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UMZUMBE DRAFT ANNUAL REPORT

2013/2014 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:

It is a great honour to share with the public my reflections of the year ended 2013/2014 is so far as service delivery goes. Annual reports affords one an opportunity to reflect on how he/she performed in the past year. Before I start, I want to thank everybody who journeyed with us in the past year.

The past year was an eventful year for us as Umzumbe Municipality. We celebrated a number of milestones in infrastructure development. These celebrations were also inspired by the 20 years of freedom celebration. One was not celebrating a final arrival in a destination but notable milestones along the long 20 years journey in freedom led by the African National Congress government.

We handed over a number of infrastructure projects that we had completed including houses in ward 10 and ward 5, Shibase Sports Field, Vethe Access Road, Sithabathaba Access Road, Bhanoyi Community Hall and other projects. We also in the past financial year performed a number of sod turnings including Othandweni Access Road, Bhunwini Access Road, Makhoso Access Road and others. On infrastructure projects we performed sod turnings for Nkehlamandla and St Nevard electrification projects. These projects go a long way in responding to the needs of Umzumbe Municipality Community. It also suggest that we are being true to ourselves when we say that we are *“Building a better future”* as depicted on our slogan.

The past financial year was not without tragedies as we witnessed a number of deaths that saw our Disaster Management team being overwhelmed. This was as a result of heavy rains that engulfed our municipality. Above that was the bus accident that struck when our maidens were on their way from Umkhosi woMhlanga eNyokeni. We lost 11 lives there, nine (9) maidens and two (2) onomehlo (guardians) in that accident. We cannot express in words the support we received especially from

Isilo samaBandla, His Majesty King Zwelithini kaBhekuzulu who covered all the expenses of the funeral. The King also put up tomb stones for all those who passed away. Moreover, His Majesty also supported the bereaved families with groceries during Christmas.

We continue to run a financial solid municipality as we continuously receive unqualified opinion from the Auditor General. Our correct spending is supported by the level of infrastructure development that we see in our communities. As we continue to upgrade our communities and move our people forward, we do that together with Amakhosi. It was a momentous occasion when we swore in six (6) Amakhosi aseNdlunkulu. They sit in our council and continue to play a pivotal part of development. It is important that I mention the fact that amongst Amakhosi two (2) of them are females. This is a giant leap of our democracy. Also in the year under review we swore in council two (2) cllrs that replaced councilors that resigned from the Council.

We have increased our plant as we bought two graders bringing to three the number of graders we have in our municipality. This goes a long way in increasing a number of well-maintained access roads. In the upcoming year we hope to increase our plant which will also impact on the way we do service delivery.

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, the construction of access roads, development of wall-to-wall scheme, the construction of municipal offices, and development of sports grounds. The municipality has also started the implementation of waste management function within the constituencies of Umzumbe. The tourism plan is under development which will seek to address the high level of unemployment within the municipality.

Agreements / Partnerships

For the first time in the history of Umzumbe Municipality existence, waste management services were started to be implemented in strategic areas within our municipality. This is done with the assistance of our neighbouring municipality Umdoni Municipality, with a Service Level Agreement (SLA) in place. The municipality will also be working in collaboration the Provincial Department of Cooperative Governance and Traditional Affairs (COGTA) to develop Wall-to-wall scheme and land audit.

Conclusion

I would like to conclude by thanking all Councillors, Amakhosi and officials led by the Municipal Manager for the sterling job they are doing in pushing people forward.

A handwritten signature in black ink, appearing to read 'St Gumede', is displayed within a white rectangular box.

(Cllr ST Gumede)

His Worship - The Mayor

EXECUTIVE SUMMARY

MUNICIPAL MANAGER'S OVERVIEW

The year in question marked the 20 years of democracy for our country, wherein our municipality embraced it by taking stock of what we achieved in improving the standard of living in our communities. As a rural municipality we pride ourselves when we look back as just mentioned above the strides we have made in improving our communities, by implementing projects and programmes as enshrined in the constitution of South Africa and of course in alignment with the National Development Plan.

Key Performance Areas (KPA's) formed the basis for the different departments to execute service delivery projects. For each financial year, the municipality sets targets that are implemented by the respective departments and so as the year under review, 2013/2014. In delivering basic services to our communities, the municipality saw an improvement wherein Municipal Infrastructure Grant funded projects were implemented in the form of road construction, building of new community halls, upgrading of community facilities which included sports fields and community halls respectively.

In sustaining our existing road infrastructure, it then became prudent to the municipality to set aside budget to purchase new plant towards road maintenance. Over and above purchased plant, a budget had also been set aside towards the actual road maintenance through an external service provider. For the first time in the history of Umzumbe Municipality's existence, waste management services was rolled out in strategic areas within our municipality. This is done with the assistance of our neighbouring municipality, Umdoni Municipality through the Service Level Agreement (SLA) entered into.

Provision of electricity tokens and gel provision to our indigent families remained a key programme to roll out free basic electricity in our communities. The provision of gel is informed by the backlog we have as a municipality when it comes to electricity. Through our Community Services Section over and above the tokens and provision of gel, one home one garden served as a vehicle to bring about food security through subsistence farming. Right of the child forms the back bone of our country and the municipality continues to support destitute learners through the provision of school uniforms. NGOs were also involved in addressing some of the social ills faced by our communities to spearhead moral regeneration.

Local Economic Development within our municipality is one of the key pillars in addressing socio-economic matters as well as uplifting SMMEs and Cooperatives within our municipality. Empowerment of our SMMEs and Cooperatives remained our focal point in the year in review. The rich history of our municipality led to our municipality starting the process of building Ntelezi Msani

Heritage Information Centre. The municipality received funding from KwaZulu Natal Provincial Department of Cooperative Governance and Traditional Affairs (CoGTA) through their LED Section. Twinning with the Time Travel, Isivivane sika Shaka was observed as one of our heritage programmes.

Good Governance is one of the important elements bringing about stability within the municipality. The municipality has committed itself towards building a healthy democracy and entrenching the culture of public participation through well supported ward committee structures. The wards committee members, as the key driving forces to ensure the functioning of ward structures, received training on modules 4 and 5. The training had capacitated them to develop ward based plans which then feed into the Integrated Development Plan and thus adopting the bottom up approach.

Public participation through Izimbizo and IDP roadshows served as a communication channel to our communities. Issues raised at these platforms find expression within the IDP whereby they are being turned into clear programmes of the municipality.

Youth Development and Special Programmes continued to form the basis of community engagements through various programmes that we implemented in these units respectively. Issues of the HIV/AIDS were taken seriously by the municipality. The latter is proved by HIV/AIDS summit held by the municipality with a clear programme of action to be adhered to moving forward.

Disaster Management as a cross-cutting issue served a critical role in conducting Risk Assessments within the wards of Umzumbe. Through this process, communities were also informed of the Batho Pele principles in a form of awareness campaigns.

As a municipality we continued to utilize shared services development which has assisted us in institutionalising the planning function which culminated in the development of Spatial Development Framework (SDF). Also, one of the critical shared services that we were part of is of Audit Committee which was coordinated under our Internal Audit unit. This has led to the better improvement in executing Internal Audit functions.

Municipal Transformation served as a support service to all the municipal departments through Corporate Services Department. Human Capital Empowerment remained one of the compliance and critical area through the development of a Work Place Skills Plan. The proper functioning of any organisation is guided by the development of policies. The municipality managed to review and develop a number of policies, based on the critical need identified.

Information and Communication Technology (ICT) formed the basis for proper implementation of all the programmes of the municipality. The IT Section and Disaster Recovery Framework led to a great improvement as to the state of our ICT.

Financial viability and sustainability remained our focus as we are a grant dependent municipality. Proper financial management and effective utilisation of Council funds was critical and important. In the year in question, the financial standing of our municipality is seating at 4,5:1. The ratio illustrates

how financially stable we were as a municipality as at end of the financial year. As a municipality we sustained our Auditor General's report to an unqualified audit opinion. Our efforts continued to strive towards a clean audit as a time frame is getting closer.

As a municipality we did not sail smoothly without experiencing challenges. Amongst the challenges, we were struck by number of tragic accidents one of them being the death of our nine (9) maidens and two (2) guardians. Other lives were lost through disasters caused by heavy rains within our municipality. The resounding and the invaluable support from the family of municipalities within Ugu District Municipality, the departments during the tragic period was highly appreciated.

In conclusion, the continuous and the commendable support by the political wing is applauded, led by the Mayor, Speaker and the Deputy Mayor. The strides we made in executing our duties was supported by their stewardship as leaders in our municipality. The oversight role was shown by the Municipal Public Accounts Committee (MPAC) cautioned us in giving proper administrative advice in exercising our administrative role with the respective departments. The Chairperson's role was highly appreciated and admired.

Executive Committee's role in seeing performance of the municipality in collaboration with the MPAC Chairperson was also applauded. This has led to a meaningful monitoring and evaluation, and thus yielding good results.

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
Building Regulations Pontoons, Ferries, Jetties, Piers and Harbors Storm Water Management Systems in Built up Areas Trading Regulations Billboards and the Display of Advertisements in Public Places Cleansing Control of Public Nuisances Street Lighting Traffic and Parking Control of Undertakings that sell Liquor to the Public Facilities for the accommodation, care and burial of animals Fences and Fencing Licensing and Control of Undertakings that sell food to the public Local Amenities Local Sport Facilities Municipal Parks and Recreation Noise Pollution Public Places Street Trading Local Economic Development	Municipal Health Services Portable Water Sanitation Air Quality Management	Fire Fighting Services Local Tourism Municipal Airports Municipal Public Transport Cemeteries, Funeral Parlors and Crematoria Markets Municipal Abattoirs Refuse Removal, Refuse Dumps and Solid Waste Development Planning

Demographics

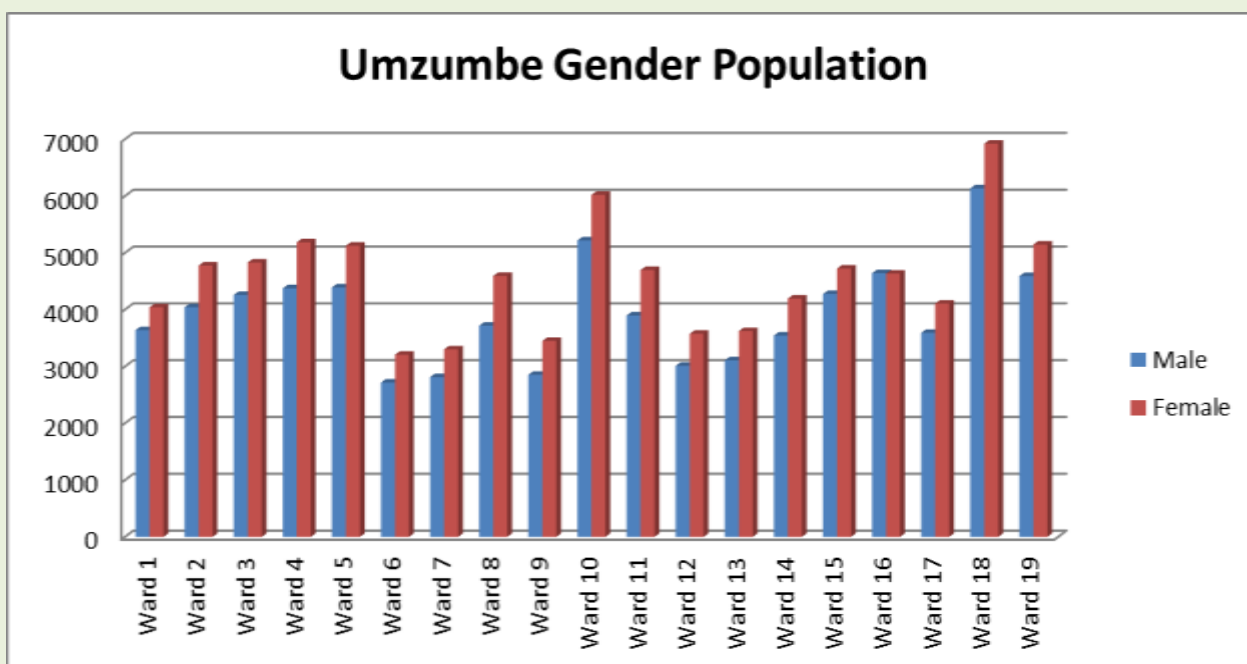
The latest 2011 census indicates that Umzumbe municipality's total population is 160 975 people, where males account for 46% of the population and the female is 54%. The most populated ward in the municipality is ward 18 with 13056 people and ward 6 with a total population of 5923 people.

KZN213: Umzumbe	Male	Female	Total
	74819	86156	160 975
Ward 1	3639	4042	7681
Ward 2	4042	4776	8818
Ward 3	4259	4831	9090
Ward 4	4376	5185	9561
Ward 5	4391	5126	9517
Ward 6	2716	3206	5923

Ward 7	2812	3301	6113
Ward 8	3718	4593	8311
Ward 9	2853	3450	6303
Ward 10	5218	6022	11240
Ward 11	3897	4698	8595
Ward 12	3013	3576	6589
Ward 13	3108	3622	6730
Ward 14	3544	4196	7740
Ward 15	4276	4722	8997
Ward 16	4643	4634	9277
Ward 17	3591	4107	7699
Ward 18	6135	6922	13056
Ward 19	4590	5146	9735

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	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

Source: Statistics SA 2011

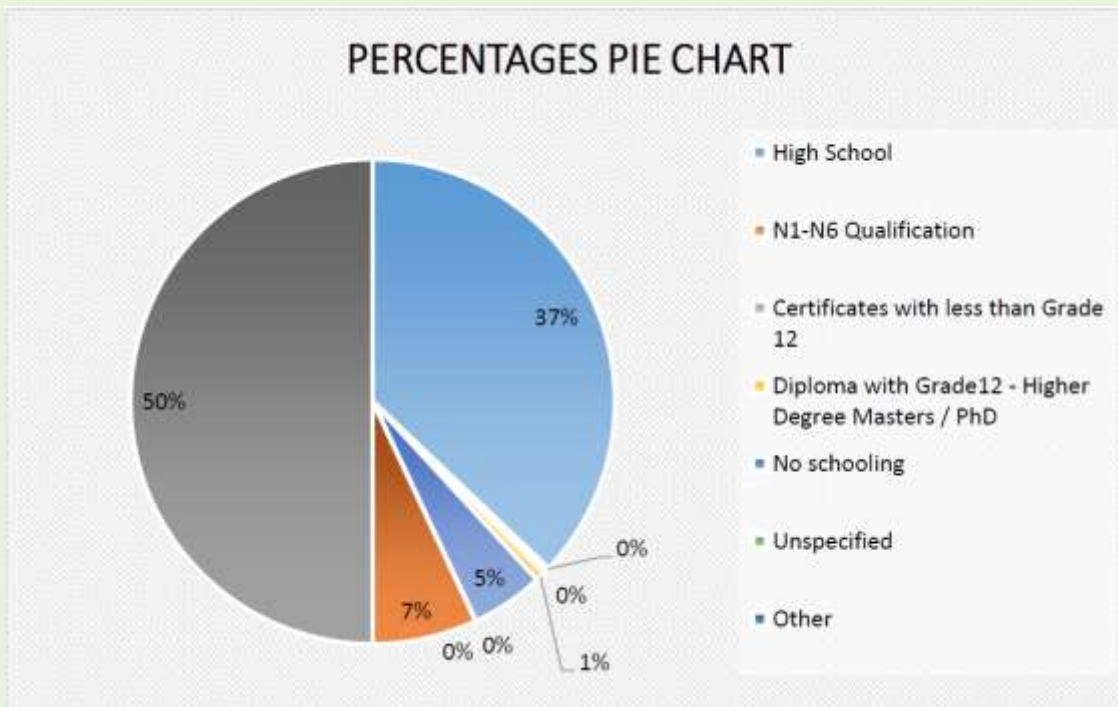
Source: Stats SA Census 2011

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 (ISRD) is the construction of P68 road between oShabeni and Highflats, and the construction of P73 road between Turton and High Flats.

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: Malikhakhi Access Road, Ward 14



Photo: Vethe Access Road, Ward 06

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.



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
KwaMaqikizane	267	1272
Mthwalume	264	1185
Ngomakazi	393	1713
Maqikizane	147	618
Nyavini	369	1530
Ensiyameni	114	459
Gugha	180	807
Gobhamehlo	378	1638
Mgezankamba	201	852
Ngwenda	159	750
Thuthuka	270	1251
Thendeni	12	78
Enhlangwini	1077	4668
Ntabakucasha	294	1332
Umzumbe NU	228	1302
Umgayi	561	2625
Mbiyane	237	1233
Gubhuza	516	2445
The Ridge	192	1017
Umgai	570	2508
Mhlabatshane	111	513
KwaNtumeni	237	1017
Elupepeni	507	2169
Infomfo	105	453
Bhekameva	126	567

Overview of Neighborhoods within Umzumbe Municipality		
Settlement Type	Households	Population
Nomageje	252	1155
KwaMagugu	120	678
Sosibo	348	1476
KwaNjongoma	57	273
Mthaleri	360	1461
Oshamba	189	801
Wowana	69	255
Dunusa	132	507
Nhlengeseni	162	696
Deyi	186	789
Dunuse	183	768
Phongolo	288	1437
Goba	210	861
Thembelihle	75	360
Ngcengeseni	117	519
Qoloqolo	444	1878
Inkulu	1530	7125
KwaBombo	513	2256
Quha	144	657
Isangqu	192	756
Ntabazu	45	204
Sipofu	321	1302
Nyonyana	483	2397
Inyonyana	228	1014
Ndunge	69	381

Overview of Neighborhoods within Umzumbe Municipality		
Settlement Type	Households	Population
Ntenguland	168	726
Gubhugubhu	1539	7683
Berea	168	702
Nkangala	555	2529
Nomakhanzana	594	2778
Dingimbiza	2880	13533
Mnamfu	2826	12699
Isiqunga	1458	6939
Amahwaqa	471	2439
Ndwebu	36	141
Mpikanisweni	36	102
Nhlalwane	363	1557
Ngcazolo	228	849
Odeke	69	189
Ixopo	57	216
Mbonje	321	1338
Mvuzane	303	1269
KwaDweshula	156	636
Gcwalemini	357	1617
Sunduza	225	1098
Ngoleleni	339	1410
Cathula	369	1791
Dibi	546	2604
Rosettenville	408	1806
Glabhane	213	1098

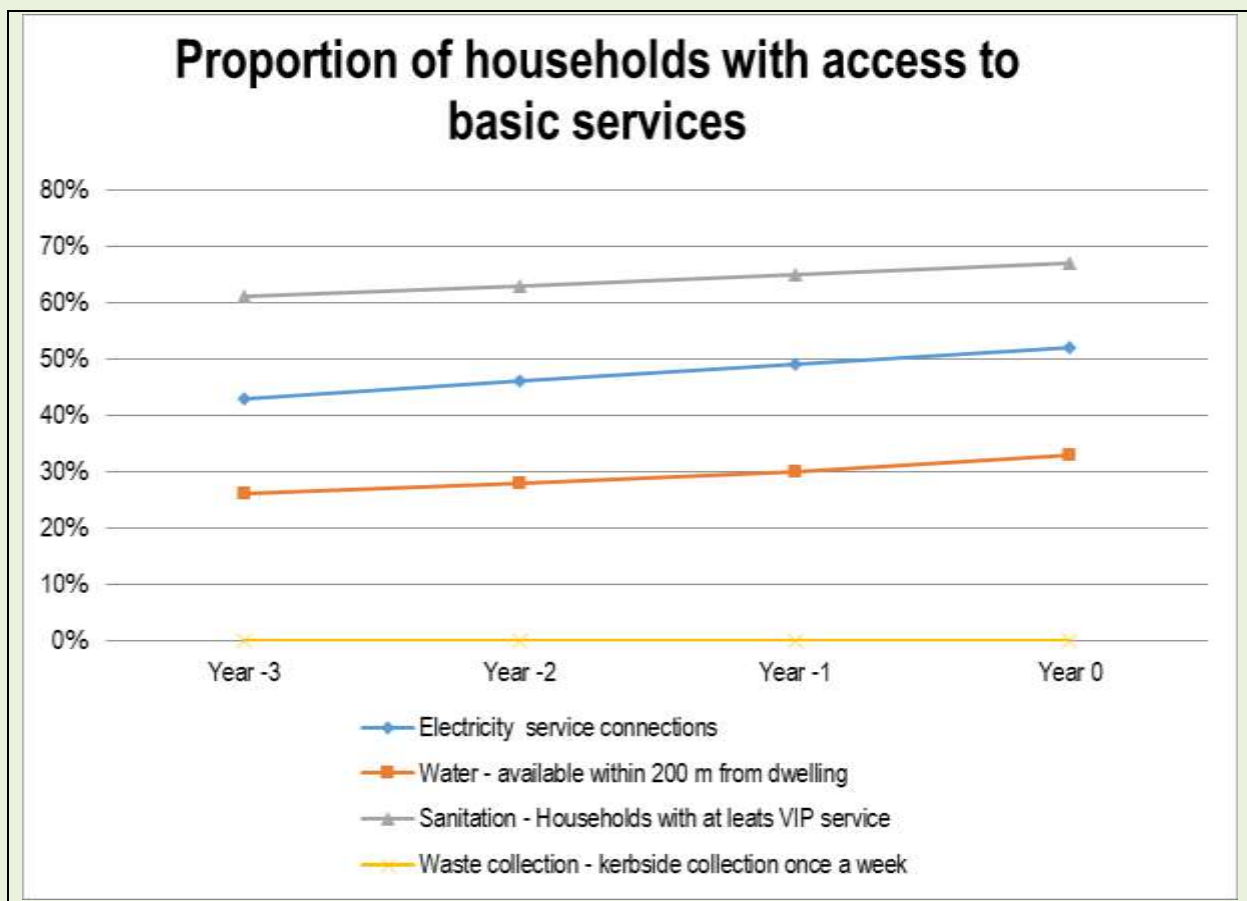
Overview of Neighborhoods within Umzumbe Municipality		
Settlement Type	Households	Population
Velumemeze	246	1155
Gqayinyanga	261	1395
Nkalokazi	420	1908
Ndumakude	396	1533
Hlanzeni	603	2658
Mayekeni	294	1443
Mawuleni	66	225
Mehlomnyama	609	3009
Gumatane	363	1473
Mathulini	1791	8334
Thaleni	120	651
Ndlovuzulu	153	717
Thuntutha	126	660
Enkulu	729	3789
Ncane	72	255
Sub-Total	35166	160962
Informal settlements	0	
Sub-Total	0	0
Total	35166	160962

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	0%	0%	0%	0%

week				
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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.



