkosi				
	Duma	Nonhlanhla				
	Khomo	Doris				
	Jeza	Thuthukani				
	Mkhize	Amos				

#### APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
23 August 2012	See the attached minutes	Yes
20 December 2012	See the attached minutes	Yes
20 February 2013	See the attached minutes	Yes
20 June 2013	See the attached minutes	Yes
T G		





**Annual Financial Statements  
for the year ended 30 June 2013**

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## General Information

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<b>Legal form of entity</b>	Municipality
<b>Nature of business and principal activities</b>	Providing services to the community of Umzumbe
<b>Executive Committee</b>	Councillor Gumede ST (Mayor) Councillor Dlamini NY (Deputy Mayor) Councillor Ngcobo (Speaker) Councillor Mntambo JP (Exco Member) Councillor Zungu MPL (Exco Member) Councillor Shozi MP (Exco Member) Councillor Duma YL (Exco Member) Councillor Ndlovu M (Exco Member)
<b>Councillors</b>	Councillor Gwabe CS Councillor Mqadi MR Councillor Maluleka SP Councillor Radebe SP Councillor Peters TL Councillor Mkhize MJ Councillor Mbayi TM Councillor Mhlangu NE Councillor Mbhele KBM Councillor Cele SR Councillor Mdletshe MS Councillor Luthuli MZ Councillor Hlongwa PA Councillor Mbambo OJ Councillor Zindela AE Councillor Caluza N Councillor Mbhele BI Councillor Shezi CL Councillor Z Shozi Councillor LMR Ngcobo Councillor Khuzwayo M Councillor Caluza B Councillor Doncabe KS Councillor Gasas SC Councillor Shozi NB Councillor M Hlongwa Councillor Khuzwayo T Councillor Lushaba S Councillor Msomi DK Councillor Sikhosana B
<b>Accounting Officer</b>	Ms NC Mgijima
<b>Registered office</b>	Sipofu Road Mathulini Tribal Authority 4220

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## General Information

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<b>Business address</b>	Sipofu Road Mathulini Tribal Authority 4220
<b>Postal address</b>	P.O. Box 561 Hibberdene 4220
<b>Bankers</b>	ABSA Bank Limited
<b>Auditors</b>	Auditor General South Africa

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Index

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The reports and statements set out below comprise the annual financial statements presented to the Council:

<b>Index</b>	<b>Page</b>
Accounting Officer's Responsibilities and Approval	4
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Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9 - 10
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Notes to the Annual Financial Statements	20 - 42

### Abbreviations

SDL	Skills Development Levy
GRAP	Generally Recognised Accounting Practice
GIS	Geographical Information Systems
COGTA	Department of Cooperative Governance and Traditional Affairs
IAS	International Accounting Standards
DORA	Division of Revenue Act
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
UIF	Unemployment Insurance Fund
PAYE	Pay As You Earn
MSIG	Municipal Systems Improvement Grant

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Accounting Officer's Responsibilities and Approval

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that she is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2014 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is substantially dependent on the grant allocations through the Division of revenue act (Dora) for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the Umzumbe Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the Accounting Officer is primarily responsible for the financial affairs of the municipality, she is supported by the municipality's Chief Financial Officer.

The annual financial statements set out on pages 5 to 42, which have been prepared on the going concern basis, were approved by the accounting officer on 30 August 2013 and were signed on its behalf by the accounting officer:

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 18 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.



Ms NG Mgijima  
Municipal Manager

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Statement of Financial Position as at 30 June 2013

Figures in Rand	Note(s)	2013	Restated 2012
<b>Assets</b>			
<b>Current Assets</b>			
Receivables from exchange transactions	4	92 204	244 609
VAT Receivable	5	1 726 951	120 618
Trade and other receivables from non exchange transactions	6	1 247 342	648 815
Cash and Cash Equivalents	7	77 557 478	51 423 832
		<b>80 623 975</b>	<b>52 437 874</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	165 619 824	125 972 084
Intangible Assets	3	101 466	94 744
		<b>165 721 290</b>	<b>126 066 828</b>
<b>Total Assets</b>		<b>246 345 265</b>	<b>178 504 702</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Operating lease liability	10	1 565	-
Trade and Other Payables	11	8 650 912	5 320 399
Unspent Conditional Grants and Receipts	8	12 123 525	13 147 101
Provisions	9	2 535 616	1 894 556
		<b>23 311 618</b>	<b>20 362 056</b>
<b>Total Liabilities</b>		<b>23 311 618</b>	<b>20 362 056</b>
<b>Net Assets</b>		<b>223 033 647</b>	<b>158 142 646</b>
<b>Net Assets</b>			
Accumulated Surplus		223 033 647	158 142 646

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Statement of Financial Performance

Figures in Rand	Note(s)	2013	Restated 2012
<b>Revenue</b>			
Other income	15	700 706	900 983
Interest received - investment	14	3 465 211	1 893 608
Property rates	12	3 100 795	2 359 115
Government grants & subsidies	13	133 780 733	92 595 949
<b>Total revenue</b>		<b>141 047 445</b>	<b>97 749 655</b>
<b>Expenditure</b>			
Employee Related Costs	17	22 381 185	18 949 799
Remuneration of Councillors	18	10 827 765	9 079 546
Depreciation Amortisation and Impairment	20	8 428 887	7 958 767
Debt Impairment	19	277 655	254 718
Repairs and Maintenance		807 649	1 083 048
Community Participation		1 056 920	1 539 892
General Expenses	16	30 869 577	26 369 319
<b>Total expenditure</b>		<b>74 649 638</b>	<b>65 235 089</b>
<b>Operating surplus</b>		<b>66 397 807</b>	<b>32 514 566</b>
Loss on Disposal of Assets		(265 867)	(85 481)
<b>Surplus for the year</b>		<b>66 131 940</b>	<b>32 429 085</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Statement of Changes in Net Assets

Figures in Rand	Accumulated Surplus	Total net assets
<b>Balance at 01 July 2011</b>	<b>129 154 875</b>	<b>129 154 875</b>
Changes in net assets		
Surplus for the year	32 429 085	32 429 085
Prior year adjustment	(3 441 314)	(3 441 314)
Total changes	28 987 771	28 987 771
<b>Balance at 01 July 2012 restated</b>	<b>158 142 646</b>	<b>158 142 646</b>
Changes in net assets		
Surplus for the year	66 131 940	66 131 940
Correction of prior year errors	(1 240 939)	(1 240 939)
Total changes	64 891 001	64 891 001
<b>Balance at 30 June 2013</b>	<b>223 033 647</b>	<b>223 033 647</b>



# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Cash Flow Statement

Figures in Rand	Note(s)	2013	Restated 2012
<b>Cash Flows From Operating Activities</b>			
<b>Receipts</b>			
Government grants and subsidies		133 735 000	104 309 997
Receipts from customers		2 716 108	2 828 337
Interest Income		3 465 211	1 893 608
		<u>139 916 319</u>	<u>109 031 942</u>
<b>Payments</b>			
Cash Paid to Suppliers and Employees		(65 495 965)	(55 654 807)
<b>Net Cash Flows From Operating Activities</b>	22	<u><b>74 420 354</b></u>	<u><b>53 377 135</b></u>
<b>Cash Flows From Investing Activities</b>			
Purchase of Property, Plant and Equipment	2	(48 390 423)	(17 553 346)
Purchase of other intangible assets	3	(42 334)	(17 474)
Proceeds from sale of assets		146 049	-
<b>Net Cash Flows From Investing Activities</b>		<u><b>(48 286 708)</b></u>	<u><b>(17 570 820)</b></u>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>		<b>26 133 646</b>	<b>35 806 315</b>
Cash and Cash Equivalents at the Beginning of the Year		<u>51 423 832</u>	<u>15 617 517</u>
<b>Cash and Cash Equivalents at the End of the Year</b>	7	<u><b>77 557 478</b></u>	<u><b>51 423 832</b></u>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