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 was submitted by the 31 August deadline to the Auditor General. The municipality performed well and received an unqualified audit opinion from the Auditor General. Accordingly the municipality prepared a corrective action plan to address the audit queries. The audit report and corrective action plan was tabled to council.

The annual financial statements for the financial year 2013/2014 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 on the 24 January 2014.

Compliance to the Supply Chain Management (SCM) Policy:

The municipality is using Pastel Evolution which functions as an enterprise resource planning system. This system has assisted in the facilitating of procurement processes 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 reported to Treasury in accordance with SCM regulations.

The municipality has functioning bid committees ie Bid Specifications, Bid Evaluation & Bid adjudication. The evaluation and adjudication of the tenders was done accordingly within the prescripts of SCM regulations.

Compilation of the Assets Register:

The municipality compiled the fixed assets register for the 2013/14 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.

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 of non - payment of rates and no registered postal addresses of rate payers.

Capacity constraints within the department also remain a challenge.

Measures taken to improve performance:

Utilisation of a service provider to assist in the preparation of the assets register in order to ensure GRAP 17 compliance.

Key positions such as assets officer and procurement officer will be fast tracked.

Improving the SCM processed by acquiring an advanced procurement module.

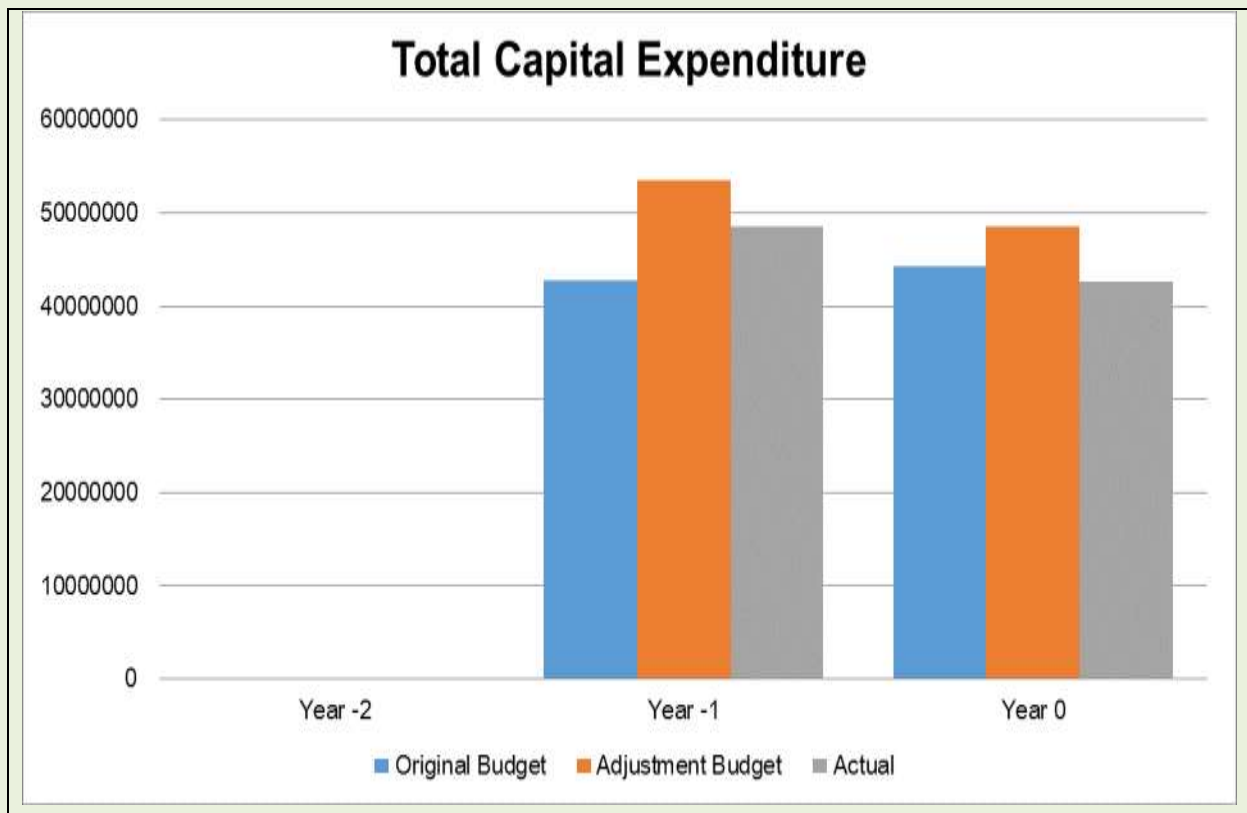
More scheduled training will take place to ensure that finance staff are kept up to date with financial trends.

More intervention with government departments and other stakeholders regarding payment of property rates.

Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	137274000	133 274 000	138 242 006
Taxes, Levies and tariffs			
Other	5887557	23851484	9925848
Sub Total	143 161 557	157 125 484	148 167 854
Less: Expenditure	98 892 557	108 656 484	98 458 608
Net Total*	44 269 000	48 469 000	49 709 246

OPERATING RATIOS	
Detail	%
Employee Cost	24.14%
Repairs & Maintenance	4.93%
Finance Charges & Impairment	

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	N/A	42709000	44 269 000
Adjustment Budget	N/A	53434348	48 469 000
Actual	N/A	48495262	42 636 202
			T1.4.4



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.

AUDITOR GENERAL REPORT

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL OF UMZUMBE MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS (AWAITING AG REPORT)

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:

Chapter 12 Of the Municipal Finance Management Act (MFMA) No 56 of 2003 states that:

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

Provide a record of the activities of the municipality or the municipal entity during the financial year to which the report relates;

To provide a report on performance against the budget of the municipality or the municipal entity for that financial year; and

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 meetings 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 five (5) 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.

POLITICAL GOVERNANCE

	<p>POLITICAL STRUCTURE</p> <p>MAYOR Cllr S.T. Gumede EXCO. Chair and Head FBCC Portfolio Committee</p>	<p>Function</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"> Identify the needs of the municipality, Review and evaluate those needs in order of priority, 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 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.
	<p>DEPUTY MAYOR Cllr NY Mweshe Head: 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>SPEAKER 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- Presides at meetings of the council. 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). Must ensure that the council meets at least quarterly Must maintain orders during meetings 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 Must ensure that the council meetings are conducted in accordance with the rules and orders of the council.</p>
	<p>EXECUTIVE COMMITTEE Cllr M.P Shoji Development Planning and Local Economic Development 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 represented 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>MUNICIPAL MANAGER: N C MGIJIMA</p>	<p>Function</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>CHIEF FINANCIAL OFFICER: Title Mr K Audan</p>	<p>The Department is responsible for managing the financial administration of the municipality. It comprises sub departments i.e. Expenditure and Assets, Budget, Treasury and Revenue and Supply Chain Management.</p>

	<p>DIRECTOR SOCIAL & ECONOMIC DEVELOPMENT : MR T P Cele</p>	<p>The Department comprises of three units namely, Community Services, Local Economic Development and Disaster Management. It facilitates and co-ordinates activities and programmes that would yield shared economic growth and marketing of the municipality.</p>
	<p>DIRECTOR CORPORATE SERVICES:MR B G Nyuswa</p>	<p>Corporate Services Department is composed of three sections. These are Human Resources, Administrative Support and Information and Communications Technology Sections with different legislative mandate. The department is mainly operational in nature. It provides strategic direction and support to the services' departments, by ensuring that human/ physical resources are in place to enable the municipality to meet its service delivery objectives.</p>
	<p>DIRECTOR TECHNICAL SERVICES: MR S.S. Phakathi</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, Housing Unit and. Project Management Unit</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 established 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 reside within the office of the Deputy Mayor wherein they also deal with matters that are affecting these structures.

Disability community interests found expression in the municipality's IDP in the sense that the municipality had championed the rolling out of Special Programmes which cater, among others, Disability Programme. 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.

2.3 INTERGOVERNMENTAL RELATIONS

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Munimec is the structure 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 local 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 and both strategies seek to address the accountability. As a process of public participation IDP & Budget road shows were conducted in the 3rd 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-

Of financial and risk management and internal control; and

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:

Financial management : Assets (Poor safeguarding of municipal assets)

People : Skills attraction and retention (Failure to retain critical scarce skills)

Financial Management : Creditors (Failure to pay service providers within 30 days)

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.

Financial Management: Procurement (Delays in procurement of goods and services)

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.

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	06/06/2014
All current budget-related policies	Yes	06/06/2014
The previous annual report (Year -1)	Yes	13/02/2014
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	2014
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
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

ELECTRICITY

INTRODUCTION TO ELECTRICITY

In providing the electricity to some communities of Umzumbe as per the allocation of R5 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. 205 households electrified for St Nivards. 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 Households				
Description	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Energy: (above minimum level)</u>				
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%
<u>Energy: (below minimum level)</u>				
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%
Total number of households	–	–	1	17

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Households		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget No.	Budget No.	No.
Formal Settlements						
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%
Informal Settlements						
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	2	2	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	2	2	2	0	0
T 3.3.6					

Capital Expenditure Year 0: Electricity Services R' 000					
Capital Projects	Year 0 (2013/2014)				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
St Nivards	5 000 000	0	1 200 000	83%	5 000 000

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.
<u>Solid Waste Removal: (Minimum level)</u>				
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
<u>Solid Waste Removal: (Below minimum level)</u>				
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</i>	0	0	0	0

<i>percentage</i>				
Total number of households	–	–	–	–

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Households		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	–	–	–	–	–	–
Households below minimum service level	–	–	–	–	–	–
Proportion of households below minimum service level	0	0	0	0	0	0
Informal Settlements						
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	0	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	1 300 000,00	1 300 000,00	100%
Repairs and Maintenance	0	0	3 500 000	3 200 000	91%

Other	0	0	0	0	0
Total Operational Expenditure	0	0	0	0	0
Net Operational Expenditure	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
Total Operational Revenue	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
Total Operational Expenditure	0	0	0	0	0
Net Operational Expenditure	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	13000000	350 000	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

This unit is responsible for the facilitation of housing delivery. It works with the Department of Human Settlement in providing adequate shelter for the betterment of humankind through housing

delivery for the people of Umzumbe communities as this is required by the Constitution of the Republic of South Africa. In the housing delivery Umzumbe acts as a developer.

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.

Actual performance

There were target set for various Clusters in housing units planning and construction. The following progress has been achieved:

In Cluster a Municipality managed to complete 986 houses after approval of Tranche 2 application by the MEC (Department of Public Works and Human Settlement).

In Cluster B the Municipality managed to complete 976 housing units after approval of 1000 houses. Cluster B Phase 2 Application has been approved and the service provider has reach about 1600 application in terms of beneficiary administration which will then be submitted to the Department for approval.

In Cluster C the application pack is with the Department of Human Settlement and is currently finalising the product to be used in terms of drawing design.

In Cluster D the Municipality experienced difficulties in submitting the application pack as most of land is privately owned. The Municipality is working with the Department of Human Settlement and the Department of Rural Development and Land Reform in sorting out land issues by issuing the consent letter.

In Nhlanguwini the project was approved and currently the contractor has completed 110 slabs to date until the approval of the final product.

Challenges

Scarcity of land for housing development most land is privately owned.

Poor performance by the Implementing Agent to foresee the challenges before the project start.

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	34571	0	0%
Year -2	33573	0	0%
Year -1	33573	0	0%
Year 0	33573	0	0%

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	2	3	2	1	50%

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	76 774 920	0	40660000	52.9%0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	00

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.

Nhlangwini Housing Project: The Municipality Manage to submit the application for 1000 units to the Department of Human Settlement.

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 | School campaign to provide uniform for identified indigent learners |
| . Food security | One home one garden and indigent support |

. Free Basic Electricity **50KW free per purchase of electricity**

. Free Alternative Energy **Gel provision to 634 households in Wards 7, Ward 8 and Ward11**

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	160	20	12	120
Year - 1	166	25	14	140
Year 0	166	10.3	0	0



Photo: Bhunwini Access Road

Ward 19



Photo: Bhunwini Access Road

Ward 19

Tarred Road Infrastructure Kilometres					
	Total tarred roads	New roads	tar Existing roads tarred	tar re- Existing roads 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: Makhoso Access Road

Ward 10

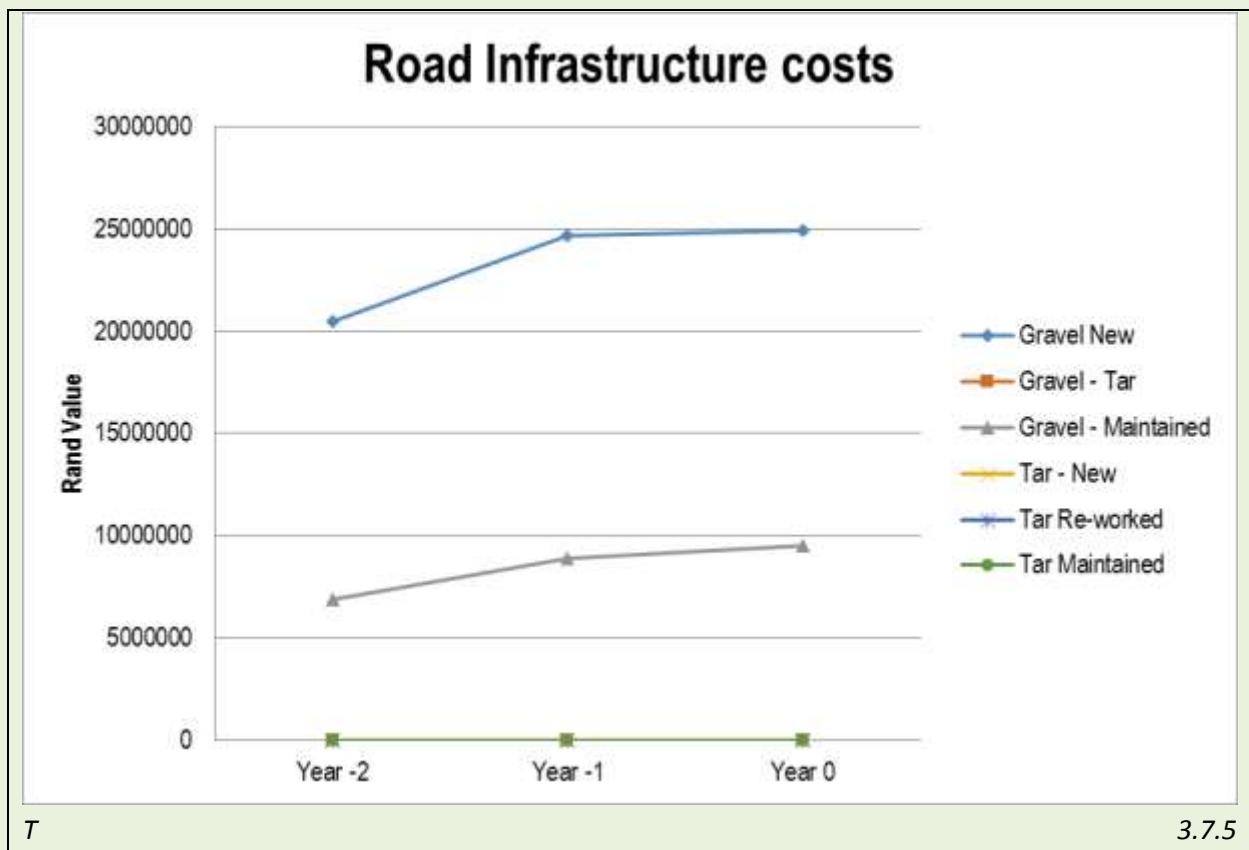
Cost of Construction/Maintenance R' 000						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year - 2	24655000	0	8871409	0	0	0
Year - 1	24 924 084	0	9500000	0	0	0
Year 0	20306324	0	3 500 000			



Photo: Othandweni Access Road



Ward 10



[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	3	2	1	67%
4 - 6	2	2	1	1	50%
7 - 9	0	0	0	0	0
10 - 12	2	4	4	0	0%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	7	9	7	2	117%



Photo: Mpelazwe Access Road



Ward 18

Financial Performance Year 0: Road Services R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1008000	9800 000			
Expenditure:	0				
Employees	0				
Repairs and Maintenance	1008000	3500 000			
Other	1008000				
Total Operational Expenditure	1008000				
Net Operational Expenditure	0	13 300 000			

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%	
Thami Zulu access road	3,121,275.29		2 350 323.61	24.7%	
Mpelazwe access road	3 643 990.42		3 221 883.33	63.57%	
Othandweni access road	2 900 000		3 002 171.67	-3.52%	
Bhunwini access road	4 881 288.99		2 392 885.84	50.98%	
Makhoso access road	5 759 769.31		4 306 127.51	25.2%	

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

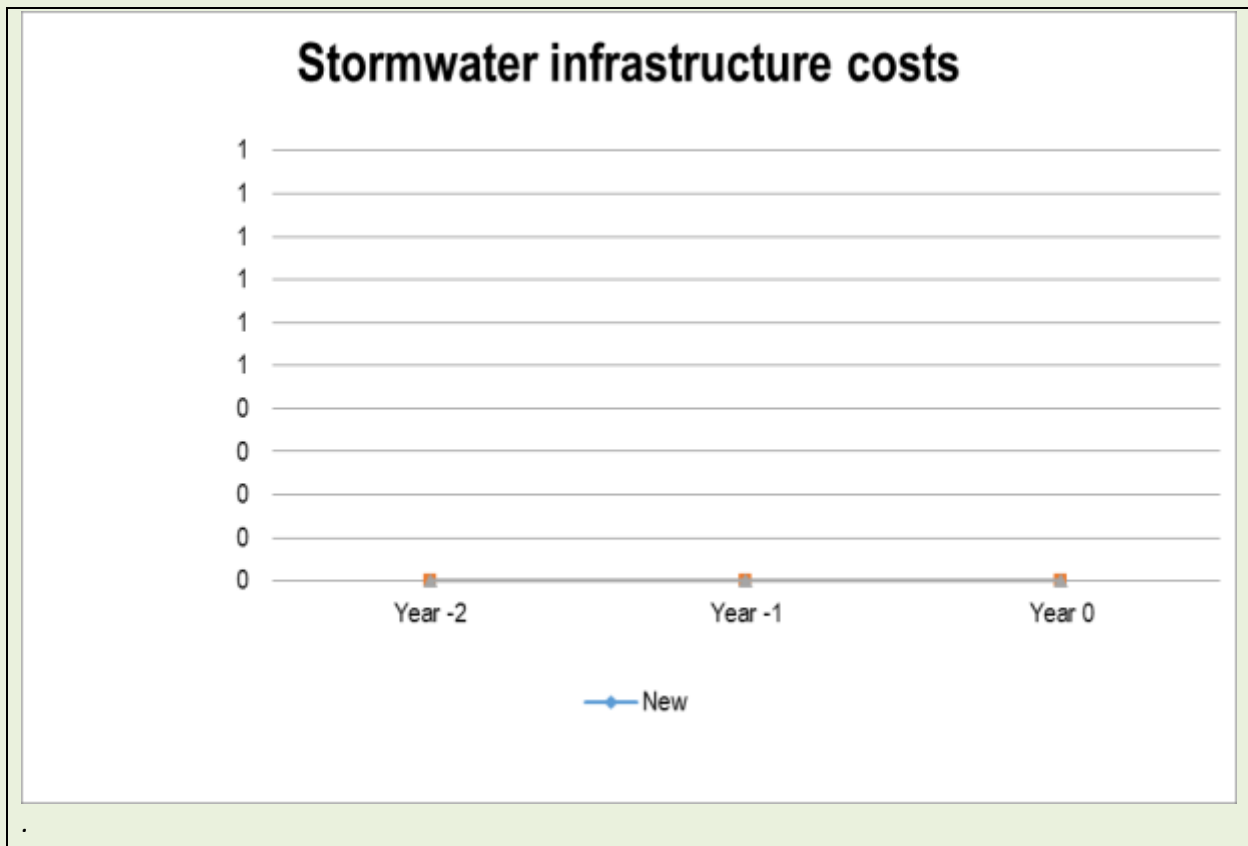


Photo: Mini Bus Taxis as a Mode of Public Transport

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, 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.

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 2013 with the development of the IDP/Budget/PMS process plan following which the process plan was presented in the Top Management Committee, Planning Portfolio Committee, Executive Committee, IDP Representative Forum and Council. Members of the Community were afforded an opportunity to comment on the Plan through local newspapers and the municipal website. The municipality has been able 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 land use 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 revenue 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.

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
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
Service Indicators		*Previous Year	*Current Year	
(i)	(ii)	(v)	(vi)	(vii)
Service Objective xxx				
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 Software was installed and also the GIS Policy was developed

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	1	2	1	1	50%
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	3	4	3	1	50%

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

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

For the year 2013/2014 the Umzumbe Municipality has committed to developing the Wall-to-Wall Scheme and Land Audit in collaboration with the Department of Cooperative Governance and Traditional Affairs. The project was delayed due to the non-responsiveness and it was carried over to the 2014/2015 financial year. 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, Turton Beach Framework, 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.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development is responsible for all the activities associated with economic development initiatives which include the following brief over view and challenges

This Unit is head by the Manager: Local Economic Development who is responsible for all the activities associated with economic development initiatives which include the following key functions;

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

ARTS AND CRAFT DEVELOPMENT

This is a project that focuses on the development of arts and crafts within the municipality. It comprises mainly of unearthing handiwork talent and development thereof through training. The objective of the project is to have rare arts and crafts in Umzumbe; the products of which would be developed to international standards of quality and texture.

Six crafters, namely Zuzakonke, Masisibonele, Vukawakhe, Gqamokuhle, Tholulwazi and Siyaphambili were engaged in an Arts & Craft Incubation programme in which they were trained in

Basket weaving, leatherworks and jewellery. These crafters were also supported with inputs and were exposed to strategic exhibitions.

SMME DEVELOPMENT

This is a programme that helps develop small businesses that are registered as close corporations. The LED Unit updates the SMME database regularly. SMMEs trainings are provided in partnership with Provincial government departments and SEDAs.

The SMME audit was conducted with an aim of collecting the data which will assist in identifying areas of intervention with regard to challenges faced by the local SMMEs.

LED FORUM

This is a forum where all LED stakeholders meet to discuss issues relating to LED. It consists of a variety of members ranging from government Departments, civil society, business, private sector etc. Four LED Forum meetings were held successfully.

ARTS & CULTURE DEVELOPMENT PROGRAMME

Creative arts is divided into two. The first one deals with competitions where eliminations are done to get the best three groups in all genres. This helps the artists measure their competitiveness. The second part of creative arts deals with the development of the winners of the competitions through training external competition and marketing through exposure, through participation in the Art and Culture Heritage Festival that was held in ward 12 on the 28th September 2013 during the Heritage month.

Arts & Culture Competitions were conducted in different genres and winners were then offered an opportunity to expose their talents during the Arts & Culture Heritage Festival.

Arts & Culture Heritage Festival.

Five (5) groups were assisted in recording their music namely; 1 kwaito group - New Finest, 1 hip-hop group - Ghetto Boys, 2 Gospel Groups - Gods Messengers and Izazi and 1 Maskandi Group - Khululeka Maskandi Group

HERITAGE DAY

This is an important day in the South African calendar when culture and heritage is celebrated. Umzumbe Arts and Culture Heritage Festival was held during the Heritage month in ward 12 at kwa Gwabhu Sportsground on the 28th September 2013. The Freedom day was commemorated through the Indigenous Music Festival which was held in ward 19 at Mnafu Sportsground on the 14th June 2014.

Agricultural Development Programme

This programme focuses on identifying agricultural projects that will be able to stimulate economic development and assist project beneficiaries with relevant inputs.

MUNICIPAL TRACTOR PROGRAMME

This is an agricultural mechanisation project, where the municipality offers land preparation services to community gardens, small farmers, and individual households. 234 Land preparation services include ploughing and disking were done in all wards.

CO OPERATIVE SUPPORT AND DEVELOPMENT

This programme assists cooperatives in Umzumbe to develop through financial relief by providing inputs. Presentations are also brought in to encourage new ventures. Co-ops are also assisted in skills development to improve the quality of their produce. 20 Cooperatives were trained through Letsatsi programme and 13 cooperatives have been trained on vegetable production and hydroponic management.

Tourism Development and Support

This programme is focusing on identifying tourism opportunities and nodes that have potential for promoting tourism and develop them into packages while assisting beneficiaries in doing feasibility studies for tourism development.

ISIVIVANE SIKA SHAKA TIME TRAVEL

Isivivane sika Shaka Time Travel was held in ward 15 – kwa Nomakhanzane from the 25th-26 October 2014.

TOURISM INCLUDING NTELEZI MSANE

This is a heritage project that seeks to commemorate the Heroes of Umzumbe that took part in the poll tax uprising of 1906. This project is going to be the cornerstone of tourism and development within the municipality. Research that has been done has linked Umzumbe to international avenues such as St Helena Island where a tourism agreement should be signed. The agreement involves the museums of Umzumbe and St Helena showing the others heritage and artifacts. The project comprises lifestyle features such as museum, amphitheatre, information centre, restuarants, archive centre, library, art and etc.

The Ntelezi Msani Memorial Lecture was conducted on the 20th March 2014 and Ntelezi Msani Heritage Day was Heritage Day was commemorated in ward 10 on the 22nd March 2013.

CHALLENGES

About 75% of land within the jurisdiction of Umzumbe municipalities belongs to Traditional Authorities of which 47.5% is owned by the Ingonyama Trust which makes it difficult for the municipality to have access to land required for developmental purposes.

Umzumbe local municipality is less revenue based, which result in budget constraints for other projects to be implemented efficiently.

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
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	

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

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employee s	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	1	50%
7 - 9					
10 - 12	3	3	3		
13 - 15					
16 - 18					
19 - 20					
Total	6	6	6	0	50%

COMPONENT D: COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

SOCIAL & ECONOMIC DEVELOPMENT DEPARTMENT

STRATEGIC OVERVIEW

The Department of Social and Economic Development is headed by the Director: Social and economic Development. This department has three units, i.e. Community services, Local Economic Development and Disaster Management Services Unit.

Social and Economic Development is mandated to improve social development through targeted services. Programmed are established to improve the standards of life through a safety net of essential services.

COMMUNITY SERVICES

BACKGROUND

Community Services Section is responsible for activities that aim at addressing social challenges faced by people of Umzumbe. The focus of the unit is on various activities and initiatives that are guided by non-discriminatory principles, gender sensitivity and pro poor agenda. The significance in

achieving the objectives of these activities is by developing partnership with sector departments in championing the constitutional mandate vested on the Community Services Unit.

THE FUNCTIONAL AREAS

The objectives of the unit are mainly to ensure that services to the community are provided in a sustainable manner and also to provide a democratic and accountable government. The key functional area is:

- Facilitate the implementation of poverty alleviation programmes,
- Development of partnership with civil society organizations,
- Development of partnership with sector departments,
- Co-ordination of District and Provincial National calendar,
- Facilitation and coordination of the establishment of a municipal service,
- Provision of Indigent support and food security programme,
- Facilitation of Service delivery events.

OVERVIEW AND HIGHLIGHTS

Poverty Alleviation

Umzumbe Municipality is vastly rural and compounded by immense poverty. The area has challenges of unemployment and inadequate access to basic needs. Poverty Alleviation as well as Indigent Support programmes are the core strategies to ensure that the indigent people are being supported as a response to the challenges mentioned. The unit has partnered with Social Development, Home Affairs, Dept. of Health and SASSA in ensuring that people's interests are being championed.

The Poverty Alleviation program has various components such as Dress a child, 38 women, development of the poverty alleviation strategy, indigent register, one home one garden and food security. The 38 women program was specifically established to address the issue of poverty through the employment of two women per ward identified as indigent. These women were placed as general workers to clean all Municipal Community facilities in all 19 wards and receive a stipend for performing such tasks. This programme has been in place since 2008 providing a safe net for the 38 women thereby curbing poverty.

Poverty Alleviation Strategy

The poverty alleviation strategy aimed at reducing poverty was developed and adopted by council.

The Indigent Register

The indigent register would be utilized to implement the strategy developed. This service provider has been appointed to develop the indigent which will assist in giving direction as to which families that are eligible to receive indigent support and other areas of intervention.

One Home One Garden

This programme was fully implemented exceeding the target of 500 families to 980 families that received seeds.

Dress a child

This program has a particular objective which is to promote dignity of pupils affected by poverty targeting 1500 learners. All 19 wards of Umzumbe participate in the program through the involvement of stakeholders. This programme promotes collaboration between Ward Councillors, Ward Committees and Educators in identifying beneficiaries. The Municipality coordinate this programme in partnership with a Steering Committee of Educators so as to effectively implement this programme. This programme was not fully implemented although all the administrative processes have been conducted.

Non-Governmental Organisations (NGO's)

This program comprises of various components such as the NGO support, Capacity Building and the Grant in Aid.

NGO Support

For this category, six NGO's were identified, assessed, categorized and coached continuously for their development and growth. The NGO's identified and assisted were; Vusimpilo Community Project, Kwa-Dweshula Drop-in Centre, Emabheleni HIV& AIDS Project, Fisokuhle Community Project and St Nivards HIV & AIDS Project

Capacity Building

This section was divided into two sections i.e. capacity building for the entire NGO's operating within the precinct of Umzumbe and for the 6 NGO's in the incubation programme.

The entire NGO sector received two workshops with relevant focus on registration in relation to compliance with the NPO processes. The second workshop focused on the training for Boards of Management with relevant focus on the roles and responsibilities for effective management of the organization.

The incubated NGO's were provided with two workshops on Proposal Writing and Leadership which emanated as a result of the assessments conducted and inputs were provided.

Grant in Aid

This program has been established to deal with particular challenges among NGOs. This initiative aim at empowering and provide support towards the Community Based organizations that operate without any intention whatsoever to make profit. For the current year the focus was on crèches to

receive the grant in aid. Five crèches (Thinasionke Creche, Inkanyezi Creche, ENtokozweni Creche, Ebhunwini Creche and) were granted and one Non-Governmental Organisation (Siyathemba HIV & AIDS Project) which was in dire need for support. The grant awarded to the mentioned institutions was executed accordance to the set criteria and received goods that will assist them in rendering their services to communities and beneficiaries namely

Free Basic Electricity

One of the important projects within the Community Services Department is the provision of free electricity tokens. 4000 electricity tokens are collected every month by families identified as indigent in all 19 wards and 634 Families were provided with GEL once per quarter in ward 8 and 11.

Community Works Programme

The component set for this programme were the development of the site plan, ensuring that the reference committee seat and the skills audit. The site plan was reviewed with a resolution from the EXCO for implementation. Seventy (70) posts were filled and one participant was placed within the Community Services unit. Identification of training needs was done and participants have been sent for training in areas where training was necessary. The site plan was reviewed and adopted by the Council on the 30th June 2014.

Municipal Police Service

This programme is in its second phase which comprises of the application of the Municipal Police Service, Community Survey and the Traffic Count. The wards that participated on the community survey and the traffic count were wards, 10, 15, 17, 18 and 19. Twenty volunteers were initially recruited to participate on the community survey which was done through house calls. This number dropped to 13 during the traffic count due to job opportunities acquired by the volunteers. Prior to the commencement of the community survey and the traffic count workshop was conducted aimed at familiarizing volunteers with the concept and the task at hand.

Achievements

A CWP participant was placed in the Unit complimenting the staff challenge identified the previous year.

A student who has completed Development Studies was placed in this unit bridging the gap of the unit being understaffed.

CHALLENGES

Financial/Budget constraints that hinder the section in meeting and responding to the unlimited number expectations from the Community.

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

Umzumbe Municipality has a total of 37 Community facilities which includes halls, Skills Centres and Multi-purpose centres.

Photo: Ward 07 BHANOYI COMMUNITY HALL

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.

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.

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 INTRODUCTION TO DISASTER MANAGEMENT AND FIRE SERVICES

The Disaster Management Act, (Act 57 of 2002) in which the four (4) key performance areas (KPA) of disaster management are described as:

- Institutional Capacity (Advisory Forums, etc.)
- Risk Assessments (risk identification, etc.)
- Risk Reduction (awareness campaigns, etc.)
- Response and Recovery (incident support, etc.)

The Act further outlines the three (3) enablers as:

- Information and Communication systems required
- Training, Education and Research Funding

The Disaster Management Act, 2002, provides for the declaration of disasters through national, provincial and local government spheres.

The Disaster Management Centre of Umzumbe therefore is responsible for the following key functions;

- Facilitating the development and implementation of the Disaster Management Plan;
- Facilitating of the Umzumbe Disaster Management Advisory Forum;
- To assess, prevent or reduce the risk of disasters;

Responding to disaster incidents and provide necessary support in liaison with Ugu District Disaster Management Centre

The unit has shared services with Umdoni and Vulamehlo facilitated by Ugu District Municipalities. 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 two (2) fire fighters was done enabling them to drive fire services and respond to incidences.

HIGHLIGHTS

The Disaster Management Section has been able to accomplish most of the tasks set out to do in the financial year. The accomplishments are progressive and give direction to the section with projections of a section that has a great potential to establish itself as a unit. Programs that were implemented this year were more into the community involvement in issues of Disaster Management e.g. identification of risks that render our communities vulnerable to disasters, awareness campaigns on identified risks like fires, strengthening the volunteer program, etc. Below are the programs and projects that were implemented, successes and challenges met and how those were approached and dealt with.

PROGRAMMES

Mitigation of Disasters in Municipal Events

The section has a big role to play in ensuring safety of community, principals and fellow co-workers during events that are hosted by the municipality and also giving advice in events that are hosted by other stakeholders within the jurisdiction of Umzumbe municipality. The section develops disaster management, floor and security plans to ensure that the events are free from incidents.

The section participated in events such as Indigenous Music Festival, Youth Day, IDP and Budget Roadshows, Prayer event etc.

Awareness Campaigns

A number of awareness campaigns (5) were conducted this year. These were conducted in schools (Dubandlela and Finqindlela High Schools) and in areas such as Thaleni (ward 2), Nomakhanzana (ward 15), Gubhuza (ward 7) and Mgayi (ward 12) of Umzumbe. These were done strategically to highlight vulnerabilities of that particular area and what communities could do to either prevent or mitigate those risks. Disaster Management section plays a coordinating role and invited stakeholders who are experts in different fields that needed to be addressed.

Ward Based Risk Assessments

The section conducted ward based risk assessments in all 19 wards to assist when the Disaster Management Plan is developed. The document is compiled and is currently being circulated for final adoption by council.

Stakeholders Advisory Forum

Disaster Management Stakeholders' Advisory Forum was established in the year 2011 and is currently meeting on quarterly basis. Special meetings are convened if there are urgent matters that need attention e.g. when disasters occur. This year the section held the 4 standard Stakeholders Advisory Forum meetings. Stakeholders include the following departments (among others):

Department of Human Settlement, Department of Transport, Department of Health, KZN Wildlife SASSA, Department of Social Development, South African Police Services (Hibberdene, Msinsini, Mehlomnyama, St Faith's, Sawoti) Red Cross, Umdoni Fire, Rescue and Disaster Management.

Umzumbe also experienced adverse weather in October 2013 where 7 lives were lost due to drowning. It then became necessary to hold special meetings with relevant departments and other stakeholders to assist the affected families.

Trainings

Two (2) training sessions were conducted this year. Traditional leaders were trained on Disaster Management and staff members received training on First Aid. The objective for the Traditional Leaders training was to work hand in hand with all community leaders as some members of community prefer to report incidents direct to their traditional leaders. This was to equip them with knowledge and be in a position to create that awareness in different communities.

Volunteer Program

The aim of this program was to broaden the manpower since the disaster management office is challenged. This program assists with the reporting of incidents that occur in our communities so as to make the stipulated 72 hours response time. The section held 4 quarterly progress meetings.

Fire fighting Shared Services

The municipality has shared services on fire fighting with Umdoni, Vulamehlo and Ugu District. The SLA is reviewed on annual basis.

Responding to Disaster Incidents

Two hundred and twenty (220) cases were reported this year. Eighty four (84) were cases of structural fires that were caused by candles, veld fires and lightning and 136 cases of mud houses that collapsed due to rains and winds mostly in October 2013. There were eight (8) fatalities of

people who drowned in different rivers in October and one person who was burnt to death when the house caught fire.

The section distributed 244 blankets, 83 food parcels, 16 tents, 11 rolls of plastic sheets and school uniform for children whose homes were affected by fires.

CHALLENGES

Mitigation of Disasters in Events

Notified in time for the event to be able to make proper arrangements considering that we have other disaster management stakeholders e.g. police, health department etc. that have to be brought on board from planning stage up to the day of event.

Compliance with standards and procedures for erecting temporary structures

The gap that persists is that service providers are not knowledgeable of laws and regulations surrounding the services that they provide. They often do not comply with such regulations which poses a threat and deems the municipality vulnerable to lawsuits should incident occur. For an example, the erection of temporal structures (tents, marquees, stages, electric connections, etc.) requires that the service provider appoints an engineer who will assist those responsible for evacuation with important information relating to strength of the structure, wind notches, etc. Without this certificate the municipality stands to be sued should the structure collapse.

Understaffing and Resources

The Employment of a practitioner is much appreciated and has given sort of a relief in the strain that the section has been under. There are 4 key performance areas of Disaster Management (Institutional Capacity, Disaster Risk Reduction, Disaster Risk and Recovery and Public Awareness, Education, Training and Research), this means that work is still done below standard. The increased staff will only mean necessary focus is given to all areas they all are important and complement each other to create a vibrant disaster management section.