### Statement of Financial Performance

#### Revenue

##### Revenue by source

Property rates	2 842 921	-	<b>2 842 921</b>	3 100 795	<b>257 874</b>
Interest earned - external investment	1 000 000	-	<b>1 000 000</b>	3 465 211	<b>2 465 211</b>
Government grants and subsidies	125 535 000	10 270 348	<b>135 805 348</b>	133 780 733	<b>(2 024 615)</b>
Other own revenue	90 000	-	<b>90 000</b>	700 706	<b>610 706</b>
<b>Total Revenue</b>	<b>129 467 921</b>	<b>10 270 348</b>	<b>139 738 269</b>	<b>141 047 445</b>	<b>1 309 176</b>

##### Expenditure by type

Employee related cost	(36 103 830)	-	<b>(36 103 830)</b>	(33 208 950)	<b>2 894 880</b>
Repairs and maintenance, depreciation and debt impairment	(12 165 000)	(15 000)	<b>(12 180 000)</b>	(9 780 058)	<b>2 399 942</b>
Community participation	(900 000)	(150 000)	<b>(1 050 000)</b>	(1 056 920)	<b>(6 920)</b>
General expenses	(36 680 091)	(290 000)	<b>(36 970 091)</b>	(30 869 577)	<b>6 100 514</b>
<b>Total expenditure</b>	<b>(85 848 921)</b>	<b>(455 000)</b>	<b>(86 303 921)</b>	<b>(74 915 505)</b>	<b>11 388 416</b>
<b>Suplus /(Deficit)</b>	<b>43 619 000</b>	<b>9 815 348</b>	<b>53 434 348</b>	<b>66 131 940</b>	<b>12 697 592</b>
CAPITAL	-	-	-	-	-
Capital expenditure	42 709 000	10 725 348	<b>53 434 348</b>	51 988 207	<b>1 446 141</b>
	-	-	-	-	-

## Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

#### Cash Flow Statement

Net cash from (used) operating	85 848 921	455 000	<b>86 303 921</b>	74 420 354	<b>11 883 567</b>
Net cash from (used) investing	42 709 000	10 725 348	<b>53 434 348</b>	(48 286 708)	<b>5 147 640</b>
Cash/cash equivalents at the year begin:	-	-	-	51 423 832	-
<b>Cash and cash equivalents at the end of the year</b>	<b>128 557 921</b>	<b>11 180 348</b>	<b>139 738 269</b>	<b>77 557 478</b>	<b>62 180 791</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below:

GRAP - 1 Presentation of Financial Statements

GRAP - 2 Cashflow Statements

GRAP - 3 Accounting Policies, Changes in Accounting Estimates and Errors

GRAP - 9 Revenue from Exchange Transactions

GRAP - 13 Leases

GRAP - 17 Property Plant and Equipment

GRAP - 19 Provisions, Contingent Liabilities and Contingent Assets

GRAP - 26 Impairment of Cash Generating Assets

GRAP - 31 Intangible Assets

GRAP - 14 Events after the reporting date

GRAP - 24 Presentation of Budget Information in Financial Statements

GRAP - 23 Revenue from Non-exchange Transactions

GRAP - 25 Employee Benefits

GRAP - 104 Financial Instruments

#### **The following GRAP standards have been issued but are not yet effective**

At the date of authorisation of these Annual Financial Statements, the following standards and interpretations were in issue but not yet effective and have not been early adopted by the municipality:

GRAP 18 - Segment Reporting

GRAP 105 - Transfer of functions between entities under common control

GRAP 106 - Transfer of functions between entities not under common control

GRAP 107 - Mergers

GRAP 20 - Related party disclosures

### 1.1 Property, Plant and Equipment

Property, Plant and Equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, Plant and Equipment is initially measured at cost.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.1 Property, Plant and Equipment (continued)

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, Plant and Equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life (Years)
• Dwellings	5-30
• Electricity	3-80
• Non Residential Dwellings	10-30
• Solid Waste Disposal	5-55
• Roads	3-100
• Furniture and Office Equipment	3-10
• Transport Assets	4-20
• Computer Equipment	5-10
• Machinery and Equipment	2-20

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The depreciation formula changes when any of these parameters (Remaining useful life, Residual value, impairment) are changed or adjusted.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Accounting Policies

---

### 1.1 Property, Plant and Equipment (continued)

Items of municipality are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### 1.2 Intangible Assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible Assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible Assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life (Years)
Computer Software	3-5

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.3 Financial Instruments

#### Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

#### Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

#### Bank Overdraft and Borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

#### Receivables from non exchange transactions

Trade receivables from non-exchange transactions are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Where the initial credit period granted is not in line with practices or legislation in the public sector, the effect of discounting is considered if it is material.

### 1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

#### Finance leases - lessee

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.4 Leases (continued)

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Income for leases is disclosed under revenue in statement of financial performance.

#### Operating Leases - Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

### 1.5 Employee Benefits

#### Short-Term Employee Benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined Contribution Plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

The Municipality's employees are members of the Kwazulu - Natal Joint Municipal Pension Fund (a State and Multi Employer Defined Benefit Plan) and Kwazulu Natal Joint Provident Fund (a State and Multi Employer Defined Contribution Plan). Along with other Municipalities in the province of Kwazulu Natal, uMzumbe participates in a multi employer defined plan. As the plan exposes the participating entities to actuarial risks associated with the current and former employees of other municipalities participating in the plan there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual municipalities participating in the plan. uMzumbe therefore accounts for the plan as if it were defined contribution plan.

#### Pension, Provident, Retirement Benefits and Group Life Scheme



# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.5 Employee Benefits (continued)

The municipality provides retirement benefits for its employees in the form of both defined benefit and defined contribution plans. The municipality is no longer providing retirement benefits for the Councillors as they are now getting a total cost to company package.

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement. A defined contribution plan is a plan under which the municipality pays a fixed contribution into a separate entity. The municipality has no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior period.

The contributions to fund obligations for the payment of retirement benefits are charged against the 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 recognized as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.6 Provisions and Contingencies

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Contingent assets and contingent liabilities are not recognised but disclosed as a note in the financial statements.

### 1.7 Revenue

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from unconditional grants are recognised immediately upon receipt.

Revenue from tender sales is recognised when the bidders have actually bought the tender documents and cash has been received.

#### Rates

Revenue from rates is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

#### Conditional Grants and Receipts

Conditional grants, donations and funding are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If grants are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.8 Comparative Figures

Where materially necessary, comparative figures have been reclassified and restated to conform to changes in presentation in the current year.

### 1.9 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.10 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.11 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 economic entity's supply chain management policy. 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.

### 1.12 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

### 1.13 Presentation of currency

These annual financial statements are presented in South African Rand.

### 1.14 Offsetting

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

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the municipality has a legal right to set off amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 1.15 Related parties

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.16 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

### 1.17 Value Added Tax (VAT)

The municipality accounts for Value Added Tax on the cash basis with respect to the South African Revenue Service

The municipality accounts for VAT on the cash basis. The municipality is liable to account for VAT at the standard rate (14%) in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or are scoped out for VAT purposes. The municipality accounts for VAT on a monthly basis.

### 1.18 Commitments

Commitments may be referred to as the intention to commit to an outflow from the municipality of resources embodying economic benefits.

Generally, a commitment arises when a decision is made to incur a liability in the form of a purchase contract (or similar documentation). Such a contractual commitment would be accompanied by, but not limited to, actions taken to determine the amount of the eventual resource outflow or a reliable estimate e.g. a quote, and conditions to be satisfied to establish an obligation e.g. delivery schedules. These preconditions ensure that the information relating to commitments is relevant and capable of reliable measurement.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand

2013

Restated 2012

### 2. Property, Plant and Equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Solid Waste Disposal	234 044	(16 537)	217 507	37 794	(6 597)	31 197
Dwellings	806 776	(218 687)	588 089	431 776	(149 209)	282 567
Computer Equipment	1 583 748	(947 912)	635 836	1 416 030	(876 933)	539 097
Furniture & Office Equipment	2 547 360	(1 585 379)	961 981	2 404 264	(1 365 252)	1 039 012
Non Residential Dwellings	51 111 707	(12 288 868)	38 822 839	48 533 401	(10 657 369)	37 876 032
Transport Assets	3 351 331	(942 004)	2 409 327	3 462 679	(914 977)	2 547 702
Machinery & Equipment	5 774 997	(1 673 436)	4 101 561	3 175 427	(1 489 883)	1 685 544
Roads	84 083 644	(17 282 797)	66 800 847	69 555 742	(11 653 951)	57 901 791
Assets under construction	51 081 837	-	51 081 837	24 069 142	-	24 069 142
<b>Total</b>	<b>200 575 444</b>	<b>(34 955 620)</b>	<b>165 619 824</b>	<b>153 086 255</b>	<b>(27 114 171)</b>	<b>125 972 084</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand

### 2. Property, Plant and Equipment (continued)

#### Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Fair value adjustments	Donated	Transfers	Depreciation	Impairment loss	Total
Solid Waste Disposal	31 197	197 750	(1 420)	-	-	-	(10 020)	-	217 507
Dwellings	282 567	375 000	-	-	-	-	(69 478)	-	588 089
Computer Equipment	539 097	339 825	(69 573)	27 180	-	-	(182 826)	(17 867)	635 836
Assets Under Construction	24 069 142	44 047 083	-	-	-	(17 034 388)	-	-	51 081 837
Furniture & Office Equipment	1 039 012	236 894	(33 424)	355	-	-	(280 367)	(489)	961 981
Non Residential Dwellings	37 876 032	-	-	-	-	2 578 306	(1 570 320)	(61 179)	38 822 839
Transport Assets	2 547 702	556 578	(303 520)	-	-	-	(391 433)	-	2 409 327
Machinery Equipment	1 685 544	2 556 442	(162)	2 459	41 545	-	(184 267)	-	4 101 561
Roads	57 901 791	71 820	-	-	-	14 456 082	(5 628 846)	-	66 800 847
	<b>125 972 084</b>	<b>48 381 392</b>	<b>(408 099)</b>	<b>29 994</b>	<b>41 545</b>	<b>-</b>	<b>(8 317 557)</b>	<b>(79 535)</b>	<b>165 619 824</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand

### 2. Property, Plant and Equipment (continued)

#### Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Disposals	Transfers	Fair value adjustments	Disposal Accumulated Depreciation	Depreciation	Impairment loss	Total
Solid Waste Disposal	32 902	-	-	-	-	-	(1 705)	-	31 197
Dwellings	325 833	-	-	-	-	-	(43 266)	-	282 567
Computer Equipment	631 880	168 999	(42 948)	-	747	-	(196 803)	(22 778)	539 097
Assets Under construction	8 643 342	19 641 048	-	(4 215 248)	-	-	-	-	24 069 142
Furniture & Office Equipment	1 085 504	243 176	(19 352)	-	-	-	(266 232)	(4 084)	1 039 012
Non Residential Dwellings	39 473 786	-	-	82 488	-	-	(1 663 000)	(17 242)	37 876 032
Transport Assets	1 970 940	877 237	(6 416)	-	-	1 468	(295 527)	-	2 547 702
Machinery Equipment	1 906 989	-	(6 397)	-	-	4 600	(217 819)	(1 829)	1 685 544
Roads	58 860 242	96 161	-	4 132 760	-	-	(5 178 442)	(8 930)	57 901 791
	<b>112 931 418</b>	<b>21 026 621</b>	<b>(75 113)</b>	<b>-</b>	<b>747</b>	<b>6 068</b>	<b>(7 862 794)</b>	<b>(54 863)</b>	<b>125 972 084</b>

#### Impairment of assets

Impairment of the assets above are as a result of a conditional assessment performed during the physical verification of assets exercise.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand 2013 Restated 2012

### 3. Intangible Assets

	2013			2012		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	242 550	(141 084)	101 466	204 033	(109 289)	94 744

#### Reconciliation of intangible assets - 2013

	Opening balance	Additions	Net Disposal	Amortisation	Total
Computer software, other	94 744	42 334	(3 817)	(31 795)	101 466

#### Reconciliation of intangible assets - 2012

	Opening balance	Additions	Net Disposal	Amortisation	Total
Computer software, other	134 817	17 474	(16 437)	(41 110)	94 744



# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
<b>4. Receivables from exchange transactions</b>		
Sundry debtors	71 366	231 580
Interest	20 838	13 029
Rei Management	2 379 003	2 379 003
Rei Management (Provision for Bad debts)	(2 379 003)	(2 379 003)
	<b>92 204</b>	<b>244 609</b>
<b>5. VAT receivable</b>		
Value Added Tax (VAT)	1 726 951	120 618
The municipality is predominantly funded by Government Grants which are zero rated. Therefore VAT input has been claimed which has not been received as yet.		
<b>6. Trade and other receivables from non exchange transactions</b>		
<b>Gross balances</b>		
Rates	2 191 607	1 264 429
<b>Less: Allowance for impairment</b>		
Rates	(944 265)	(615 614)
<b>Net balance</b>		
Rates	1 247 342	648 815
<b>Rates</b>		
121 - 365 days	1 247 343	648 815
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(615 614)	(282 417)
Contributions to provision	(277 655)	(254 718)
Fair valuing of debtors	(50 996)	(78 479)
	<b>(944 265)</b>	<b>(615 614)</b>

Debtors have been fair valued as the initial credit period was not consistent with the terms used in the public sector.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand 2013 Restated 2012

### 7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Cash on hand	128	1 264
Bank balances	67 991 284	41 853 142
Short-term deposits	9 566 066	9 569 426
	<b>77 557 478</b>	<b>51 423 832</b>

The short-term deposits refer to investments held in First National Bank Ltd in Port Shepstone.