Resources

The section is dealing with emergencies e.g. fires and other related incidents. The section also has a target of 72 hours response time that has to be met and this requires resources in a form of space, vehicles, etc. This forces workers to wait until rain subsides so that assessments can be done. The lack of storage space also means that workers need to collect relief material from Umdoni and Ugu Disaster Centres so that they can respond to affected families.

Firefighting Shared Services

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.



Photo: Fire Fighters

Employees: Disaster Management, Animal Licensing and Control, Control of Public Nuisances, Etc					
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		2	0	2	
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	5	2	3	50%

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

3.25 FINANCIAL SERVICES

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 and,
- 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	3 100 795		4977152	4 977 152		4 157 557	3 100 795
Electricity - B							
Electricity - C							
Water - B							
Water - C							
Sanitation							
Refuse							
Other							
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.							T 3.25.2

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.

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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. With the upgraded infrastructure the e-mails and internet connectivity has improved a lot. The Anti-virus solution has eradicated a lot of viruses. IT Helpdesk software has been added to the IT Upgrade. A Bulk SMS system has also been procured to improve communication. An Online and Offsite Backup solution is also in place. A new server has been procured to replace the old server.

T 3.27.1



Photo: IT Systems

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

ANNUAL PERFORMANCE REPORT 2013/2014 FINANCIAL YEAR

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP Pg 91/ SDBIP Pg 1	Differentiated approach to municipal financing, planning and support	Municipal transformation and Institutional Development	To ensure implementation of Batho Pele Programme	Promote a culture and practice of Batho Pele Programme		Batho Pele Programme conducted	9	Target Met: 4 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	4	N/A	4 campaigns	4 Awareness Campaigns were conducted	Achieved	N/A	Attendance register	Manager: MM's Office
			To ensure a free fraud and corruption environment	Presidential hotline		Timely response to presidential hotline queries received	4 progress reports	Achieved, no queries were received this quarter.	4	1	4 progress reports submitted to council	3 Reports were submitted to Council	Target not Achieved	Report was sent to Council during the 1st Quarter of 2014/2015 Fy	Council Resolution, Reports	Manager: MM's Office

Chapter 4

IDP pg. 124/SDB IP pg1			To ensure compliance with MSA, performance regulations, MFMA	OPMS Development	Number (as well as percentage) of performance agreements signed reflecting national government priorities	5	Target Met: 5 contracts have been circulated to departments such as COGTA, AG, Treasury etc.	5	N/A	5 performance agreements signed within the first month of the beginning of the financial year	Performance Contracts were signed and sent to COGTA on the 25 July 2013	Achieved	N/A	COGTA Stamp as proof of submission	Development Planning
IDP pg. 125/SDB IP pg. 1			To ensure establishment of a functional PMS in the municipality	OPMS Development	Number of quarterly reviews conducted	4 Quarterly Reviews	Target Met	4	N/A	4 Quarterly reviews conducted	4 Quarterly Reviews Conducted	Achieved	N/A	Quarterly review minutes and Attendance Register	Development Planning

IDP / SDBIP NO.	OUTCOME 9		NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measure s taken to improve performance	Portfolio of Evidence	Responsible Departments
								2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 41/ SDBIP pg1		Differentiated approach to municipal financing, planning and support	Municipal transformation and Institutional Development	To ensure establishment of a functional PMS in the municipality	OPMS Development		Number of reports submitted on performance in terms of Section 46 of the MSA	1	Target Met: performance report submitted to COGTA	N/A	N/A	Reports submitted on performance report was in terms of compiled Section 46 of the MSA	Achieved	N/A	performance report	Development Planning	
IDP pg. 41/ SDBIP pg1				To ensure establishment of a functional PMS in the municipality	OPMS Development		Date of adoption	March 2013 final Adoption	Target Met: Final Annual Report adopted by council	1	N/A	Adopted annual report for the 2012/13 annual report by the 30 March 2014	Final Annual Report was adopted on the 24 January 2014	Achieved	N/A	Council resolution	Development Planning
IDP pg. 41/ SDBIP pg1				To ensure establishment of a functional PMS in the municipality	OPMS Development		Number	Performance Report	Annual Performance Report Compiled and submitted to COGTA	1	N/A	Completed Annual Performance report submitted to the Auditor General by 31 August 2012	Annual Performance Report completed and submitted to AG on the 30 August 2013	Achieved	N/A	Acknowledgement letter from AG	Development Planning
				To ensure implementation communication Strategy	Corporate Image		Percentage Branding	70 %	Target not Met: Heritage Sites not branded	All Municipal Equip ment's	N/A	90% branding of municipal services	Target not met	Not Achieved	Put aside budget for broadcasting	Branded writing pads, pens, banners	Communications, Mayoralty and Youth Development

														(advertisement and branding)		ent
				Marketing		Number of municipal events	18 municipal events	Target Met	not 21	N/A	21 municipal events held	21 Municipal Service Delivery Events were held	Achieved	N/A	Attendance Register and Photos	Communications, Mayoralty and Youth Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
	Differentiated approach to municipal financing, planning and support	Municipal transformation and Institutional Development	To ensure implementation communications Strategy	Marketing		Number of radio slots	20 radio slots	Target Met: the mayor has attended publicity radio slots on Ukhozi FM and Radio Sunny South, as part of marketing Umzumbe and promotion of all municipal development	36 radio slots and 12 Print advertisement	N/A	36 radio slots and 12 print advertisement	36 Radio Slots were attended and advertisement was done	Achieved	N/A	Copies of Mayoral Slots, Radio Recordings	Communications, Mayoralty and Youth Development

IDP pg. 37/ SDBIP pg. 3			Restructuring and Human Resource Profile	Compliance with policies and internal controls		Number of Policies Developed	4 policies adopted and implemented	Target Met: IT Policy, SCM Policy, Political Support Staff, Uniform and Protective Clothing policies, Indigent Register, Anticorruption and Fraud prevention and Integrated	8	2	8 Reviewed and Developed policies by 30 June 2014	Only 13 Policies have been developed and adopted by Council	Achieved	EAP to be adopted in the first quarter of 2014/2015	council resolution/Policy s and Plans	Corporate Services
						number updates website content	N/A	N/A	As and required basis	N/A	website content updated 12 times a year	Website content updated	Achieved	N/A	Register of the items published on the website	Communications, Mayoralty and Youth Development
(2013/14) IDP pg. 149 SDBIP pg. 1						N/A	N/A	N/A	1	N/A	Developed HRD and Knowledge Management Strategies by 31 March 2014	HRD Strategy has been developed and adopted by council	Achieved	Strategy to be finalized in the next financial year (2015/2016).	council resolution/Policy s and Plans	Corporate Services
IDP pg. 37/ SDBIP pg. 3			To ensure compliance with policies and internal controls	Compliance with policies and internal controls		Number of Employees inducted	13 employees inducted	Target Met: 13 employees inducted	6	0	6 employees inducted	15 employees attended induction workshop conductM2 2 :P27ed.	Achieved	N/A	Attendance register	Corporate Services

IDP / SDBIP NO.	9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 37/ SDBIP pg. 4	Differentiated approach to municipal financing, planning and support	Municipal transformation and Institutional Development	To ensure compliance with policies and internal controls	Compliance with policies and internal controls		Number of post filled	13 people employed	Target met:	6	None	6 vacant posts filled	10 posts filled	Achieved	N/A	Appointment Letters	Corporate Services
IDP pg. 38/ SDBIP pg. 4				Human Resource Management		Number of Councilors Trained	2 Councilors on ELMDP	Target not achieved	30 Councilors	24	30 Councilors to be Trained	16 councilors trained	Not achieved	Trainings will be conducted in the 1st Quarter of 2014/2015	Training Certificates	Corporate Services
						N/A	N/A	N/A	N/A	5	Training of 25 Employees	20 trained	Not achieved	Insufficient budget	Report	Corporate Services
IDP pg. 38/ SDBIP pg. 4						Number (as well as percentage) of critical posts filled	5 posts to be filled	N/A	N/A	N/A	Number (as well as percentage) of critical posts filled	5 Critical Posts filled	Achieved	N/A	Report	Corporate Services
(2013/14) IDP pg. 150 SDBIP pg. 1						N/A	N/A	N/A	N/A	N/A	Adopted WSP by 30 June 2014	WSP Adopted in April 30 2014	Achieved	N/A	WSP resolution and acknowledgment letter from LGSETA	Corporate Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 150 SDBIP pg. 1	Differentiated approach to municipal financing, planning and support	Municipal transformation and Institutional Development	To ensure compliance with policies and internal controls	IT Upgrade		Number of IT Items purchased	N/A	N/A	N/A	N/A	6 Licenses, 6 Laptops, 4 desktops and other computer related equipment	Target met: 4 Unicolor license. VSAT license was paid in the previous quarter. Procured 1 x server, 1x MS SQL, 1x Big LaserJet printer, 2x HP Desk Jets, 3 x Windows 7 Pro, 2 x MS Office Pro, 1 x Dell Laptop, 1x E-Filing	Achieved	N/A	Purchase Orders and Requisitions	Corporate Service
(2013/14) IDP pg. 151 SDBIP pg. 1						Number	N/A	N/A	3	N/A	3 Software's procured	Target Met: Bulk SMS software installed and ready for use.	Achieved	N/A	Purchase order	Corporate Service
(2013/14) IDP pg. 151 SDBIP pg. 2						Number	N/A	N/A	Detectors and Sprinklers	2	Detectors and sprinklers installed by 30 September 2013	Detectors and sprinklers installed	Achieved	N/A	Purchase order	Corporate Service

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 151 SDBIP pg. 2						Date	N/A	N/A	N/A	N/A	Developed Intranet by 30 March 2014	Target met: It has been developed and installed in our server.	Achieved	N/A	Payment	Corporate Service
(2013/14) IDP pg. 151 SDBIP pg. 2			To ensure compliance with policies and internal controls	Property Management		Date	N/A	N/A	1	N/A	Appointment of Security Company	Target not met	Not achieved	Tender document prepared for Bid Spec	Letter of Appointment	Corporate Service

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 151 SDBIP pg. 2	Differentiate approach to municipal financing, planning and support	Municipal transformation and Institutional Development		Proper records management		Percentage	N/A	N/A	N/A	N/A	100% compliant with Records Management Policy	Target not met: Amended Filing System submitted to KZN Archives for approval	Not achieved	Filing system already installed, service provider to train personnel.	All registers	Corporate Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg 37/ SDBIP pg 4				Retention of scarce skills		Number of people from employment equity target groups employed in the three highest levels of management	5	N/A	N/A	N/A	Number of people from employment equity target groups employed in the three highest levels of management	Target not met: a report has been written indicating equity target groups within the three highest level of	Not Achieved	N/A	Report and signed contracts for section 54 and 56 employees	Corporate Services
				Asset Management		Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring (number of fleet to be purchased)	disposal of 2 vehicles and purchase of 2 vehicles	Target Met: 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	3	0	Procure 3 Vehicles	management Target Met: Mayoral vehicle delivered in May 2014	Achieved	N/A	Minutes of BID Committee	Corporate Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH CURRENT YEAR						Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
								delivered yet.								
						Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development and monitoring (number of park homes to be purchased)	2 park homes	Target Met: 4 park homes purchased. Electricity cable installed	1	N/A	Procure 1 Park home	Target Met: Park home has been delivered	Achieved	N/A	Purchase order	Corporate Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH CURRENT YEAR						Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 54/ SDBIP pg. 6	Basic Access to Improved Services	Basic Service Delivery	To ensure infrastructure development and rehabilitation	Construction and maintenance of access roads		Km of access roads constructed and maintained	20.3km of access roads constructed	Target Not Met	20,3km	16,9km	Othandweni Access Road: Construction of 3,4km of new access roads	None	Not achieved	Fastrack construction of 4km and the remaining 14.2km will be completed by end of July 2013		Technical Services
IDP pg. 54/ SDBIP pg. 6	Community Implemented work Program and cooperative support	Local Economic Development	Heritage and Tourism Development	Promotion of Heritage sites		Facilitation for the compilation of the Ntelezi Msane Heritage Site business plan (phase 1)	Ntelezi Msane Heritage Site business plan compiled (phase 1)	Target Met	1	1	Designs completed	Target Met: Design are complete and contractor to execute phase1, which includes civil works and Information Centre been appointed	Achieved	N/A	contractor appointment letter	Technical Services
IDP pg. 54/ SDBIP pg. 6	Improved Access to Basic Services	Basic Service Delivery	To ensure infrastructure development and rehabilitation	Construction and maintenance of access roads		Procurement of grader	1 grader purchased	Target Met	0	0	2 Graders Acquired	Target Met	Achieved	N/A	Log Books	Technical Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH CURRENT YEAR						Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 54/ SDBIP pg. 6			To ensure infrastructure development and rehabilitation	Maintenance of Community facilities		Renovations, repairs and maintenance of municipal buildings	Municipal office buildings improved and maintained	Target Met	1	0	Maintain Entire office Complex burglar guarded, and landscaped & Maintained	Entire office Complex burglar guarded, and landscaped & Maintained	Achieved	N/A	Completion certificate	Technical Services
(2013/14) IDP 128 SDBIP pg. 1			To ensure infrastructure development and rehabilitation	Construction and maintenance of access roads		Km of roads maintained	N/A	N/A	All gravel Roads According Roads Master Plan	All gravel Roads According Roads Master Plan	Regravelling 12.1 kms of roads with associated stormwater structures	Target not met	Not Achieved	The contractor is busy with the last road, which is 80% complete. Completion of contract will be achieved by end of July 2014	Completion certificate	Technical Services
(2013/14) IDP 128 SDBIP pg. 1	Improved Access to Basic Services	Service Delivery	To ensure infrastructure development and rehabilitation	Construction and maintenance of access roads		kms of new access road constructed	Construct 20,3km of new access roads	14,2k of New Access roads constructed	20,3km	As per the Roads Master Plan	Bhunwini Access Road constructed 1.8 kms of new access roads	Target not met	Not Achieved	The contractor has introduced a subcontractor to assist him	Completion certificate	Technical Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMAN CE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR	WITH CURRENT YEAR					Status (Achieved / Not Achieved	Measures taken to improve performanc e	Portfolio of Evidence	Responsible Department s
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAN D	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
														fasttrack the project. The project should be complete by end of July 2014		
(2013/14) IDP 129 SDBIP pg. 2						kms of new access road constructed		14,2k m New Access roads constr ucted	20,3km	As per the Roads Master Plan	Mpelazwe Access Road: Constructed 2.1 kms of new access road	Target met	Achieved	N/A	Completi on certificate	Technical Services
(2013/14) IDP 129 SDBIP pg. 2						kms of new access road constructed		14,2k m New Access roads constr ucted	20,3km	As per the Roads Master Plan	Thamizulu Access Road: Constructed 1.3 kms of new access road	Target not met	Not achieved	The contractor has been issued a letter giving him 14 days to complete the outstanding work	N/A	Technical Services
(2013/14) IDP 129 SDBIP pg. 2						kms of new access road constructed		14,2k m New Access roads constr ucted	20,3km	As per the Roads Master Plan	Makhoso Access Road: Constructed 3.5 kms of new access road	Target met: the contractor has completed the project but he is busy with additional work, which	Achieved	N/A	Practical completi on certificate	Technical Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
												is concrete lined drains				
(2013/14) IDP 129 SDBIP pg. 2						kms of new access road constructed		14,2km New Access roads constructed	20,3km	As per the Roads Master Plan	Othandweni Access Road: Contracted 3.4 kms of new access road	Target met	Achived	N/A	completion certificate	Technical Services
(2013/14) IDP 129 SDBIP pg. 2						number of connections	250 households with access to electricity	Target Not Met	As per the Energy Master Plan	46%	80 households connected at St Nivads	Target not met	Not achieved	we will apply for rollover as this contract is expected to be complete in	N/A	Technical Services
(2013/14) IDP 130 SDBIP pg. 2						Number of facilities maintained	19 community facilities maintained	Target met: community facilities maintained and inspected	19	19	15 facilities maintained	Target not met: 6 facilities maintained	Not achieved	September 2014, Cluster A & B will be complete by end of July 2014. Cluster C&D contractor will be	N/A	Technical Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
														appointed before end of July 2014		

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP 130 SDBIP pg. 3	Improved Access to Basic Services	Basic Service Delivery	Facilitate Housing Development Programme	Housing provision in all the clusters of Umzumbe	4	Number of Houses constructed	500 Houses	500 Houses Built	400	400	Nhlangwini: 400 houses constructed	110 Slabs Complete	Not achieved	Revision of new Drawing for the new quantum.	Happy Letters	Technical Services
(2013/14) IDP 130 SDBIP pg. 3						Number of Houses constructed		1000	2000	2000	Cluster D0 Phase 2: 300 houses completed		Not achieved	Draft letter of consent is circulating in all Municipality affected by private land.	N/A	Technical Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio Evidence	Responsible Department
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLO G	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP 130 SDBIP pg. 3						Number of Houses constructed		0	3000	3000	Cluster C0 Phase 1: 400 houses constructed		Not achieved	Contractor to start construction once the contract document for new quantum finalized and signed by all parties.	N/A	Technical Services
(2013/14) IDP 130 SDBIP pg. 3						Number of beneficiary approved		976	2000	2000	Cluster B Phase 2: 1000 beneficiary approved	Target not met (Complete beneficiary administration 1630)	Not achieved	Implementing Agent has started with the beneficiary administration while waiting for the finalization of document to be signed by all parties.	N/A	Technical Services
(2013/14) IDP 131 SDBIP pg. 3						Number of Houses constructed		995	2000	2000	Cluster A Phase 1: 300 houses completed	Target not met	Not achieved	The Implementing Agent has applied for the extension of time to the Department of	N/A	Technical Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Department
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
														Human Settlement.		
			To ensure infrastructure development and rehabilitation	Upgrading of community facilities		percentage completion	4 Sports fields upgraded	Target Met	Not Met	N/A	N/A	Construction of Indoor Sport Centre	Not Achieved	Project will be implemented during 2014/2015 financial year		Technical Services
				Construction and maintenance of access roads		Km of roads constructed	Construct 20,3km of new access roads	14,2km New Access roads constructed		20,3km	As per the Roads Master Plan	Mqangqala access road	Target not met	It will be implemented in coming financial years	N/A	Technical Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 54 / SDBIP pg. 8			To ensure the provision of an high quality infrastructure services that will enhance	Update of an Indigent Register		An adopted and updated Indigent Register for the municipality	1 indigent register updated	Target Met	70 Families	0	indigent support	Target Met: 70 Families have been supported	Achieved	N/A	list of beneficiaries	Social and Community Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH CURRENT YEAR						Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
			the standard of living for the people													
IDP pg. 54 / SDBIP pg. 8	Improved Access to Basic Services	Basic Service Delivery	To ensure the provision of high quality infrastructure services that will enhance the standard of living for the people	Provision of alternative energy		Distribution of free basic energy (gel and tokens)	634 households benefiting from distributed gel (80 litres)	Target Met: Gel has been distributed in ward 11 and in ward 8	634	634	number of gel units purchased and distributed to	Target not Met	Not achieved	reduction on the number of provisions	list of beneficiaries	Social and Community Services
						Number of free basic electricity tokens provided	12 000 basic electricity tokens provided	Target met: tokens collected on monthly bases and payment done	12 000	12000 (As per Indigent Policy)	number of tokens distributed	Target Met: free basic electricity tokens have been distributed	Achieved	N/A	list of beneficiaries	Social and Community Services

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH CURRENT YEAR					Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)			
IDP pg. 54/ SDBIP pg. 7	Community work Programme Implemented Cooperatives and Supported	Local Economic Development	To create an enabling environment to attract LED	Development of SMMEs		Development of SMMEs (number of crafters exposed to markets)	5 mentored crafters	Target Met	Not 6	6 6 Crafters supported and exhibiting their artwork	6 crafters and exhibition- 1 crafters exhibited in UGu Jazz and 5 crafters exhibited their works in the Charity Fair - Scott burgh i.e. Gqamukohle, Vukawakhe, Tholulwazi, Masizibonela and Zuzakonke	Achieved	N/A	pictures	Social & Community Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 54 / SDBIP pg. 7	Community work Programme Implemented Cooperatives and Supported	Local Economic Development	To create an enabling environment to attract LED	Development of SMMEs		Development of SMMEs (within number of different genres performing competitions - Ingoma, Isicathamiya, Gospel)	3 artists (within number of genres performing at a professional level)	Target Not Met	5	1	5 Artists with recorded music	4 artists recorded. 1 kwaito group New Finest, 1 hip-hop group - Getto Boys, 1 Gospel Group - Gods Messengers and 1 Maskandi Group Khululeka Maskandi Group	Not achieved	N/A	N/A	Social & Community Development
IDP pg. 54 / SDBIP pg. 7			To promote trade initiatives in Umzumbi	Promotion of provincial trade networks		Promote Trade initiatives (number of business licenses)	15	Target not met	15	15	Facilitation of 15 business licences	Target not met	Not achieved	Process Business Licenses on as and when required basis	List of Applications	Social & Community Development
IDP pg. 54 / SDBIP pg. 7			Heritage and Tourism Development	Promotion of Heritage sites		Development of heritage site	Development of 1 heritage site (Isivivane sika Shaka)	Target not met	1	1	Isivivane Sika Shaka Heritage site Development by	Target Not Met	Not achieved	Will be done in 2014/2015	report	Social & Community Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 54 / SDBIP pg. 7			To encourage heritage/tourism in Umzumbe	Promotion of Heritage sites		Commemoration of heritage sites	2 heritage activities to be commemorated	Q3 Target met. The Ntelezi Msani Heritage Day was commemorated on the 20 April 2013. The memorial garden is also commissioned.	1	1	June 2014 and social awareness facilitated by October 2013	Target met. Freedom Day was commemorated on the 14 June 2014 in ward 19 Mnafu Sports Ground	Achieved	N/A		Social & Community Development
IDP pg. 54 / SDBIP pg. 7			To promote community participation in the municipality's economic growth programmes	Promotion of sustainable agricultural programmes		Implementation of agricultural programmes	1 Sustainable agricultural project per ward (19)	Target not met. Inputs have been procured covering the fenced projects that have not been operational.	19	19	number of community gardens per ward assisted through land preparation and grass cutting	target met 25 land preparations and 50 grass cutting conducted on sports fields	Achieved	N/A	List of Sports fields and gardens	Social & Community Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
	Community work Programme Implemented Cooperatives and Supported	Local Economic Development	Continuous and positive interactions with all key economic anchors and actors	Stakeholder participation		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	Target not met	4	0	4 LED forums held	target met- LED Forum was held on the 12 June 2014 and on the 26 June 2014	Achieved	N/A	Attendance register and Minutes	Social & Community Development
IDP pg. 48/ SDBIP pg. 1	Deepen Democracy through a Committee System	Good Governance and Public Participation	To ensure functionality of ward committees	Functionality of ward committees		Number of ward committee management meetings held and percentage attendance by members	190	Target achieved Ward Committee meetings were held in each ward	190	190	seating of 190 ward committee meetings	Target not Met	Not achieved	N/A	Attendance Register and the minutes	Speakers Office
(2013/14) IDP pg. 139/SDBIP pg. 3						number of community meetings organized by ward committee and percentage attendance by the community	N/A	N/A	190	190	seating of 190 community meetings	Target achieved. 1 community meeting held per ward	Achieved	New target has been set for 2014/2015 SDBIP, only 1 community meeting will be held per	Minutes and attendance registers	Speakers Office

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMAN CE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH CURRENT YEAR PREVIOUS YEAR						Status (Achieved / Not Achieved)	Measures taken to improve performa nce	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAN D	BACKLO G	2013/14 (TARGET)	2013/14 (ACTUAL)				
														quarter		
(2013/14) IDP pg. 139/SDBI P pg. 3						no of meetings per quarter	N/A	N/A	12	10	One meeting per month	Target not Achieved: Only 2 meetings conducted	Not achieved	Facilitatio n	Meeting was postponed to 31 July	Speakers Office
(2013/14) IDP pg. 139/SDBI P pg. 4			To promote a culture of participatory democracy and integration amongst the youth	Implement Youth Development Programmes		no of meetings per quarter	N/A	N/A	4	0	one meeting in one Quarter	Target achieved: one (1) Special General Meeting held on the 19th September 2013	Achieved		Attendanc e Register	Youth Development
(2013/14) IDP pg. 139/SDBI P pg. 4						no of meetings per quarter	N/A	N/A	4	4	one meeting in one Quarter	Target not achieved	Not achieved	Re-plan and conduct meeting in Q1 of 2014/15 financial year	Attendanc e register and minutes	Youth Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	(AS STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measure s taken to improve performance	Portfolio of Evidence	Responsible Department s
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 139/SDBIP P pg. 4			To promote a culture of participatory democracy and integration amongst the youth	Implement Youth Development Programmes		No of meetings per quarter	N/A	N/A	4	0	one meeting in one Quarter	Target achieved: Three Sports Council Meetings were held on the 25 April, 23 May and 27 June 2014	Achieved	N/A	Attendance register and minutes	Youth Development
(2013/14) IDP pg. 139/SDBIP P pg. 4						No of young women participated by date	N/A	N/A	1	1	A Three day workshop conducted with 38 young women by end of Q1	Target achieved: Young Women Empowerment Seminar was held on the 16th August 2013. A total of 120 young women participated in this programme	Achieved	N/A	Attendance Register and Report	Youth Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measure s taken to improve performance	Portfolio of Evidence	Responsible Department s
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 140/SDBIP pg. 4						NO of delegates participated and date	N/A	N/A	1	0	two day youth indaba with 150 delegates by end of Q1	Target achieved: Youth in Business Indaba was held on the 6th-7th December 2013. A total of 65 young people in Business participated in this programme	Achieved	Issue advert earlier in the next financial year	Attendance Register and Report	Youth Development
(2013/14) IDP pg. 140/SDBIP pg. 4						No of Learners recruited	N/A	N/A	2	0	2 types of learnerships being conducted focusing on youth with grade 12 and those who have lower grades by end of Q3	Fifty-nine learners (59) recruited for Skills Development and Leadership Training and Environmental Practice NQF L2	Achieved	N/A	attendance register	Youth Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 140/SDBIP pg. 4			To promote culture of participatory democracy and integration amongst the youth	Implement Youth Development Programmes		No Learners reached	N/A	N/A	38	0	38 schools visited on a monthly basis	Target achieved: 19 were visited with 1935 learners reached	Achieved	N/A	attendance register	Youth Development
(2013/14) IDP pg. 140/SDBIP pg. 4						No prayers conducted by date	N/A	N/A	4	0	Exam prayers were not held during Q1	4 Exam prayers held on 11 October and 23-25 October 2013 in all clusters and 600 learners were reached.	Achieved	N/A	Attendance Register and Report	Youth Development
(2013/14) IDP pg. 140/SDBIP pg. 4						no pamphlets and number of youth with information distributed by end of Q4	N/A	N/A	As per the Bursary Database	As per the Bursary Database	distribution of pamphlets per ward per annum	Target Achieved: 110 Young people have been assisted with Bursary information, Jobseeker database and learnership application	Achieved	N/A	Daily walk in attendance register	Youth Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Department
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 141/SDBIP pg. 4						number of career guidance per cluster per annum	N/A	N/A	1	1	career guidance conducted by Q3.	Target Achieved: One (1) Career Guidance and Exhibition was held on the 07th of February 2014 at Gwabhu Sport Grounds in Ward 12. Eighteen schools attended and 780 learners reached.	Achieved	N/A	Attendance Register	Youth Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 141/SDBIP pg. 4			To promote a culture of participatory democracy and integration amongst the youth	Implement Youth Development Programmes		1 Youth day commemoration conducted by end of Q4	N/A	N/A	1	0	1 youth day commemorated per annum.	Target Achieved: Youth Day Commemoration Event held at Mpisane Sport Ground ward 19 on the 20th of June 2014	Achieved	N/A	Attendance Register and Video	Youth Development
(2013/14) IDP pg. 141/SDBIP pg. 4						no of youth participated by date.	N/A	N/A	1	0	A three day summit conducted with 150 youth by end of Q3.	Target Achieved: One (1) Youth Development Summit was held on the 07th - 9th of March 2014 at Margate Hotel. One hundred and fifty (150) participants attended	Achieved	N/A		Youth Development
(2013/14) IDP pg. 141/SDBIP pg. 5						No of learners assisted by date.	N/A	N/A	150	2	150 learners assisted with registration fees by end of Q3.	Target not achieved: One hundred and forty eight (148) learners were assisted.	Achieved	1. Advertise on different media platforms, 2. Revise bursary policy to accommodate 2nd year students and 3. Extend Closing	List of assisted students per Tertiary institutions	Youth Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
														date for accepting applications		

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 142/SDBIP pg. 5			To promote culture of participatory democracy and integration amongst the youth	Implement Youth Development Programmes		Sports youth indaba by date.	N/A	N/A	1	0	1 annual youth indaba conducted with 50 participants by end of Q1	Target achieved: Sport Development Indaba was held on the 29th-30th November 2013. A total of 80 young people in Business participated in this programme	Achieved	N/A	attendance register and Report	Youth Development
(2013/14) IDP pg. 142/SDBIP pg. 5						1 sport code development conducted per cluster by end of Q3	N/A	N/A	4	0	4 sports code development conducted per annum	Target achieved: 1 Coaching clinic was done in Cluster D on 22 February 2014 and Karate on 01 March 2014 with 519 participants in total	Achieved	N/A	Attendance register	Youth Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Department s
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMA ND	BACKLO G	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 142/SDBI P pg. 5						Turton Beach Games Being conducted and number wards and sport codes participated by end of Q2	N/A	N/A	1	1	Conduct Turton Beach Games by end of Q3	Target achieved: Turton Beach Games was held on 16th December 2013. A total of 600 young people participated in this programme	Achieved	N/A	Attendance register and photos	Youth Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 142/SDBIP pg. 5			To promote a culture of participatory democracy and integration amongst the youth	Implement Youth Development Programmes		winter games being conducted by the end of Q2	N/A	N/A	1	0	Sports Codes Development through coaching clinics	Target achieved: 1 Coaching clinic was done in Cluster D on 22 February 2014 with more than 500 participants	Achieved	Re-plan and implement programme in Q3	attendance register	Youth Development
(2013/14) IDP pg. 142/SDBIP pg. 5						No of sport codes participated in the mayoral cup by date.	N/A	N/A	1	1	Mayoral cup conducted by end of Q4.	Mayoral Cup not conducted	Not achieved	re-plan and implement programme in next financial year	attendance register	Youth Development
IDP pg. 48/ SDBIP pg. 1			To ensure functionality of ward committees	Functionality of ward committees		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	4	Target achieved The report was tabled to Council meeting held on 21 May 2013	4	0	4 reports tabled at council meetings	Target achieved. 1 Ward committee report tabled to council meeting held on 30 May 2014	Achieved	N/A	council Resolution	Youth Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE(AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH CURRENT YEAR PREVIOUS YEAR						Status (Achieved / Not Achieved	Measures taken to improve performance	Portfolio of Evidence	Respon- sible Departm- ents
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAN D	BACKL OG	2013/14 (TARGET)	2013/14 (ACTUAL)				
						line/service functions and their impact on the ward										
(2013/14) IDP pg. 138/SDBI P pg. 3						number of trainings conducted	N/A	N/A	N/A	N/A	ward committees trained on module 4	Target Achieved. The training was held at Margate Hotel on 30 September - 9 October 2013.	Achieved	N/A	Training Material and Certificate s	Speakers Office
(2013/14) IDP pg. 139/SDBI P pg. 3						Date plan developed	N/A	N/A	1	0	Ward committee plan developed and submitted to Cogta	Target Achieved in quarter 1: Ward committee support plan developed and submitted to Cogta	Achieved	N/A	Council Resolution	

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 139/SDBIP pg. 3			To ensure functionality of ward committees	Functionality of ward committees		Number of ward plans developed	N/A	N/A	19	7	12 ward plans developed	Target achieved in November 2013	Achieved	N/A	Attendance Register	Speakers Office
(2013/14) IDP pg. 139/SDBIP pg. 3						Date of development of a community participation plan	N/A	N/A	1	1	community participation plan developed by 30 June 2014	The Community Participation Plan was approved by Council on 30 June 2014	Achieved	N/A	Council Resolution	Speakers Office
IDP pg. 54 /SDBIP pg. 2						Percentage of stipends paid to ward committees	100%	Target achieved	100%	0	100% payment of ward committee stipends per seating	Target achieved. Ward committee stipends paid	Achieved	N/A	Schedule of payments	Speakers Office
IDP pg. 47/SDBIP pg. 2			To implement a Communications Strategy	Municipal matters well communicated		Number	20450	Target Met: 5000 copies of Inkanyezi yoMzumbé were printed and distributed to all 19 wards of	24000	6000	6 000 copies of inkanyezi yomzumbé published & distributed quarterly, & 36 Copies of annual report	18000 Copies printed	Not achieved	Q4 target will be done in the first week of 2014/2015 Q1.	Copies	Communications, Mayoralty and Youth Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
								Umzumbe with municipal development stories			translated					
IDP pg. 54 /SDBIP pg. 2			To improve quality of life of vulnerable groups	HIV/AIDS Programmes		Number	5 HIV/AIDS Programs	Target Met: The LAC meeting was held on the 02nd of May 2013 at the Council Chamber.	4	1		3 LAC Meetings held	Not achieved	Next LAC will sit in August 2014	Attendance Register and the minutes	Special Programmes
(2013/14) IDP 142/ SDBIP pg. 5						Date	N/A	N/A	1	0	hosting world day of AIDS	Target met: The World Aids Day Hosted Saint Faiths Sports Ground in Ward 6 on December 2013.	Achieved	N/A	Attendance Register and Programme Agenda	Special Programmes

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP 143/ SDBIP pg. 5			To improve quality of life of vulnerable groups	HIV/AIDS Programmes		Number	N/A	N/A	1	0	hosting of Umzumbe AIDS Summit	Target met: the Summit held at Margate Hotel on 2223 November 2013	Achieved	N/A	attendance registers	Special Programmes
IDP pg. 54 /SDBIP pg. 2				Disability Programmes		Number	4	Target Not Met	1	1	host disability sports day	Not done	Not achieved	This is a District game, the date is stated by them. It will only occur somewhere in November through the date has not been confirmed	Attendance Register and Programme Agenda	Special Programmes
(2013/14) IDP 143/ SDBIP pg. 5						disability day hosted	N/A	N/A	1	1	Host disability day	Target not met	Not achieved	To be done in 2014/2015 FY	Attendance Register and Programme Agenda	Special Programmes
(2013/14) IDP 143/ SDBIP pg. 5						health and hygiene awareness event held	N/A	N/A	N/A	N/A	disabled people educated about health and hygiene	Target not met	Not achieved	To be done in 2014/2015 FY	Training Material and Certificates	Special Programmes
(2013/14) IDP 143/ SDBIP pg.						Number of disabled people	N/A	N/A	N/A	N/A	skills development for disabled	Target not met	Not achieved	To be done in 2014/2015	Training Material and	Special Programmes

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
5						trained on self reliance and business management					people			FY	Certificates	
(2013/14) IDP 143/ SDBIP pg. 5						Number of awareness events held	N/A	N/A	1	1	host events to create awareness on social issues	Not Hosted	Not achieved	To be done in 2014/2015 FY	attendance registers	Special Programmes
IDP pg. 54 /SDBIP pg. 2				Gender programmes		Implement gender programmes	5	Target not met: The Mother's day celebration was held on 12 May 2013 in partnership with Vulamehlo Municipality at Vulamehlo Municipality Hall.	N/A	N/A	host events to create awareness on social issues	Not Hosted	Not achieved	To be done in 2014/2015 FY	Attendance Register	Special Programmes

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Department s
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 143/SDBI P pg. 6			To improve quality of life of vulnerable groups	Gender programmes		Number	N/A	N/A	1	0	participation of maidens at umkhosi womhlanga	Target met: Umkhosi womhlanga held at Nyokeni Palace and young girls from Umzumbe participated and Umzumbe Municipality was part of the programme	Achieved	N/A		Special Programmes
(2013/14) IDP pg. 144/SDBI P pg. 6						Date	N/A	N/A	1	0	enable OVCs to celebrate Christmas day	Target met: The Christmas Party held on 23 December 2013 at Sacred Heart Children's Home.	Achieved	N/A	Attendance Register	Special Programmes
IDP pg. 54 /SDBIP pg. 2			To improve quality of life of vulnerable groups	Senior Citizen Programmes		Number	10	Target Met: All the lunched on clubs were visited.	1	1	participation of senior citizens in the golden games	Golden Games not hosted	Not achieved	Selections has started	Attendance register and photos	Special Programmes
(2013/14) IDP pg. 144/SDBI P pg. 6						number of awareness campaigns	N/A	N/A			create awareness and education through campaigns	Target met	Achieved	N/A	attendance registers	Special Programmes

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 42/ SDBIP pg. 2			To promote a culture of participatory democracy and integration amongst the youth	Youth Development Programmes		Number	2	2	1	1	2 learners assisted with full bursary by end of Q3	Target Not Achieved	Not achieved	Develop guidelines for awarding Bursaries to students	council Resolution	Youth Development
IDP pg 41/ SDBIP pg 3			To ensure compliance with MFMA	Improved oversight role		Number	30-Jun-13	Target Met: Fraud and corruption issues are a standing agenda item on Topmanco, Exco, Council and MPAC meetings	4	0	4 progress reports on reported issues	Fraud prevention plan in place and implemented	Achieved	N/A	minutes	Internal Audit

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 117 SDBIP pg. 1			To improve quality of life of vulnerable groups	Implementation of Community Works Programme		Number	N/A	N/A	12	7	CDWs: Skills audit conducted in 12 wards	Target met: Training needs analysis have been conducted	Achieved	N/A	list of training needs and attendance register	Social and Economic Development
(2013/14) IDP pg. 118 SDBIP pg. 1			To promote community participation in the municipality's economic growth programmes	Poverty alleviation programmes		adopted poverty alleviation strategy document Date	N/A	N/A	1	0	Poverty alleviation strategy developed and adopted by 30 June 2014	Target met: The Poverty alleviation Strategy was adopted by the Council	Achieved	N/A	Copy of Strategy	Social and Economic Development
(2013/14) IDP pg. 118 SDBIP pg. 1						500 households	N/A	N/A	380	0	number of house benefited	Target met: 380 packs of seeds distributed	Achieved	N/A	list of beneficiaries	Social and Economic Development
(2013/14) IDP pg. 118 SDBIP pg. 1						Number	N/A	N/A	1	0	1 reviewed indigent register	Target not met, it is waiting for the appointment by the MM	Not achieved	fast track the implementation	Copy of indigent register	Social and Economic Development
(2013/14) IDP pg. 118 SDBIP pg. 1			To improve quality of life of vulnerable groups	Implementation of dress a child programme		Number	N/A	N/A	1500	1500	1500 learners received school uniform	School Uniform not distributed	Not achieved	To be done in 2014/2015 FY	list of beneficiaries	Social and Economic Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved	Measures taken to improve performa nce	Portfolio of Evidence	Responsible Departmen ts
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAN D	BACKLO G	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 119 SDBIP pg. 1				Implementation of indigent Policy		Number	N/A	N/A	60	0	60 families supported	Target met, 70 families have been supported	Achieved	N/A	list of beneficiaries	Social and Economic Developme nt
(2013/14) IDP pg. 119 SDBIP pg. 1						number	N/A	N/A	10	0	10 meetings held	Target met, Three meeting have been held	Achieved	N/A	attendance register	Social and Economic Developme nt
(2013/14) IDP pg. 119 SDBIP pg. 1				Job creation		Number	N/A	N/A	38	As per the indigen t policy	19 Of community facilities cleaned	Target met, Facilitation has been done as well as payment of 38 women	Achieved	N/A	list of beneficiaries	Social and Economic Developme nt