### The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
ABSA BANK LTD - Port Shepstone - 40-7276-2850	67 513 375	41 200 689	67 359 361	41 138 958
ABSA Housing Account - Port Shepstone - 40-7278-0715	512 878	598 710	512 877	598 710
ABSA MIG Account - Port Shepstone 40 - 7277-6506	119 046	115 474	119 046	115 474
FNB - Money market account	3 882 380	3 882 380	3 882 380	3 885 740
FNB 32 day fixed deposit account	5 683 686	5 683 686	5 683 686	5 683 686
<b>Total</b>	<b>77 711 365</b>	<b>51 480 939</b>	<b>77 557 350</b>	<b>51 422 568</b>

### 8. Unspent Conditional Grants and Receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

Project Consolidate	99 885	99 885
Municipal infrastructure grant	-	10 270 348
GIS grant	7 985	36 340
Low cost housing grant	512 913	598 746
Internal Auditor	-	141 782
KZN Pounds Act	-	1 000 000
Ntelezi Msane	1 000 000	1 000 000
Disaster Management Grant	7 428 965	-
KZN Sports	114 050	-
National Electrification	2 959 727	-
	<b>12 123 525</b>	<b>13 147 101</b>

#### Movement during the year

Balance at the beginning of the year	13 147 101	1 445 624
Adjustment to opening balance	-	(12 573)
Additions during the year	47 580 156	28 111 997
Income recognition during the year	(48 603 732)	(16 397 947)
	<b>12 123 525</b>	<b>13 147 101</b>

See Note13 for reconciliation of grants from National/Provincial Government.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
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### 9. Provisions

#### Reconciliation of provisions - 2013

	Opening Balance	Additions	Utilised during the year	Total
Leave pay	1 894 556	901 510	(260 450)	2 535 616

#### Reconciliation of provisions - 2012

	Opening Balance	Additions	Utilised during the year	Total
Leave pay	1 306 192	816 172	(227 808)	1 894 556

### 10. Operating lease asset (liability)

Current assets	-	-
Current liabilities	(1 565)	-
	<b>(1 565)</b>	<b>-</b>

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

#### Minimum Lease Payments due

-within one year	69 007	-
-in second to fifth year inclusive	126 513	-
	<b>195 520</b>	<b>-</b>

### 11. Trade and Other Payables

Trade payables	2 916 678	1 482 003
Other payables	110 325	365 686
Rental Deposits	20 000	20 000
Retention	5 603 909	3 452 710
	<b>8 650 912</b>	<b>5 320 399</b>

### 12. Property rates

#### Rates received

Property Rates billed	3 100 795	2 359 115
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# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
<b>13. Government grants and subsidies</b>		
Equitable share	86 177 000	76 198 000
MIG	40 178 348	13 661 004
MSIG	800 000	948 002
Low Cost Housing Grant	107 990	145 725
Financial Management Grant	1 500 000	1 500 000
Internal Audit	141 782	143 218
Disaster Management Grant	771 035	-
Intergrated National Electrification Programme	4 040 273	-
GIS Grant	28 355	-
KZN Sports Grant	35 950	-
	<b>133 780 733</b>	<b>92 595 949</b>
<b>Project Consolidate</b>		
Balance unspent at beginning of year	99 885	74 951
	-	24 934
	<b>99 885</b>	<b>99 885</b>
<b>Municipal Systems Improvement Grant</b>		
Balance unspent at beginning of year	-	158 002
Current-year receipts	800 000	790 000
Conditions met - transferred to revenue	(800 000)	(948 002)
	-	-
<b>Municipal Infrastructure Grant</b>		
Balance unspent at beginning of year	10 270 348	(723 648)
Current-year receipts	29 908 000	24 655 000
Conditions met - transferred to revenue	(40 178 348)	(13 661 004)
	-	<b>10 270 348</b>
<b>GIS Grant</b>		
Balance unspent at beginning of year	36 340	73 846
Opening balance correction	-	(37 506)
Conditions met - transferred to revenue	(28 355)	-
	<b>7 985</b>	<b>36 340</b>
<b>Low Cost Housing Grant</b>		
Balance unspent at beginning of year	598 746	577 473
Current-year receipts	-	166 997
Interest received	22 157	-
Conditions met - transferred to revenue	(107 990)	(145 724)
	<b>512 913</b>	<b>598 746</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
<b>13. Government grants and subsidies (continued)</b>		
<b>Internal Auditor Grant</b>		
Balance unspent at beginning of year	141 782	285 000
Conditions met - transferred to revenue	(141 782)	(143 218)
	<b>-</b>	<b>141 782</b>
<b>KZN Pounds Act Grant</b>		
Balance unspent at beginning of year	1 000 000	1 000 000
Transferred back to COGTA	(1 000 000)	-
	<b>-</b>	<b>1 000 000</b>
<b>Ntelezi Msane Grant</b>		
Balance unspent at beginning of year	1 000 000	-
Current-year receipts	-	1 000 000
	<b>1 000 000</b>	<b>1 000 000</b>
<b>Financial Management Grant</b>		
Current-year receipts	1 500 000	1 500 000
Conditions met - transferred to revenue	(1 500 000)	(1 500 000)
	<b>-</b>	<b>-</b>
<b>Disaster Management Grant</b>		
Current-year receipts	8 200 000	-
Conditions met - transferred to revenue	(771 035)	-
	<b>7 428 965</b>	<b>-</b>
Conditions still to be met - remain liabilities (see note 8)		
<b>KZN Sports</b>		
Current-year receipts	150 000	-
Conditions met - transferred to revenue	(35 950)	-
	<b>114 050</b>	<b>-</b>
Conditions still to be met - remain liabilities (see note 8).		
<b>National Electrification Grant</b>		
Current-year receipts	7 000 000	-
Conditions met - transferred to revenue	(4 040 273)	-
	<b>2 959 727</b>	<b>-</b>
Conditions still to be met - remain liabilities (see note 8).		
<b>14. Investment revenue</b>		
<b>Interest revenue</b>		
Interest Received on Investments	3 465 211	1 893 608

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
<b>15. Other income</b>		
Rental Income	38 772	108 772
Tender Income	106 842	62 500
Miscellaneous income	555 092	729 711
	<b>700 706</b>	<b>900 983</b>
<b>16. General expenses</b>		
Advertising	474 811	357 480
Auditors remuneration	847 218	701 528
Bank charges	92 394	85 276
Consulting and professional fees	1 844 207	1 444 076
Consumables	146 255	109 329
Functions and refreshments	193 781	154 004
Insurance	324 821	307 954
Bursaries	445 321	459 323
Conferences and seminars	118 840	182 523
IT expenses	38 791	-
Lease rentals on operating lease	177 842	249 173
Marketing	245 018	96 886
Magazines, books and periodicals	-	1 163
Motor vehicle expenses	828 843	701 435
Printing and stationery	443 240	295 574
Security (Guarding of municipal property)	303 067	236 630
Telephone and fax	1 357 948	1 044 964
Training	607 982	479 671
Subsistence and Travel	830 380	1 004 374
Electricity	37 114	54 390
Free basic services (Electricity)	6 004 691	2 895 911
Uniforms	63 283	25 439
Tourism development	1 420 631	435 928
Project Expenditure	8 760 546	7 422 598
Other expenses	5 262 553	7 623 690
	<b>30 869 577</b>	<b>26 369 319</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
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### 17. Employee related costs

Basic Salary	14 104 693	12 059 274
Bonus	1 150 068	1 403 243
Medical aid - company contributions	619 285	606 993
Unemployment Insurance Fund	102 619	82 486
Skills Development Levy	189 304	225 219
Leave pay provision charge	901 510	357 601
Pension Contribution	1 451 997	1 311 750
Travel, motor car, accommodation, subsistence and other allowances	3 250 113	2 576 058
Overtime payments	324 271	144 771
Acting allowances	66 918	40 053
Other Salary costs	220 407	142 351
	<b>22 381 185</b>	<b>18 949 799</b>