IDP / SDBIP NO.	OUTCOME	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH CURRENT YEAR						Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
			To ensure Infrastructure development and rehabilitation	Maintenance of community facilities		Number	N/A	N/A	As per the list	As per the list	Assessment Report Maintaining community facilities	Report done for	Achieved	N/A	assessment report	Social and Economic Development
(2013/14) IDP pg. 119 SDBIP pg. 1			To improve quality of life of vulnerable groups	NGO Support (moral regeneration)		Number	N/A	N/A	6	0	6 NGO's supported and capacitated	target met on the 3rd quarter Vusimpilo, Fisokuhle, Ekubusisweni, Mabheleni and Dweshula	Achieved	N/A	list of NGOs	Social and Economic Development
(2013/14) IDP pg. 120 SDBIP pg. 1						4 trainings	N/A	N/A	2	0	number trainings conducted	oftarget met, 2 training was done in the 3rd quarter	Achieved	N/A	attendance register	Social and Economic Development

IDP / SDBIP NO.	OUTCOME	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 120 SDBIP pg. 1						number	N/A	N/A	6	0	6 NGO's supported	Target met 6 NGO's have been distributed with material support Entokozweni Education Centre in ward 12, Sisonke Creche in ward 10 Inkanyezi Day care Center in ward 8 Siyethemba HIV/AIDS program in ward 12 and Siyaphuma creche in ward 19	Achieved	N/A	Copy of beneficiaries	Development Planning
(2013/14) IDP pg. 120 SDBIP pg. 1			To ensure revenue enhancement	Conduct a feasibility study for the establishment of Traffic Department		Date	Conduct Feasibility Study	Feasibility study conducted	1	0	Traffic department feasibility study developed by 30 June 2014	Feasibility Study Conducted	Achieved	N/A	copy of feasibility study	Social and Economic Development

IDP / SDBIP NO.	OUTCOME	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 152/ SDBIP pg. 9	Improved Municipal Financial and Administrative Capability	Municipal Financial Viability and Management	To strengthen the financial viability of the municipality	To ensure compliance with MFMA and Treasury regulations and implement internal controls		Date of Adoption	Approved 2013/2014 Annual Budget	Target achieved. The final budget was adopted in May 2013.	1	0	Approved 2014/2015 Annual Budget by 31 May	Target	Not Achieved	N/A	Council resolution/Annual budget	Finance Department
IDP pg. 152/ SDBIP pg. 9						Date of Adoption	Approved 2012/2013 performance assessment and 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	1	0	Approved 2013/2014 performance assessment and adjustment budget by 31 January	Target not achieved (no budget input received from various departments)	Achieved	N/A	Council resolution/performance assessment and adjustment budget	Finance Department
IDP pg. 152/ SDBIP pg. 9						Number	12 Monthly Financial Reports	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.	12	0	12 Monthly Financial Reports submitted to the Accounting Officer and Provincial Treasury before the 10th working day of each	Target achieved	Achieved	N/A	Monthly reports	Finance Department

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (PER IDP)	(AS STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 152/ SDBIP pg. 9						Number and Date	Prepared and submitted by 31 August 2012	Target achieved. The audit report & corrective measures were tabled to council	12	0	month	Target achieved	Achieved	N/A	Audited Annual Financial Statements for 2012/2013	Finance Department
IDP pg. 152/ SDBIP pg. 9						Number and Date	Report on closing balances	Target achieved. The report on closing balances were submitted to Treasury and AG	1	0	Report on closing balances by 30 of July	Target achieved	Achieved	N/A	Report on closing balances	Finance Department

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 152/ SDBIP pg. 9			To strengthen the financial viability of the municipality	To ensure compliance with MFMA and Treasury regulations and implement internal controls		Number	12 Updated cash books, Updated General Ledger, 12 Bank reconciliations, Creditors reconciliations	Target achieved. The transactions were recorded and month end processes completed	12	0	12 Updated cash books, Updated General Ledger, Bank and Creditors reconciliations	Target achieved	Achieved	N/A	Cash book, GL and reconciliations	Finance Department
IDP pg. 152/ SDBIP pg. 9						Number of Payments done within 30 days	Maintaining timeous payment of service providers upon the receipt of the 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/GRNs	100%	30%	Payment of service providers within 30 days Submission of 12 VAT 201 returns	Target not achieved	Not achieved	Invoices are stamped when received, line departments have committed to the process, invoices monitored by creditors department; scm procedure handed to all	Payment vouchers report Vat returns	Finance Department

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 152/ SDBIP pg. 9						No. of VAT 201 returns	Submission of 12 VAT 201 returns	Target achieved. The VAT 201 returns were submitted	1	0		Target achieved	Achieved	staff,		Finance Department
						Number								N/A		
IDP pg. 152/ SDBIP pg. 10							Maintain accurate rates billing and maintenance valuation roll	Target achieved. System has been updated, rates have been billed & outstanding debt followed up	1	0	1 post billing report and approved valuation roll	Target achieved	Achieved	N/A	Valuation roll and billing	Finance Department
IDP pg. 152/ SDBIP pg. 10						Percentage compliance	1 GRAP compliant asset register and updated general ledger and depreciation	Target achieved	1	0	1 00% updated GRAP compliant asset register	Target achieved	Achieved	N/A	Asset register	Finance Department

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measure s taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 152/ SDBIP pg. 10			To strengthen the financial viability of the municipality	To ensure compliance with MFMA and Treasury regulations and implement internal controls		Number and Date	1 Updated investment register and updated general ledger	Target achieved. Accounted for interest on investments on a monthly basis and updated investment register for interest	1	0	Approved investment policy	Target was achieved in this quarter	Achieved	N/A	Investment policy and Council Resolution	Finance Department
IDP pg. 152 / SDBIP pg. 10						Number	Maintain Timeous adjudication of Bid documents after evaluation	Target achieved. Adjudication of Bid documents were done timeously.	N/A	0	Awarding of bids	Target achieved	Achieved	N/A	Bid reports	Finance Department
IDP pg. 152/ SDBIP pg. 11						Listing of bids as per Treasury web site	Maintain reporting compliance	Target achieved. Reports to provincial treasury for each bid of at least R100,000 awarded to service providers were submitted	100%	0	100 % reporting of bids above R100 000 & other SCM matters	Target achieved	Achieved	N/A	Bid listings	Finance Department
(2013/14) IDP pg. 116/ SDBIPpg 2						Date approval of procurement plan	N/A	N/A	1	0	Approved procurement Plan by 30 June 2014	Procurement Plan Approved	Achieved	N/A	Procurement Plan	Finance Department

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measure s taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 7/ SDBIP pg. 1	Social and Administrative Capability	Cross cutting Interventions	To ensure compliance with the MSA,	Annual review of the IDP		Credible IDP adopted by Council with 10 critical services identified and included and aligned to outcome 9	IDP adopted by Council	Target achieved: 1 IDP was adopted by council on the 21st of May 2013	1	0	Credible IDP adopted by Council with 10 critical services identified and included and aligned to outcome 9 by 30 June 2014	IDP Adopted on the 30 May 2014	Achieved	N/A	Council Resolution and Advertisement	Development Planning

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio Evidence	Responsibility of Department
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 54/ SDBIP pg. 3		Improved Municipal Finance	To ensure up to date information systems	Geo referencing all land parcels and projects as well as municipal development activities		Functionality of a GIS that covers the whole municipality	100%	Target not met: Software has been procured still waiting on the district to disseminate the data to the municipality	N/A	N/A	Umzumbe municipal geographic information system	GIS Data uploaded on the System	Achieved	N/A	GIS Data on the System	Development Planning
(2013/14) IDP pg. 138 SDBIP pg. 2			To ensure creation of favourable environment for service delivery	Implement Land Use Management System		Municipal Draft wall to wall scheme adopted by 30 June 2014	Land Audit Report	Land Audit not done	1	1	Umzumbe municipal land use scheme	Wall to wall Scheme was not developed	Not achieved	Re-advertisement	Minutes of the Adjudication Committee and Non-Responsive Letter from Municipal Manager.	Development Planning
(2013/14) IDP pg. 138 SDBIP pg. 2			To ensure up to date information systems	Establishment of a GIS		Date Adoption of	N/A	N/A	N/A	N/A	council adopted GIS policy by June 2014	Target Met	Achieved	The Shared Services was engaged to assist in developing the GIS Policy. All the consultation and workshoping shall commence in quarter 3. Q3: Workshoping	Council Resolution on the adoption of GIS Policy	Development Planning

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH CURRENT YEAR PREVIOUS YEAR						Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio Evidence	Responsibility of Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
														of Councillors was put to halt due to their busy schedule.		
(2013/14) IDP pg. 138 SDBIP pg. 2			To ensure creation of favourable environment for service delivery	Development and implementation of Spatial Development Framework and PDA		Number of PDA applications processed within 90 days	N/A	N/A	N/A	N/A	PDA Applications finalized within 90 days of receipt	No PDA application was processed during this quarter	Achieved	N/A	Applications register	Development Planning
(2013/14) IDP pg. 120 SDBIP pg. 2			To Establish Integrated Institutional Capacity	Provide Disaster Management services		number	N/A	N/A	1	0	19 wards assessed and confirmed on risks	Risk assessment register compiled	Achieved	N/A	Risk assessment register	Social and Economic Development
IDP pg. 54/ SDBIP pg. 8			To Establish Integrated Institutional Capacity	Provide Disaster Management services		Signed SLA with partners	1 signed Service Level Agreement and implemented	Target met. Fire fighting service is functional although with constraints.	1	0	SLA 2013/14 reviewed by 31 December 2013	Target met: Meetings were held and the SLA has been signed	Achieved	N/A	SLA Draft	Social and Economic Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 54/ SDBIP pg. 8			To ensure that interests of the special groups are championed	Public Awareness on Disaster Management		Response to incident in 72 hours from reporting	provide support to affected 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 clothing and school uniform were distributed to deserving families.	N/A	N/A	72 hours Turn around time to respond to incidents	Target met: a total of 23 cases were reported and attended to this quarter. These are all cases of fire where 17 were caused by candles and 5 veld fires that led to structural fires. The section distributed 5 food parcels, 89 blankets, 1 roll of plastic and 2 tents to affected families where necessary.	Achieved	N/A	assessment forms for 3 months	Social and Economic Development
IDP pg. 54/ SDBIP pg. 8			To ensure that interests of the special groups are championed	Public Awareness on Disaster Management		No awareness campaigns conducted	4 awareness campaigns done	Target met. No awareness campaign was conducted this quarter. Budget was exhausted even though	4	0	4 Public Awareness Campaigns	target met. This target was met on 3rd Quarter,	Achieved	N/A	attendance register, concept and their programme	Social and Economic Development

								the annual target was excessively achieved.			conducted			N/A		
IDP pg. 54/ SDBIP pg. 8				To ensure that interests of the special groups are championed	Capacity Building on Disaster Management		Number of meetings and trainings	4 volunteer programmes	Target met. 21 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 Phungashe Education Centre respectively	1	0	Capacity Building on Fire fighting	Training of staff on First Aid was conducted on the 30 June 2014 at Shlonyaneni Community Hall.	Achieved	Attendance register and Certification/Programme	Social and Economic Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measure s taken to improve performance	Portfolio of Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMA ND	BACKL OG	2013/14 (TARGET)	2013/14 (ACTUAL)				
(2013/14) IDP pg. 121 SDBIP pg. 2			To ensure that interests of the special groups are championed	Capacity Building on Disaster Management		Number	N/A	N/A	4	0	4 local Disaster Management Advisory Forum (LDMAF) meetings	Target met: Disaster Management Advisory Forum was held on the 17 June 2014	Achieved	N/A	minutes and attendance register	Social and Economic Development
(2013/14) IDP pg. 121 SDBIP pg. 2				Training of NGOs		number	N/A	N/A	N/A	N/A	4 meetings conducted	Target Met: A meeting was held on the 27th and 30 May 2014 at Shlonyaneni Community	Achieved	N/A	attendance register	Social and Economic Development
(2013/14) IDP pg. 122 SDBIP pg. 2			To promote a healthy and hygienic environment, which supports sustainable utilization of natural resources	Constitutional mandate in the provision of basic services to the communities		Percentage Compliance	N/A	N/A	N/A	N/A	100% compliance with standards and Regulations as stated in Gathering Act and Disaster Management Act	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. Participated in the planning meetings, developed and implemented.	Achieved	N/A	compliance certificate	Social and Economic Development

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON PREVIOUS YEAR		WITH CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio Evidence	Responsible Departments
							2012/13 (TARGET)	2012/13 (ACTUAL)	DEMAND	BACKLOG	2013/14 (TARGET)	2013/14 (ACTUAL)				
IDP pg. 54/ SDBIP pg. 6			To promote a healthy and hygienic environment, which supports sustainable utilization of natural resources	Constitutional mandate in the provision of basic services to the communities		Implementation of the Umzumbe Waste Management Plan	40% implementation integrated waste management plan	Target Met: Agreement has been reached with Umdoni Municipality for SLA	19 Wards	15 Wards	Collection of Solid Waste once a week in Ward 18,19,6, and 3	Collections were done weekly in the identified areas	Achieved	N/A	Council Resolution, SLA, Waste Collection Register	Technical Services
IDP pg. 54/ SDBIP pg. 6				Constitutional mandate in the provision of basic services to the communities		Facilitation of waste collection by Umdoni Municipality	Distribution of Skip bins at strategic locations within Umzumbe Municipality	Target Met: Not Met	4	15	N/A	N/A	N/A	N/A	N/A	Technical Services

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

INTRODUCTION

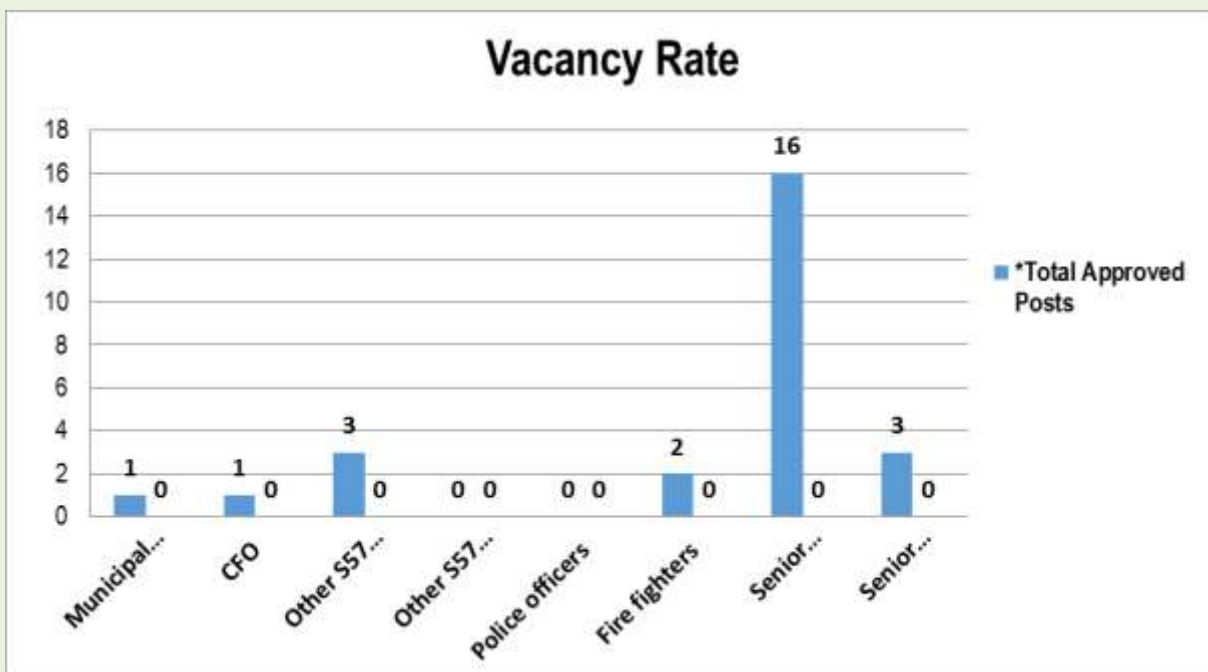
The strategic posts on approved organogram have all been filled, all appointment were done in accordance with approved HR Policy, Collective Agreement and Basic Conditions of Employment Act. The rate of sick leave is approximately 1.3%. There is a high level of commitment on the side of workforce. The 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

Employees					
Description	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	8	11	6	1	27%
Transport	0	0	0	0	%
Planning	3	4	4	1	25%
Local Economic Development Planning (Strategic & Regulatory)	6	9	6	3	33%
Disaster	20	24	20	4	16%
Community & Social Services	3	5	2	2	40%
Environmental Protection	3	3	3	0	0%
Finance	1	2	1	1	50%
Corporate Policy Offices and Other	11	13	10	1	7.7%
	25	29	25	4	13%
Totals	80	99	78	20	20.2%

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0,00
CFO	1	0	0,00
Other S57 Managers (excluding Finance Posts)	3	0	0,00
Other S56 Managers (Finance posts)	0	0	0,00
Police officers	0	0	0,00
Fire fighters	2	1	50%
Senior management: Levels 2-3 (excluding Finance Posts)	16	1	0.06%
Senior management: Levels 2-3 (Finance posts)	3	1	0,33%
Total	26	3	0,00



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	13	3	0%

COMMENT ON VACANCIES AND TURNOVER:

We have developed the Staff Retention Policy which is adopted 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.

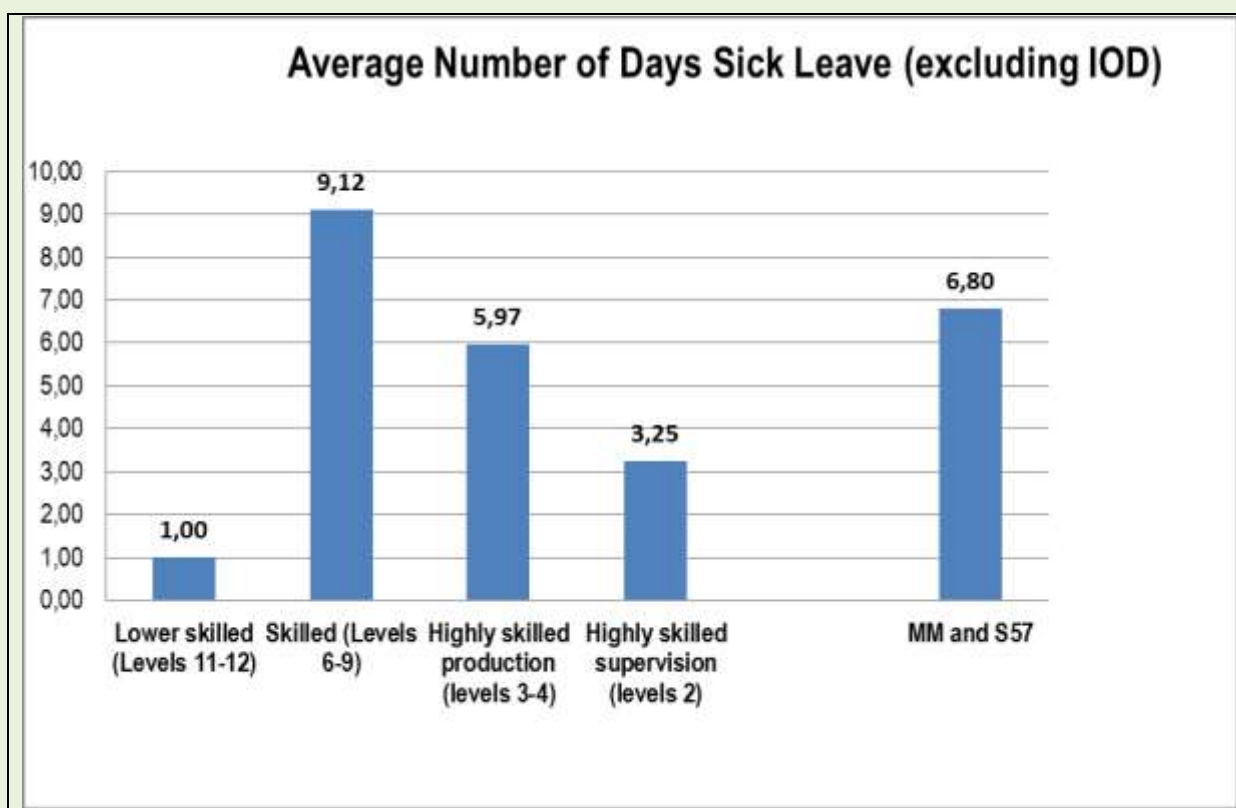
4.2 POLICIES

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%	HR Policy adopted on 30 June 2014
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	Grievance Procedures	100%	100%	HR Policy adopted on Jan 2013
10	HIV/Aids	100%	100%	HR Policy adopted on Jan 2013
11	Human Resource and Development	100%	100%	HR Policy adopted on Jan 2013
12	Information Technology	100%	100%	Adopted on 25 March 2013
13	Leave	100%	100%	HR Policy adopted on Jan 2013
14	Occupational Health and Safety	100%	100%	29-Jun-06 HR Policy
15	Official Working Hours and Overtime	100%	100%	HR Policy adopted on Jan 2013
16	Recruitment, Selection and Appointments	100%	100%	HR Policy adopted on Jan 2013
17	Sexual Harassment	100%	100%	HR Policy adopted on Jan 2013
18	Skills Development	100%	100%	HR Policy adopted on Jan 2013
19	Uniforms and Protective Clothing	100%	100%	Adopted on 25 March 2013
20	Political Office bearers support staff	100%	100%	Adopted on 25 March 2014

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
Total	0	0		0	0
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	
Total	414	7%	39	72	5,75	0



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	1. Gross Negligence 2. Gross Dishonesty-Fraud	03-Jun-13	Expulsion	28 November 2013
SPU Manager	1. Gross Negligence 2. Gross Dishonesty 3. Dereliction of Duties	03-Jun-13	Final written warning	27 November 2013

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to	Disciplinary action taken	Date Finalised

	the municipality		
SCM Manager	1. Gross Negligence 2. Gross Dishonesty- Fraud	Expulsion	28 November 2013
SPU Manager	1. Gross Negligence 2. Gross Dishonesty 3. Dereliction of Duties	Final written warning	27 November 2013

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	1	1	0	0%
	Male	4	4	5&7	5&7%
Total		5	5		
Has the statutory municipal calculator been used as part of the evaluation process?					Yes

COMMENT ON PERFORMANCE REWARDS:

All five S54 & S56 employees were assessed. They all received performance bonus. Two of them got 14%, one of them got 13%, and the other two got 10%.

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.

64% of employees were capacitated in various LGSETA accredited learning programs as per approved Workplace Skills Plan.

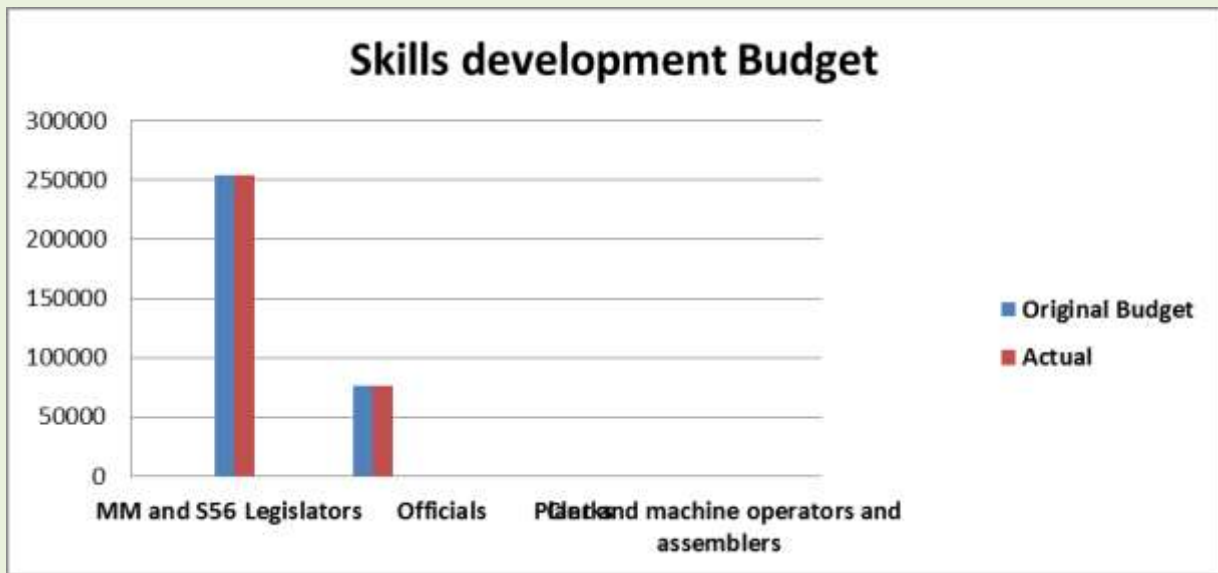
4.5 SKILLS DEVELOPMENT AND TRAINING

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						1			0	1			1
	Male						4			1	2		1	2
Councillors, senior officials and managers	Female						9			3	3		3	3
	Male						7			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						22			11	12		11	12
	Male						25			15	17		15	17
Total		0		0	0	0	94	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))
Financial Officials						
<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
Supply Chain Management Officials						
<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
TOTAL	1	0	1	0	1	1
* 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

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	0
Highly skilled supervision (Levels 4-5)	Female	0
	Male	0
Senior management (Levels 2-3)	Female	0
	Male	0
MM and S 56	Female	0
	Male	0
Total		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.

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	Ref	Budget Year 2012/13									Budget Year +1 2013/14	Budget Year +2 2014/15
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	4	5	6	7	8	9	10			

R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	2 843	—	—	—	—	—	—	—	2 843	070	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								-	-		
Transfer s											
recognised		125							125	116	124
- operating		535					-	-	535	561	085
Other										1	1
revenue	2	1 090	-	-	-	-	-	-	1 090	177	271
Gains on disposal of PPE								-	-		
Total Revenue (excluding capital transfers and contributions)		129 468	-	-	-	-	-	-	129 468	120 809	128 672
<u>Expenditure By Type</u>											
Employe e related costs		25 755	-	-	-	-	-	-	25 755	27 301	28 939
Remune ration of councillors		10 348					-	-	10 348	10 969	11 627
Debt impairmen t								-	-		
Depreci ation & asset impairmen t		6 300	-	-	-	-	-	-	6 300	6 804	7 348
Finance charges								-	-		
Bulk purchases		-	-	-	-	-	-	-	-	-	-
Other											

materials								–	–		
Contract											
ed services	–	–	–	–	–	–	–	–	–	–	–
Transfer											
s and											
grants								–	–		
Other											
expenditur	87							(45	86	94	101
e	065	–	–	–	–	–	(455)	5)	610	030	553
Loss on											
disposal of											
PPE								–	–		
Total											
Expenditur	129							(45	129	139	149
e	468	–	–	–	–	–	(455)	5)	013	104	467
Surplus/(D											
eficit)	(0)	–	–	–	–	–	455	45	455	(18	(20
Transfer											
s											
recognised											
- capital								–	–		
Contribu								–	–		
tions								–	–		
Contribu								–	–		
ted assets								–	–		
Surplus/(D	(0)	–	–	–	–	–	455	45	455	(18	(20
eficit)											
before											
taxation											
Taxation								–	–		
Surplus/(D	(0)	–	–	–	–	–	455	45	455	(18	(20
eficit)											
after											
taxation											
Attribut											
able to											
minorities								–	–		
Surplus/(D	(0)	–	–	–	–	–	455	45	455	(18	(20
eficit)											
attributabl											
e to											
municipali											
ty											

Share of surplus/ (deficit) of associate												
Surplus/ (Deficit) for the year	(0)	-	-	-	-	-	455	45	5	455	(18 296)	(20 795)

5.2 Government Grants and Subsidies Allocations

	Current Year 2013/2014						
	Approved Budget	Adjusted Budget	Full Year Forecast	Actual as at 31 December 2013	Balance	Budget Year 2014/2015	Budget Year 2015/2016
GOVERNMENT GRANTS AND SUBSIDIES-ALLOCATION							
- <u>National Grants Allocations</u>							
Equitable share	94 545 000	94 545 000	94 545 000	70 909 000	23 636 000	105 482 000	128 104 000
Municipal Systems Improvement Grant (MSIG)	890 000	890 000	890 000	890 000	-	934 000	967 000
Local Government Financial Management Grant (FMG)	1 650 000	1 650 000	1 650 000	1 650 000	-	1 800 000	1 950 000
Municipal Infrastructure Grant (MIG)	31 189 000	31 189 000	31 189 000	22 228 000	8 961 000	33 392 000	35 581 000
Intergrated National Electricity Programme	5 000	5 000	5 000	5 000	-	5 500	6 000

	000	000	000	000		000	000
Rural Household Infrastructure Grant	4 000 000	-	-	-	-	-	-
Sub Total - National Grant Allocations	137 274 000	133 274 000	133 274 000	100 677 000	32 597 000	147 108 000	172 602 000
<u>Provincial Grants Allocations</u>							
Sub Total - Provincial Grants Allocations	-	-	-	-	-	-	-
TOTAL GRANT ALLOCATIONS	137 274 000	133 274 000	133 274 000	100 677 000	32 597 000	147 108 000	172 602 000

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 2013/14 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	7 645 000	8 345 000	7 741 171	-7.2%

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	-	
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							

FINANCIAL INDICATORS					
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013		AS AT 30 JUNE 2012	
4	Creditor-payment period ¹	Days	Limitation	Days	Limitation
		14.3		10	
REVENUE MANAGEMENT					
5	Debtor-collection period (before impairment)	Days	Limitation	Days	Limitation
		119.8		270	
6	Debtor-collection period (after impairment)	Days	Limitation	Days	Limitation
		29.1		187	
7	Debtors impairment	% debtors impaired to accounts receivable	Limitation	% debtors impaired to accounts receivable	Limitation

FINANCIAL INDICATORS					
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013		AS AT 30 JUNE 2012	
	provision as a percentage of accounts receivable	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	
ASSET AND LIABILITY MANAGEMENT					

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013			AS AT 30 JUNE 2012		
		No	Yes	Limitation	No	Yes	Limitation
11	A deficit for the year was realised (total expenditure exceeded total revenue)	X			X	-	
12	A net current liability position was realised (total current liabilities exceeded total current assets)	X			X	-	
13	A net liability position was realised (total liabilities exceeded	X			X	-	

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013			AS AT 30 JUNE 2012		
	total assets)						
14	Percentage of PPE and/or intangible assets impaired	% PPE and intangible assets impaired	Limitation		% PPE and intangible assets impaired	Limitation	
		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	No	Yes	Limitation	No	Yes	Limitation

FINANCIAL INDICATORS									
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013				AS AT 30 JUNE 2012			
	flows for the year from operating activities were negative	74 420 354							
18	Cash and cash equivalents as a percentage of operating expenditure	Bank overdraft	in % cash to operating expenditure		Limitation	Bank overdraft	in % cash to operating expenditure		Limitation
			103.9%				-		
19	Creditors as a percentage of cash and cash equivalents	Bank overdraft	in % creditors to cash		Limitation	Bank overdraft	in % creditors to cash		Limitation
			3.8%				-		
20	Percentage by which unspent conditional grants received	Bank overdraft	Not exceeded	% exceeded	Limitation	Bank overdraft	Not exceeded	% exceeded	Limitation
			Not exceeded				-		

FINANCIAL INDICATORS									
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013				AS AT 30 JUNE 2012			
	exceeds cash available at year-end								
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%			-			
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	Negative/no cash flows	% employee benefit obligation to cash flows	Limitation	Negative/no cash flows	% employee benefit obligation to cash flows	Limitation		

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013			AS AT 30 JUNE 2012		
as a percentage of net cash inflows for the year from operating activities			337.5%			-	

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

The municipality has a capital budget of R48 million and has spent 97 % for the total capital budget. A large proportion of the funding is related to MIG funds.

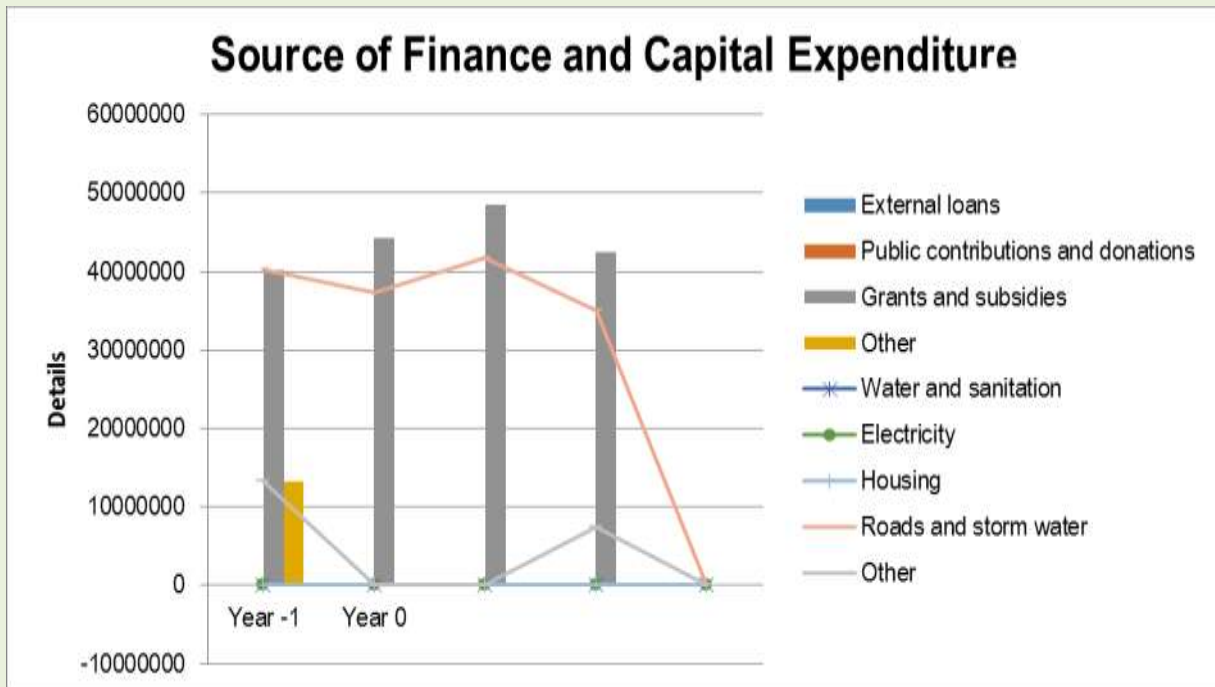
5.6 SOURCES OF FINANCE

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		44 269 000	48 469 000	42 636 202		
	Other						
Total							
<i>Percentage of finance</i>							
	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						
	Other						
Capital expenditure							
	Water and sanitation						
	Electricity						
	Housing						
	Roads and storm water						
	Other						
Total		13661004	42709000	53434348	40178348	37,95%	-65,73%
<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						
	Other						
T 5.6.1							

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			
Total		24655000	42709000	53434348	40178348	100,00%	134,34%
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%
Total		13661004	42709000	53434348	40178348	37,95%	-65,73%
Percentage of expenditure							
	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	37 239 000	41 730 000	34 989 252		16%

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

1.9 CASH FLOW

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Cash Flow Statement

Figures in Rand	Note(s)	2014	Restated 2013
Cash flows from operating activities			
Receipts			
Government grants and subsidies		133 820 040	133 735 000
Receipts from Customers		2 652 128	2 716 108
Interest Income		4 503 583	3 465 211
		<u>140 975 751</u>	<u>139 916 319</u>
Payments			
Finance costs		(37 000)	(31 000)
Cash Paid to Suppliers and Employees		(85 034 029)	(65 464 965)
		<u>(85 071 029)</u>	<u>(65 495 965)</u>
Net Cash Flows From Operating Activities	22	<u>55 904 722</u>	<u>74 420 354</u>
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	2	(42 464 760)	(48 390 423)
Proceeds from Sale of Property, Plant and Equipment	2	915 003	146 049
Purchase of other intangible assets	3	(126 441)	(42 334)
Net Cash Flows From Investing Activities		<u>(41 676 198)</u>	<u>(48 286 708)</u>
Net (Decrease)/Increase in Cash and Cash Equivalents		14 228 524	26 133 646
Cash and Cash Equivalents at the Beginning of the Year		<u>77 557 478</u>	<u>51 423 832</u>
Cash and Cash Equivalents at the End of the Year	7	<u>91 786 002</u>	<u>77 557 478</u>

CASH FLOW OUTCOMES:

The municipality's cash flow is monitored regularly showing a favorable liquidity position. As at 30 June 2014, the municipality had cash and cash equivalents of R71,8 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
<u>Municipality</u>			
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			
Municipality sub-total	9566066	9566066	9566066
<u>Municipal Entities</u>			
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			
Entities sub-total	0	0	0
Consolidated total:	9566066	9566066	9566066
<i>T 5.10.4</i>			
Municipal and Entity Investments R' 000			
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<u>Municipality</u>			
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			
Municipality sub-total	9566066	9566066	9566066
<u>Municipal Entities</u>			
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			
Entities sub-total	0	0	0
Consolidated total:	9566066	9566066	9566066
			<i>T 5.10.4</i>

COMPONENT D: OTHER FINANCIAL MATTERS

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 SCM policy was reviewed during the year and approved by council. The evaluation and adjudication of the tenders was done accordingly. Tenders were evaluated and adjudicated within the latest guidelines and treasury regulations.

The department faces a capacity constraint and is addressing the issue by the creating and filling in of the vacancy for another position within SCM.

Corrective measures have been put into place where queries were identified.

5.13 GRAP COMPLIANCE

The municipality has to prepare annual financial statements in accordance with GRAP. The annual financial statements for the 2013-2014 year was prepared in accordance with GRAP and were submitted to the Auditor General for audit.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS (Still Awaiting findings from AG)

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)

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 (Awaits AG Report) audit for the previous financial year. The report was tabled to council together with corrective measures to address the audit findings.