### Remuneration of Municipal Manager

Annual Remuneration	678 339	242 965
Car Allowance, Entertainment and Telephone Allowance	204 969	80 772
Acting Allowance	-	22 053
Other	25 375	31 232
	<b>908 683</b>	<b>377 022</b>

### Remuneration of Chief Financial Officer

Annual Remuneration	554 333	450 853
Car, Entertainment and Telephone Allowances	176 639	127 000
Performance Bonuses	50 960	96 525
Other	11 085	8 527
	<b>793 017</b>	<b>682 905</b>

### Remuneration Corporate Services Director

Annual Remuneration	517 036	318 268
Car, Entertainment and telephone Allowances	166 655	98 453
Leave Payout	-	35 560
Other	8 486	4 326
	<b>692 177</b>	<b>456 607</b>

### Remuneration of Technical Services Director

Annual Remuneration	554 333	450 853
Car, Entertainment and Telephone Allowances	173 667	127 000
Other	6 957	5 065
	<b>734 957</b>	<b>582 918</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
<b>17. Employee related costs (continued)</b>		
<b>Remuneration of Social &amp; Economic Development Director</b>		
Annual Remuneration	515 885	363 627
Car, Entertainment and Telephone Allowances	196 026	192 000
Performance Bonuses	34 044	27 781
Other	8 590	17 200
	<b>754 545</b>	<b>600 608</b>
<b>18. Remuneration of councillors</b>		
Mayor	612 782	565 098
Deputy Mayor	590 493	528 550
Speaker	569 233	523 816
Councillors	9 055 257	7 462 082
	<b>10 827 765</b>	<b>9 079 546</b>
<b>19. Debt impairment</b>		
Contributions to debt impairment provision	277 655	254 718
<b>20. Depreciation and amortisation</b>		
Property, Plant and Equipment	8 397 092	7 917 657
Intangible assets	31 795	41 110
	<b>8 428 887</b>	<b>7 958 767</b>
<b>21. Auditors' remuneration</b>		
Fees	847 218	701 528
<b>22. Cash generated from operations</b>		
Surplus	66 131 940	32 429 085
<b>Adjustments for:</b>		
Depreciation and amortisation	8 428 887	7 958 767
Loss on sale of assets	265 867	85 481
Debt impairment	277 655	254 718
Movement in operating lease accrual	-	179 897
Movements in provisions	641 060	588 364
Other non-cash items	(60 945)	(21 311)
Prior year adjustments	(1 240 937)	1 954 214
<b>Changes in working capital:</b>		
Receivables from exchange transactions	152 405	59 868
Trade and other receivables from non exchange transactions	(876 182)	(454 234)
Trade and Other Payables	3 330 513	(3 408 605)
VAT	(1 606 333)	2 049 414
Unspent Conditional Grants and Receipts	(1 023 576)	11 701 477
	<b>74 420 354</b>	<b>53 377 135</b>



# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
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### 23. Commitments

#### Authorised capital expenditure

##### Approved and contracted for:

• Infrastructure	23 316 092	11 405 866
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##### Approved but not yet contracted for:

• Infrastructure	108 818 145	35 518 388
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This committed expenditure relates to Infrastructure and will be financed by Government grants.

### 24. Unauthorised expenditure

Opening balance	2 379 003	2 379 003
Less: Amounts condoned	-	-
	<b>2 379 003</b>	<b>2 379 003</b>

### 25. Fruitless and wasteful expenditure

Opening balance	14 779	30 253
Current year expenditure	40 835	14 779
Less: Amounts condoned	(39 750)	(30 253)
	<b>15 864</b>	<b>14 779</b>

#### Incident

The municipality also incurred penalties and interest on PAYE, SDL & UIF during December 2012 amounting to R 24 970.57. The municipality had experienced electricity problems which had delayed the process. The expenditure was tabled to council for condonement.

#### Incident

The municipality incurred fruitless and wasteful expenditure of R15864.69 due to interest and penalties arising from late payments. The expenditure will tabled to council for condonement.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
<b>26. Irregular expenditure</b>		
Opening balance	7 387 669	1 225 369
Add: Irregular Expenditure - current year	11 567 039	7 387 669
Less: Amounts condoned	(11 713 551)	(1 225 369)
	<b>7 241 157</b>	<b>7 387 669</b>

### Details of irregular expenditure – current year (2013)

Incident	Action	-
The municipality did not apply the preference point system in the procurement of goods and services above R30 000. As a result the municipality incurred irregular expenditure amounting to R4 264 034	The expenditure was reported to the Council.	4 264 034
During the year, the accounting officer ratified minor breaches amounting to R 61 847.93	The expenditure was reported to the Council.	61 848
The municipality could not obtain a tax clearance certificate from a supplier. The payment made in this respect amounts to R48 336.	The expenditure will be tabled to council for condonment.	48 336
The municipality incurred irregular expenditure as a result of internal audit audit assignments being separated and thereafter outsourced. The payment made in this respect amounts to R 207 858.40	The expenditure will be tabled to council for condonment.	207 858
The municipality incurred irregular expenditure as a result of incomplete procurement processes being followed during the allocation of projects to consulting engineers. The payment made in this respect amounts to R6 984 963.00 for the current year.	The expenditure will be tabled to council for condonment.	6 984 963
		<b>11 567 039</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
<b>27. Prior year adjustments</b>		
<b>Adjustment for prior year errors</b>		
Correction of operating lease asset : These are corrections on wrong lease calculations in the prior years. All of the leases ended in the current year.	-	179 897
Correction on of uspent portion on Project consolidate grant and GIS Grant - These are prior year grant misallocations	-	(12 573)
Reversal of prior year takeon balances. These are duplicated accrual when pastel evolution was implemented and accrued expenses that were already paid.	-	(2 058 025)
Correction of RTS reversed in the wrong year. This was a return to supplier which was processed in the wrong financial year.	-	(66 316)
Correction of prior year billing. Restatement of billing errors in prior year.	-	6 375
Correction of credit balance. These are prior year errors on creditors which where corrected in the current year.	-	(3 572)
Correction of prior year payroll control accounts	-	314 773
Creditors with long outstanding debit balances	-	46 505
Correction of prior year VAT	1 240 939	5 034 250
	<b>1 240 939</b>	<b>3 441 314</b>

A debtor of R4 024 was not previously billed in the prior financial year. The prior financial statements have been restated to correct the error.

An amount of R40 235 relating to the purchase of an item of Property , Plant and Equipment was expensed in the prior year. The financial statements have been restated to correct the error.

Bank charges amounting R2 975 where not accounted for in the prior year. The financial statements have been restated to correct the error.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand

### 28. Effects of correction of prior year errors on financial statements

#### Statement of Financial Position

	Note	As previously reported	Correction of errors	Reclassification	Total
Receivables from exchange transactions	4	480 903	(314 773)	78 490	244 609
VAT Receivable	5	5 154 868	(5 034 250)	-	120 618
Trade and Other Receivables from Non Exchange Transactions	6	723 270	4 024	(78 490)	648 815
Cash and Cash Equivalents	7	51 426 807	(2 975)	-	51 423 832
Property , Plant and Equipment	2	122 573 883	3 398 201	-	125 972 084
Intangible Assets	3	-	94 744	-	94 744
<b>Total Assets</b>	-	180 359 731	(1 855 029)	-	178 504 702
Trade and Other Payables	11	(1 821 184)	(3 499 215)	-	(5 320 399)
Unspent Conditional Grants and Receipts	8	(13 147 101)	-	-	(13 147 101)
Provisions	9	(1 894 556)	-	-	(1 894 556)
Accumulated Surplus	-	(163 496 890)	5 354 244	-	(158 142 646)
	-	-	-	-	-

#### Statement of financial performance

	Note	As previously reported	Correction of errors	Total
Other Income	15	900 983	-	900 983
Interest Received - Investment	14	1 893 608	-	1 893 608
Property Rates	12	2 355 091	4 024	2 359 115
Government Grants & Subsidies	13	92 595 949	-	92 595 949
<b>Total Revenue</b>	-	97 745 631	4 024	97 749 655
Employee Related Costs	17	(18 949 799)	-	(18 949 799)
Remuneration of Councillors	18	(9 079 546)	-	(9 079 546)
Depreciation Amortisation and Impairment	20	(7 958 767)	-	(7 958 767)
Debt Impairment	19	(254 718)	-	(254 718)
Repairs and Maintenance	-	(1 123 283)	40 235	(1 083 048)
Community Participation	-	(1 539 892)	-	(1 539 892)
General Expenses	16	(26 366 344)	(2 975)	(26 369 319)
Loss on Disposal of Assets	-	(85 481)	-	(85 481)
<b>Surplus for the year</b>	-	32 387 801	41 284	32 429 085

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand

### Cashflow Statement

	Note	As previously reported	Correction of errors	Total
Cash Receipts for Equitable Share, Conditional Grants	-	104 309 997	-	104 309 997
Cash Receipts from Customers	-	2 828 337	-	2 828 337
Interest Income	-	1 893 608	-	1 893 608
Cash Paid to Suppliers and Employees	-	(57 601 035)	1 946 228	(55 654 807)
Purchase of Property, Plant and Equipment	2	(17 490 350)	(62 996)	(17 553 346)
Purchase of intangible assets	3	-	(17 474)	(17 474)
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>33 940 557</b>	<b>1 865 758</b>	<b>35 806 315</b>

### 29. Contingent liability

#### Incidents.

The municipality is currently involved in a legal dispute with Only If Management CC regarding waste collection services. The municipality believes that it is in a favourable position of winning the case. Should the municipality be held liable, the estimated cost regarding this matter will be R 526 315.26.

The municipality has not completed any employee job evaluations as prescribed in terms of the Salary and wage collective agreement between SALGA, IMATU and SAMWU - 27 July 2012. As a result the municipality is unable to measure, with sufficient reliability, the amount of such obligation for both the 30 June 2012 and 30 June 2013 year-ends.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
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### 30. Risk management

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Interest rate risk

The municipality has interest-bearing assets of R9 566 066 (2012 - R9 572 401). However, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and rates debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument		
Trade and other receivables from non exchange transactions (Rates)	1 376 817	723 270
Absa bank	67 991 284	41 914 873

### 31. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
<b>32. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contribution to Local Government Associations</b>		
Current year subscription	-	243 975
Amount paid	-	(243 975)
	-	-
<b>Audit fees</b>		
Current year fee	887 607	701 528
Amount paid - current year	(887 607)	(701 528)
	-	-
<b>PAYE and UIF</b>		
Current year deductions	5 778 902	4 203 304
Amount paid	(5 778 902)	(4 203 304)
	-	-
<b>Pension and Medical Aid Deductions</b>		
Current year	4 458 639	3 206 547
Amount paid	(4 458 639)	(3 206 547)
	-	-

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
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### 33. Multi employer retirement benefit

Umzumbe Local Municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

All full-time employees belong to the KwaZulu Natal Joint Municipal Pension Fund, which are made up by the Retirement, Superannuation and Provident Funds. Councillors have the option to belong to the Pension Fund for Municipal Councillors.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

- (i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- (iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation. For both the Superannuation and Retirement Funds valuations making use of the Discontinuance Method Approach have been included as well.

#### DEFINED BENEFIT SCHEMES

##### Retirement Fund:

The scheme is subject to a tri-annual actuarial valuation. The last interim actuarial valuation was performed as at 31 March 2012 by Arthur Els and Associates.

The interim actuarial valuation performed as at 31 March 2012 revealed that the fund had a shortfall of R 251,2 (31 March 2011: shortfall of R 382,3) million, with a funding level of 90,6% (31 March 2011: 84,1%). The contribution rate, including the surcharges below, paid by the members (8,65%) and municipalities (29,00%) should be sufficient to eradicate the shortfall in the fund by 31 March 2015. However, the basic contribution payable is 4,72% less than the required contribution rate.

The actuarial shortfall is taken into account by determining surcharges, to be met by increased contributions. These surcharges amount to 17% of pensionable emoluments, of which 1,65% is payable by members and 15,85% is payable by the local authority. This surcharge is payable until 31 March 2015. It is necessary that the basic employer contribution be increased by 4,72% to 18,37% and the surcharge be increased to 17,5% and extended by a further 3 years to 31 March 2018. This position will be monitored on an annual basis. Subsequently, notice has been served that the surcharge will be increased to 34,22% with effect from 1 July 2012 for a period of 8 years.

The fund has effectively been closed to new members, and it is therefore assumed for the valuation, that no new members will join the fund. However, at present, members of the three Natal Joint Funds are permitted to transfer between the funds and this flow of members may affect the rate of contribution required to be paid to the Fund.

##### Superannuation Fund:

The scheme is subject to a tri-annual actuarial valuation. The last interim actuarial valuation was performed as at 31 March 2012 by Arthur Els and Associates.



# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
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The interim actuarial valuation performed as at 31 March 2012 revealed that the fund had a shortfall of R 270,0 (31 March 2011: shortfall of R 549,5) million, with a funding level of 96,0% (31 March 2011: 90,9%). The contribution rate paid by the members (9,25%) and municipalities (18,00%) is 3,63% (31 March 2013: 3,63%) less than the required contribution rate for future service and will be reviewed at the next interim valuation. The deficit in respect of active members is being met by a surcharge of 9,5% (31 March 2013 7,0%) of pensionable salaries. It was expected that the deficit will be fully funded by 2016.

This surcharge is payable until 31 March 2015. It is necessary that the basic employer contribution be increased by 4,72% to 18,37% and the surcharge be increased to 17,5% and extended by a further 3 years to 31 March 2018. This position will be monitored on an annual basis. Subsequently, notice has been served that the surcharge will be increased to 31,13% with effect from 1 July 2012 for a period of 8 years.

The fund has effectively been closed to new members, and it is therefore assumed for the valuation, that no new members will join the fund. However, at present, members of the three Natal Joint Funds are permitted to transfer between the funds and this flow of members may affect the rate of contribution required to be paid to the Fund. It is intended that the Fund will merge with the Retirement Fund in the near future.

### DEFINED CONTRIBUTION SCHEMES

#### Municipal Councillors Pension Fund:

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2011.

The interim valuation performed as at 30 June 2011 revealed that the assets of the fund amounted to R 1 483,786 381 (30 June 2010: R 1 123,672 020) million. The contribution rate paid by the members (13.75%) and the municipalities (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

As reported by the Actuaries, the Fund was in a sound financial condition as at 30 June 2011.

#### Provident Fund:

The scheme is subject to a tri-annual actuarial valuation. The last interim actuarial valuation was performed as at 31 March 2012 by Arthur Els and Associates.

The interim actuarial valuation performed as at 31 March 2012 revealed that the market value of the fund was R 1 288,3 (31 March 2011: R 1056,2) million. The contribution rate payable (either 5,00%, 7,00% or 9,25% by the member and 6,00%, 9,90% or 14,25% plus an additional 3,75% by the employer), is sufficient to cover the cost of benefits and expenses and the fund was certified to be in sound financial condition as at 31 March 2012.

None of the above mentioned plans are State Plans.

### 34. Related Party Transactions

#### Section 45 and 44 of SCM Regulations

##### Purchases from a company owned by a councillor (MA Sikhosana)

Zophaka Catering and Trading Enterprise	-	5 000
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##### Purchases from related parties

Lacosta sound and stage	2 800	-
Vuba Imagineers	389 418	-

Lacosta sound and stage - The company is owned by SA Jali who is an employee of the municipality.

Vuba Imagineers - The company is owned by the spouse of the municipal manager.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

Figures in Rand	2013	Restated 2012
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### 35. Section 36 of SCM regulations

During the year, the accounting officer approved an amount of R 504 525 relating to accommodation for ward councillors. As it was impractical to follow the tender processes, the municipality applied the three quotation system.



# UMZUMBE LOCAL MUNICIPALITY

## ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2013

### APPENDIX A

	COST				ACCUMALTED DEPRECIATION				ACCUMALTED IMPAIRMENT				NET BOOK VALUE	
	Balance 30/6/2012	Total additions	Disposals	Balance 30/6/2013	Balance 30/6/2012	Depreciation	Disposals	Balance 30/6/2013	Balance 30/6/2012	Impairment	Disposals	Balance 30/6/2013	2012-2013	2011-2012
Dwellings	431 775,78	375 000,00	-	806 775,78	149 209,32	69 477,60	-	218 686,92	-	-	-	-	588 088,86	282 566,46
Non-Residential Dwellings	48 533 401,04	2 578 306,08	-	51 111 707,12	7 697 701,84	1 570 319,75	-	9 268 021,59	2 959 666,71	61 179,42	-	3 020 846,13	38 822 839,40	37 876 032,49
Roads	69 555 742,29	14 527 902,06	-	84 083 644,35	11 567 235,62	5 628 846,16	-	17 196 081,78	86 714,81	-	-	86 714,81	66 800 847,76	57 901 791,86
Solid Waste Disposal	37 793,73	197 750,00	-1 500,00	234 043,73	6 596,76	10 020,79	-80,44	16 537,11	-	-	-	-	217 506,62	31 196,97
Machinery and Equipment	3 175 427,38	2 600 444,66	-875,42	5 774 996,62	1 488 053,01	184 267,04	-713,26	1 671 606,79	1 828,51	-	-	1 828,51	4 101 561,32	1 685 545,86
Furniture and Office Equipment	2 404 263,69	237 248,77	-94 152,52	2 547 359,94	1 361 167,28	280 366,61	-60 728,38	1 580 805,51	4 084,98	488,56	-	4 573,54	961 980,89	1 039 011,43
Computer Equipment	1 620 063,05	409 338,31	-217 137,03	1 812 264,33	963 443,26	214 620,67	-143 399,32	1 034 664,61	22 778,23	17 867,07	-347,36	40 297,94	737 301,78	633 841,56
Transport Assets	3 462 679,07	556 577,83	-667 925,82	3 351 331,08	914 976,75	391 433,33	-364 406,25	942 003,83	-	-	-	-	2 409 327,25	2 547 702,32
Assets Under Construction	24 069 142,13	27 012 694,41	-	51 081 836,54	-	-	-	-	-	-	-	-	51 081 836,54	24 069 142,13
	153 290 288,16	48 495 262,12	-981 590,79	200 803 959,49	24 148 383,84	8 349 351,95	-569 327,65	31 928 408,14	3 075 073,24	79 535,05	-347,36	3 154 260,93	165 721 290,42	126 066 831,08



## UMZUMBE LOCAL MUNICIPALITY

### SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

#### APPENDIX B

Description	COST				ACCUMULATED DEPRECIATION				IMPAIRMENT	CARRYING VALUE	
	Balance 30/6/2012	Total additions	Disposals	Balance 30/6/2013	Balance 30/6/2012	Depreciation	Disposals	Balance 30/6/2013	Accumulated Impairment	Carrying value 30/6/2013	Carrying value 30/6/2012
EXECUTIVE AND COUNCIL	1 292 345,72	373 348,98	-73 325,54	1 592 369,16	829 455,99	157 326,63	-57 006,44	929 776,18	3 321,01	659 271,97	460 056,13
FINANCIAL AND ADMIN	21 693 615,61	4 109 627,82	-834 539,50	24 968 703,93	5 682 869,93	1 232 182,41	-473 203,50	6 441 848,84	38 236,51	18 488 618,58	15 990 004,46
TECHNICAL SERVICES	89 573 310,14	43 458 554,68	-17 427,12	133 014 437,70	11 656 921,81	5 676 518,70	-10 823,12	17 322 617,39	89 207,37	115 602 612,94	77 827 180,96
PLANNING AND DEVELOPMENT	137 718,75	66 592,20	-9 125,00	195 185,95	47 248,64	22 713,80	-2 112,30	67 850,14	-	127 335,81	90 470,11
COMMUNITY & SOCIAL SERVICES	40 593 297,94	487 138,44	-47 173,63	41 033 262,75	5 931 887,47	1 260 610,41	-26 182,29	7 166 315,59	3 023 496,05	30 843 451,12	31 699 118,42
	153 290 288,16	48 495 262,12	-981 590,79	200 803 959,49	24 148 383,84	8 349 351,95	-569 327,65	31 928 408,14	3 154 260,93	165 721 290,42	126 066 830,08



# UMZUMBE LOCAL MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

## APPENDIX C

2012			Classification by function	2013		
Actual Revenue	Actual Expenditure	Surplus / (Deficit)		Actual Income	Actual Expenditure	Surplus / (Deficit)
R	R	R		R	R	R
11 380 790	7 595 187	3 785 604	Executive & Council	14 104 745	7 464 964	6 639 781
61 397 055	41 059 972	20 337 083	Financial and Administration Services	86 038 941	45 802 146	40 236 795
12 652 078	8 443 604	4 208 473	Technical Services	22 567 591	11 943 942	10 623 649
2 296 693	1 532 742	763 951	Planning and Development Services	2 820 949	1 492 993	1 327 956
10 023 039	6 689 066	3 333 974	Community and Social Services	15 515 219	8 211 460	7 303 759
97 749 655	65 320 570	32 429 085		141 047 445	74 915 505	66 131 940
97 749 655	65 320 570	32 429 085	Total	141 047 445	74 915 505	66 131 940



## UMZUMBE LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2013

### APPENDIX D1

REVENUE	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Property rates	2 842 921	-	2 842 921	3 100 795	(257 874)	-9,1%	Not required
Interest earned - external investments	1 000 000	-	1 000 000	3 465 211	(2 465 211)	-246,5%	Surplus funds were invested for longer periods than anticipated. In addition interest rates achieved on investments were competitive
Government grants and subsidies	125 535 000	10 270 348	135 805 348	133 780 733	2 024 615	1,5%	Not required
Other income	90 000	-	90 000	700 706	(610 706)	-678,6%	More revenue received than anticipated
<b>Total revenue</b>	<b>129 467 921</b>	<b>10 270 348</b>	<b>139 738 269</b>	<b>141 047 445</b>	<b>(1 309 176)</b>	<b>-0,9%</b>	
EXPENDITURE	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Salary related costs	36 103 830	-	36 103 830	33 208 950	2 894 880	8,0%	Not required
Repairs and maintenance, depreciation and debt impairment	12 165 000	15 000	12 180 000	9 514 191	2 665 809	21,9%	The municipality had planned to spend on maintenance costs on the tipper truck for waste management. However as the municipality could not reach an agreement with the other parties, the truck could not be purchased. This resulted in lower spending of repairs and maintenance.
Community Participation	900 000	150 000	1 050 000	1 056 920	(6 920)	-0,7%	Not required
General expenses	36 680 091	290 000	36 970 091	30 869 577	6 100 514	16,5%	Projects such as implementation of the KZN Pounds Acts and Ntelezi Msane were not implemented during this financial year. In addition there was slow spending on the waste management project.
<b>Total expenditure</b>	<b>85 848 921</b>	<b>455 000</b>	<b>86 303 921</b>	<b>74 649 638</b>	<b>11 654 283</b>	<b>13,5%</b>	
<b>NET SURPLUS FOR THE YEAR</b>	<b>43 619 000</b>		<b>53 434 348</b>	<b>66 397 807</b>	<b>(12 963 459)</b>		



## UMZUMBE LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2013

### APPENDIX D (2)

	Actual Additions	Under Construction	Total Additions	Approved budget	Adjustments	Final Budget (R)	Variance	Variance	Explanation of Significant Variances greater than 10%
	R	R	R	R	R	R	R	%	
FURNITURE, EQUIPMENT, MACHINERY AND COMPUTERS	3 247 032	-	3 247 032	4 666 000	355 000	5 021 000	1 773 968	35,33%	The municipality had planned to purchase a tipper truck for its shared services waste management project. However as the municipality could not reach an agreement with the other parties, the truck could not be purchased.
TRANSPORT ASSETS	556 578	-	556 578	500 000	100 000	600 000	43 422	7,24%	Not required
ROADS AND INFRASTRUCTURE	17 678 958	27 012 694	44 691 653	37 543 000	10 270 348	47 813 348	3 121 695	6,53%	Not required
<b>TOTAL</b>	<b>21 482 568</b>	<b>27 012 694</b>	<b>48 495 262</b>	<b>42 709 000</b>	<b>10 725 348</b>	<b>53 434 348</b>	<b>4 939 086</b>	<b>9,24%</b>	



# UMZUMBE MUNICIPALITY

## GRANTS REGISTER FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

### APPENDIX E

GRANT NAME	BALANCE UNSPENT BEGINNING OF PERIOD 01 JULY 2012	RECEIPTS FOR THE YEAR	EXPENDITURE FOR THE YEAR	TRANSFERRED BACK TO GOVERNMENT	INTEREST RECEIVED FOR THE YEAR	BALANCE UNSPENT END OF PERIOD 30 JUNE 2013
Project consolidate	99 884,62	-	-		-	99 884,62
Municipal systems improvement grant	0,00	800 000,00	800 000,00		-	0,00
MAP (Management assistance programme)	-	-	-		-	-
Financial management grant	0,00	1 500 000,00	1 500 000,00		-	0,00
GIS grant	36 339,50	-	28 354,65		-	7 984,85
Municipal infrastructure grant	10 270 348,01	29 908 000,00	40 178 348,01		-	0,00
Low cost housing grant	598 745,56	-	107 990,00		22 157,38	512 912,94
Youth advisory center grant	-	-			-	-
Internal Auditor	141 781,72	-	141 781,72		-	0,00
Ntelezi Msane	1 000 000,00	-	-		-	1 000 000,00
KZN Pounds Act	1 000 000,00	-	-	1 000 000,00	-	-
National Electrification Grant	-	7 000 000,00	4 040 273,00		-	2 959 727,00
Disaster Management Grant	-	8 200 000,00	771 034,91			7 428 965,09
KZN Sports	-	150 000,00	35 950,00			114 050,00
	<b>13 147 099,41</b>	<b>47 558 000,00</b>	<b>47 603 732,29</b>	<b>1 000 000,00</b>	<b>22 157,38</b>	<b>12 123 524,50</b>





# UMZUMBE LOCAL MUNICIPALITY

## STATEMENT OF ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2013

### APPENDIX D1

REVENUE	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Property rates	2 842 921	-	2 842 921	3 100 795	(257 874)	-9,1%	Not required
Interest earned - external investments	1 000 000	-	1 000 000	3 465 211	(2 465 211)	-246,5%	Surplus funds were invested for longer periods than anticipated. In addition interest rates achieved on investments were competitive
Government grants and subsidies	125 535 000	10 270 348	135 805 348	133 780 733	2 024 615	1,5%	Not required
Other income	90 000	-	90 000	700 706	(610 706)	-678,6%	
<b>Total revenue</b>	<b>129 467 921</b>	<b>10 270 348</b>	<b>139 738 269</b>	<b>141 047 445</b>	<b>(1 309 176)</b>	<b>-0,9%</b>	

EXPENDITURE	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Salary related costs	36 103 830	-	36 103 830	33 208 950	2 894 880	8,0%	Not required
Repairs and maintenance, depreciation and debt impairment	12 165 000	15 000	12 180 000	9 780 058	2 399 942	19,7%	The municipality had planned to spend on maintenance costs on the tipper truck for waste management. However as the municipality could not reach an agreement with the other parties, the truck could not be purchased. This resulted in lower spending of repairs and maintenance.
Community Participation	900 000	150 000	1 050 000	1 056 920	(6 920)	-0,7%	Not required
General expenses	36 680 091	290 000	36 970 091	30 869 577	6 100 514	16,5%	Projects such as implementation of the KZN Pounds Acts and Ntelezi Msane were not implemented during this financial year. In addition there was slow spending on the waste management project.
<b>Total expenditure</b>	<b>85 848 921</b>	<b>455 000</b>	<b>86 303 921</b>	<b>74 915 505</b>	<b>11 388 416</b>	<b>13,2%</b>	

**NET SURPLUS FOR THE YEAR**      **43 619 000**      **53 434 348**      **66 131 940**      **(12 697 592)**

CAPITAL	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Expenditure	42 709 000	10 725 348	53 434 348	48 495 262	4 939 086	9,2%	Not required

CASHFLOWS	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Net cash from (used) operating	85 848 921	455 000	86 303 921	74 420 354	11 883 567	13,8%	Less spending on projects and savings on salaries
Net cash from (used) investing	42 709 000	10 725 348	53 434 348	(48 286 708)	5 147 640	9,6%	Not required
Net cash from (used) financing				-			
Cash/cash equivalents at the beginning of the year				51 423 832			
<b>Cash/cash equivalents at the year end</b>	<b>128 557 921</b>	<b>11 180 348</b>	<b>139 738 269</b>	<b>77 557 478</b>	<b>62 180 791</b>	<b>44,5%</b>	