UMZUMBE MUNICIPALITY

MANAGEMENT REPORT FINDINGS for the year ended 30 June 2013

CORRECTIVE ACTION PLANS

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

T 6.2.5

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	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.
Activities	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> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	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.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	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.
Basic municipal service	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.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	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.
General performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	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.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	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".
Outputs	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.
Performance Indicator	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)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	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.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a

GLOSSARY

	specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	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.
Vote:	<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	100	0
Cllr C S Ngwabe	PT	Housing-Independent	Ward 2	25	75
Cllr M R Mqadi	PT	Housing-ANC	Ward 3	100	0
Cllr S P Maluleka	PT	Planning-ANC	Ward 4	38	62
Cllr S T Gumede	FT	EXCO/FBCC-ANC	Ward 5	63	37
Cllr S E Radebe	PT	LED-ANC	Ward 6	75	25
Cllr T L Peters	PT	Housing-ANC	Ward 7	50	50
Cllr J P Mntambo	FT	Housing/EXCO-ANC	Ward 8	86	14
Cllr M J Mkhize	PT	MPAC/LED-ANC	Ward 9	100	00
Cllr T M Mbayi	PT	MPAC/LED/Youths-ANC	Ward 10	63	37
Cllr N E Mhlangu	PT	FBCC/Youths-ANC	Ward 11	83	27
Cllr K B M Mbhele	PT	FBCC-ANC	Ward 12	50	50
Cllr S R Cele	PT	LED-ANC	Ward 13	100	0
Cllr M S Mdletshe	PT	Community Services-ANC	Ward 14	75	25
Cllr M P L Zungu	FT	Community Services/EXCO-ANC	Ward 15	83	17
Cllr M Z Luthuli	PT	MPAC/FBCC-ANC	Ward 16	75	25
Cllr P A Hlongwa	PT	Community Services-ANC	Ward 17	75	25
Cllr O J Mbambo	PT	Housing-ANC	Ward 18	100	00
Cllr A E Zindela	PT	Planning-ANC	Ward 19	43	57
Cllr N Y Mweshe	FT	EXCO/LED-ANC	Party	100	00

APPENDICES

			represented		
Cllr S R Ngcobo	FT	Ex-Officio Youth/Council-ANC	Party represented	100	00
Cllr N Caluza	PT	Community Services-ANC	Party represented	100	0
Cllr M P Shozi	FT	Planning/EXCO-ANC	Party represented	83	17
Cllr M A Sikhosana	PT	Housing-ANC	Party represented	100	00
Cllr IB Mbhele	PT	FBCC-ANC	Party represented	83	27
Cllr C L Shezi	PT	Planning-ANC	Party represented	100	0
Cllr D Z Shozi	PT	Planning-ANC	Party represented	75	25
Cllr L M R Ngcobo	PT	Community Services-DA	Party represented	83	17
Cllr T M Khuzwayo	PT	MPAC-IFP	Party represented	63	37
Cllr BM Caluza	PT	Youth/Planning-IFP	Party represented	RESIGNED	
Cllr A N Mbuthu	PT	Housing-NFP	Party represented	Sworn-in in May 2014 100%	0
Cllr B N Shozi	PT	LED-NFP	Party represented	50	50
Cllr Y L Duma	FT	FBCC/EXCO-NFP	Party represented	63	37
Cllr M Ndlovu	FT	Youth/Recess Planning/EXCO-NFP	Party represented	63	37
Cllr M C Hlongwa	PT	FBCC-NFP	Party represented	63	37
Cllr T S Khuzwayo	PT	Planning-NFP	Party represented	38	62
Cllr S Lushaba	PT	MPAC/LED-NFP	Party represented	75	25
Cllr KS Doncabe	PT	Community Services	Party represented	38	62
Cllr EB Qumbisa	PT	Planning	Party represented	Sworn-in in November 2013 83%	17
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i> T A					

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	<ul style="list-style-type: none"> • Adoption of policies, strategies, plans and by laws. • Council play oversight role on implementation of resolutions taken. • Hold the municipal manager accountable for all actions taken. • Responsible for employment of section 54 and 56 employees
EXCO	<p>Ensures that the municipality;</p> <ul style="list-style-type: none"> • Provides democratic and accountable government for the community of Umzumbe. • Promotes social and economic development • Promotes health and safety environment. • Provides services in a sustainable manner to the community of Umzumbe. • Ensures that administration, budgeting and planning process of the municipality meet the requirements of Section 153 (a) of the Constitutions. • Oversees the execution of national and provincial functions performed by municipality in accordance with funds provided by relevant government. • It comprises of seven Councillors including the Mayor and Deputy Mayor. • It reviews and identifies community needs in order of

	<p>priority.</p> <ul style="list-style-type: none"> • Managing the drafting of IDP, Budget and SDBIP and submit to full Council for adoption. • Refers decisions to Council with or without resolutions. • Evaluate progress against performance indicators.
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"> • Advising on legislation, prevention and enforcement mechanisms, which are within the financial and administrative capacity of the municipality; • 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; • Overseeing certain municipal services, including health, cultural, cleansing and maintenance services; and • To pay attention to educational and welfare services in general as they apply to the entire municipality.
Development Planning	<p>Objectives</p> <ul style="list-style-type: none"> • Encourage the involvement of the entire municipal community, its bodies; stakeholders and institutions in matter of local government. • Participate in National and Provincial programmes • Promote the implementation of Integrated Development Plan (IDP) • Consider reports to EXCO for preparations of Land Use

	<p>Management Plan, subdivisions of land; PMS etc.</p> <ul style="list-style-type: none"> • Planning Committee may consider all matters of a policy nature.
Human Settlements	Municipality is in the process of developing terms of reference
LED & Infrastructure	<ul style="list-style-type: none"> • Promotes the implementation of LED and IDP. • Assists in providing funding for local business services centers. • Promotes local economic development programmes. • Oversees rendering of services in historically disadvantaged areas. • Consults with traditional Leaders on matters of the economic development. • Report to EXCO. • Consist of seven members.
FBCC	<ul style="list-style-type: none"> • Has two departments reporting to it i.e. Finance and Corporate Services. • Administers the capital and operational budget of the municipality. • Advises the EXCO on all legislation relating to billing, rating and taxation; insurance, banking and investments; grants in aid etc. • Oversees Financial Statements, general financial reporting; • Advises EXCO on obtaining proper legal services for the municipality; acquisition and provision of municipal office; implementation and maintenance of an approved maintenance system. • Comprises of seven members.

Youth Committee	Municipality is in the process of developing terms of reference
LLF	As per SALGA Bargaining Council

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)
Constitution Schedule 4, Part B functions:		
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	Yes	

public		
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	
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

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
1	Cllr D K		yes	10		Nil
	Bongekile	Dlamini				
	Cele	Pretty				
	Ngwazi	Joshua				
	Fano	Shazi				
	Ngcobo	Nomvume				
	Cele	Squnga				
	Zamisa	Melzina				
	Zondo	Mthethi				
	Mkhungo	Sindiswa				
	Khwela	Gladys				

2	Cllr C S Ngwabe		yes	10	10	Nil	
	Cele	Sabelo					
	Lushaba	Nomusa					
	Ngwabe	Nomcebo					
	Shabane	Mndeni					
	Dlamini	Robert					TE
	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	Nontokozi				
	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		

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Electricity Connection	52%
	Water	33%
	Sanitation	67%
	Waste Collection	0%
	Housing	50,30%
Output: Implementation of the Community Work Programme	Policy in Place and implemented	
Output: Deepen democracy through a refined Ward Committee model	Functional	
Output: Administrative and financial capability	Policies reviewed and financial stable	
<i>* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.</i>		
T S		



Annual Financial Statements for the year
ended 30 June 2014

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

GENERAL INFORMATION

Nature of business and principal activities	Providing services to the community of Umzumbe
Executive Committee	Councillor Gumede ST (Mayor) Councillor Dlamini NY (Deputy Mayor) Councillor Ngcobo (Speaker) Councillor Duma YL (Exco Member) Councillor Mntambo JP (Exco Member) Councillor Ndlovu M (Exco Member) Councillor Shoji MP (Exco Member) Councillor Zungu MPL (Exco Member)
Councillors	Councillor Caluza B Councillor Caluza N Councillor Cele SR Councillor Doncabe KS Councillor Ngwabe CS Councillor Hlongwa M Councillor Hlongwa PA Councillor Khuzwayo M Councillor Khuzwayo T Councillor Lushaba S Councillor Luthuli MZ Councillor Maluleka SP Councillor Mbambo OJ Councillor Mbayi TM Councillor Mbhele BI Councillor Mbhele KBM Councillor Mbuto N Councillor Mdletshe MS Councillor Mhlangu NE Councillor Mkhize MJ Councillor Mqadi MR Councillor Msomi DK Councillor Ngcobo LMR Councillor Peters TL Councillor Radebe SP Councillor Shezi CL Councillor Shoji NB Councillor Shoji Z Councillor Sikhosana B Councillor Zindela AE

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Officer

Ms NC Mgijima

Registered office

Sipofu Road
Mathulini Tribal Authority
4220

Business address

Sipofu Road

Mathulini Tribal Authority

4220

Postal address

P.O. Box 561

Hibberdene

4220

Bankers

ABSA Bank Limited

Auditors

Auditor General South Africa

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

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ABBREVIATIONS

VAT	Value Added Tax
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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

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

Umzumbé Local Municipality

Annual Financial Statements for the year ended 30 June 2014

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

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 2015 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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

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 28 August 2014 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 NC Mgijima Municipal Manager

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

Figures in Rand	Note(s)	2014	Restated 2013
Current Assets			
Receivables from exchange transactions	4	77 663	92 204
VAT Receivable	5	4 725 026	1 726 951
Trade and other receivables from non exchange transactions	6	3 176 419	1 247 342
Cash and Cash Equivalents	7	91 786 002	77 557 478
		99 765 110	80 623 975
Non-Current Assets			
Property, plant and equipment	2	194 866 712	165 773 658
Intangible Assets	3	183 296	101 424
		195 050 008	165 875

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Total Assets	10		082	
Liabilities		294 815 118	246	499
Current Liabilities			057	
Operating lease liability		9 464	1 565	
Trade and Other Payables	11	11 436 688	8 650 912	
Unspent Conditional Grants and Receipts	8	7 701 559	12 123 525	
Provisions	9	2 730 665	2 580 033	
Non-Current Liabilities		21 878 376	23 356 035	
Provisions	9	509 000	424 526	
Total Liabilities		22 387 375	23 780 560	
Net Assets		272 427 743	222	718
Net Assets			497	
Accumulated Surplus			222	718
		272 427 743	497	

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2014	Restated 2013
Revenue			
Other income	15	445 113	700 706
Interest received - investment	14	4 503 583	3 465 211
Property rates	12	4 977 152	3 100 795

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Government grants & subsidies	13	138 242 006	133 733	780
Total revenue				
Expenditure	17	148 167 854	141 445	047
Employee Related Costs		26 538 744	22 456 185	
Remuneration of Councillors	18	11 386 533	10 827 765	
Depreciation Amortisation and Impairment	20	11 197 883	8 441 841	
Finance costs	9	37 000	31 000	
Debt Impairment	19	397 010	277 655	
Repairs and Maintenance		7 741 171	1 515 253	
Community Participation		1 132 308	1 056 920	
General Expenses	16	38 679 568	30 173 915	
Total expenditure		97 110 217	74 780 534	
Operating surplus		51 057 637	66 266 911	
Loss on Disposal of Assets		(1 348 391)	(265 867)	
Surplus for the year		49 709 246	66 001 044	

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated Surplus	Total net assets
Opening balance as previously reported	158 142 646	158 142 646
Adjustments	(184 254)	(184 254)
Prior year adjustments	157 958 392	157 958 392
Reatated Balance at 01 July 2012		
Changes in net assets		66 001 044
Surplus for the year	66 001 044	66 001 044
Prior Adjustment	(1 240 939)	(1 240 939)
Total changes	64 760 105	64 760 105
Restated Balance at 30 June 2013	222 718 497	222 718 497
Changes in net assets		49 709 246
Surplus for the year	49 709 246	49 709 246
Total changes	49 709 246	49 709 246
Balance at 30 June 2014	272 427 743	272 427 743
See Notes	27	and 28

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2014	Restated 2013
Cash flows from operating activities			
Receipts			
Government grants and subsidies		133 820 040	133 735 000
Receipts from Customers		2 652 128	2 716 108
Interest Income		4 503 583	3 465 211
		140 975 751	139 916 319
Payments			
Finance costs		(37 000)	(31 000)
Cash Paid to Suppliers and Employees		(85 034 029)	(65 464 965)
Net Cash Flows From Operating Activities		(85 071 029)	(65 495 965)
	22	55 904 722	74 420 354
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	2	(42 464 760)	(48 390 423)
Proceeds from Sale of Property, Plant and Equipment	2	915 003	146 049
Purchase of other intangible assets	3	(126 441)	(42 334)
Net Cash Flows From Investing Activities		(41 676 198)	(48 286 708)
Net (Decrease)/Increase in Cash and Cash Equivalents		14 228 524	26 133 646

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Cash and Cash Equivalents at the Beginning of the Year		77 557 478	51 423 832
Cash and Cash Equivalents at the End of the Year	7	91 786 002	77 557 478

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

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

Statement of Financial Performance

Revenue

REVENUE FROM EXCHANGE TRANSACTIONS

Other income	130 000	16 463 927	16 593 927	445 113	(16 148 814)
Interest Earned - External Investments	1 600 000	1 500 000	3 100 000	4 503 583	1 403 583

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	730 000	963 927	693 927	948 696	(14 745 231)
Revenue from non-exchange transactions	157 557	-	157 557	977 152	595
TAXATION REVENUE	274 000	(4 000 000)	274 000	242 006	968 006
Property rates					
Government grants & subsidies	431 557	(4 000 000)	431 557	219 158	787 601
Total revenue from nonexchange transactions Total revenue	161 557	963 927	125 484	167 854	(8 957 630)
EXPENDITURE	(41 063 163)	-	(41 063 163)	(37 925 277)	137 886
Employee Related Costs	(7 645 000)	(700 000)	(8 345 000)	(7 741 171)	829
Repairs and maintenance					
Community Participation	(1 650 000)	(220 000)	(1 870 000)	(1 132 308)	692
General and Other Expenses	(48 534 394)	(8 843 927)	(57 378 321)	(51 659 852)	718 469
Total expenditure Surplus / (Deficit) Capital	(98 892 557)	(9 763 927)		(98 458 608)	197 876
Capital Expenditure					
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	269 000	200 000	(108 656 484) 48 469 000	709 246	240 246
	-	-	-	-	-
	(44 269 000)	(4 200 000)	(48 469 000)	(42 636 202)	832 798

Budget on Cash Basis

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

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

Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash (from) from operating activities	44 269 000	4 200 000	48 469 000	55 904 722	7 435 722
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CASH FLOWS FROM INVESTING ACTIVITIES

Net cash from (used) investing (44 269 000) (4 200 000) **(48 469 000)** (41 676 198) **6 792 802** activities

Net increase/(decrease) in cash	-	-	-	14 228 524	14 228 524 and cash equivalents
Cash and cash equivalents at year	-	-	-	77 557 478	77 557 478 the beginning of the

Cash and cash equivalents at the end of the year

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, 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:.

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

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

GRAP 32 Service concession agreements : Grantor

GRAP 108 Statutory Receivables **1.1**

Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 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.

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.

1.2 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Where an asset is acquired through a non-exchange transaction or at a nominal cost, its cost is its fair value as at date of acquisition. Where the actual acquisition date or period in respect of assets can not be determined with accuracy, the assets are recognised at fair value on the date that they were identified.

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, its 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.

Umzumbe Local Municipality

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Accounting Policies

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.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

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

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

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.

1.2 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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.

Items of property, plant and equipment 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.

1.3 INTANGIBLE ASSETS

An intangible asset is identifiable if it either:

- is separable, i.e. 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, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

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.

1.3 INTANGIBLE ASSETS (CONTINUED)

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

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Useful life
Computer software	3-5 years

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.4 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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

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.

1.5 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

1.5 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.

1.6 Employee Benefits

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

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.

LONG SERVICE AWARDS

The municipality has an obligation to provide Long Service Awards Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

1.6 Employee Benefits (continued)

PENSION, PROVIDENT, RETIREMENT BENEFITS AND GROUP LIFE SCHEME

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.

Umzambe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

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.

1.7 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.

1.8 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.

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

RATES

Revenue from rates is recognised when:

1.8 REVENUE (CONTINUED)

- 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.

1.9 COMPARATIVE FIGURES

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

1.10 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.

1.11 FRUITLESS AND WASTEFUL EXPENDITURE

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 COMMITMENTS

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

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 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

	2014			2013		
	Cost Valuation	/ Accumulated depreciation and	Carrying value	Cost Valuation	/ Accumulated depreciation and	Carrying value
		accumulated impairment			accumulated impairment	
Machinery Equipment						
Furniture and Office Equipment						
Transport Assets	9 309 064	(1 133 919)	8 175 145	5 774 997	(1 541 973)	4 233 024
Computer Equipment	3 004 326	(1 790 397)	1 213 929	2 547 360	(1 586 460)	960 900
Solid Waste Disposal	3 699 829	(1 087 845)	2 611 984	3 351 331	(929 181)	2 422 150
Dwellings	1 933 120	(1 089 430)	843 690	1 583 748	(948 100)	635 648
Non Residential Dwellings	234 044	(31 393)	202 651	234 044	(16 545)	217 499
Roads	942 676	(308 378)	634 298	806 776	(218 789)	587 987
Assets under construction	58 677 633	(14 474)	408 44 269 159	51 111 707	(12 300)	278 38 833 407
Total	118 145 762	(24 983)	356 93 788 779	84 083 644	(17 438)	282 66 801 206
	43 127 077	-	43 127 077	51 081 837	-	51 081 837
	239 073 531	(44 819)	206 194 866 712	200 575 444	(34 786)	801 165 773 658

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Property, plant and equipment (continued)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2014

	Opening balance	Additions	Disposals	Fair value adjustments	Donated	Transfers	Depreciation	Impairment loss	Total
Machinery Equipment	4 233 024	5 528 129	(1 123 907)	3 406	5 994	-	(417 157)	(54 344)	8 175 145
Furniture and Office Equipment	960 900	521 572	(32 562)	15 780	18 598	-	(270 359)	-	1 213 929
Transport Assets	2 422 150	963 950	(352 933)	-	-	-	(377 106)	(44 077)	2 611 984
Computer Equipment	635 648	461 857	(38 147)	1 223	-	-	(216 891)	-	843 690
Solid Waste Disposal	217 499	-	-	-	-	-	(14 848)	-	202 651
Dwellings	587 987	135 900	-	-	-	-	(89 589)	-	634 298
Assets Under Construction	51 081 837	34 853 352	-	-	-	(42 808 112)	-	-	43 127 077
Non Residential Dwellings	38 833 407	-	(22 698)	-	-	7 667 826	(2 087 817)	(121 559)	44 269 159
Roads	66 801 206	-	(690 080)	-	-	35 140 286	(7 462 634)	-	93 788 779
	165 773 658	42 464 760	(2 260 327)	20 409	24 592	-	(10 936 401)	(219 980)	194 866 712

Property, plant and equipment (continued)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2013

	Opening balance	Additions	Disposals	Transfers	Fair value adjustments	Donations	Depreciation	Impairment loss	Total
Machinery Equipment	1 835 847	2 556 442	(162)	-	2 459	41 545	(203 107)	-	4 233 024
Furniture and Office Equipment	1 038 309	236 894	(33 424)	-	355	-	(280 745)	(489)	960 900
Transport Assets	2 563 839	556 578	(303 520)	-	-	-	(394 747)	-	2 422 150
Computer Equipment	538 888	339 825	(69 573)	-	27 180	-	(182 805)	(17 867)	635 648
Solid Waste Disposal	31 196	197 750	(1 420)	-	-	-	(10 027)	-	217 499
Dwellings	282 521	375 000	-	-	-	-	(69 534)	-	587 987
Assets Under construction	24 069 142	44 047 083	-	(17 034 388)	-	-	-	-	51 081 837
Non Residential Dwellings	37 888 182	-	-	2 578 306	-	-	(1 571 902)	(61 179)	38 833 407
Roads	57 890 941	71 820	-	14 456 082	-	-	(5 617 637)	-	66 801 206
	126 138 865	48 381 392	(408 099)	-	29 994	41 545	(8 330 504)	(79 535)	165 773 658

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 2014

Notes to the Annual Financial Statements

2014

2013

	2014		2013	
	Cost Valuation	/ Accumulated amortisation and Carrying value	Cost Valuation	/ Accumulated amortisation and Carrying value
3. Intangible Assets				
Computer software, other		accumulated impairment		accumulated impairment

RECONCILIATION OF INTANGIBLE ASSETS - 2014

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	346 180	(162 884)	183 296	228 516	(127 092)	101 424
		Opening balance	Additions	Disposals	Amortisation	Total
Computer software		101 424	126 441	(3 067)	(41 502)	183 296

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Net Disposal	Amortisation	Total
Computer software	94 713	42 334	(3 817)	(31 806)	101 424

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
4. Receivables from exchange transactions		
Sundry debtors	72 652	71 366
Interest	5 011	20 838
Rei Management	2 379 003	2 379 003
Rei Management (Provision for Bad debts)	(2 379 003)	(2 379 003)
	77 663	92 204
5. VAT receivable		
Value Added Tax (VAT)		1 726
	4 725 026	951

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.

6. Trade and other receivables from non exchange transactions

GROSS BALANCES

Rates	4 517 694	2 191 607
-------	-----------	-----------

Less: Allowance for impairment

Rates	(1 341 275)	(944)
-------	-------------	-------

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

176 419	247 342
175 356	247 342
	(615
(944 265)	614)
(397 010)	(277
	655)
-	(50 996)
(1 341 275)	(944
	265)
	265)

NET BALANCE RATES

Rates

121 - 365 days

RECONCILIATION OF ALLOWANCE FOR IMPAIRMENT

Balance at beginning of the year

Contributions to allowance

Fair Valuing of Debtors

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

The municipality had the following bank accounts

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Account number / description	Bank balances	statement balances	Cash book balances	
			30 June 2014	30 June 2013
ABSA BANK LTD - Port Shepstone - 40-7276-2850	82 666 837	67 513 375	81 564 462	67 359 361
ABSA Housing Account - Port Shepstone - 40-7278-0715	533 918	512 878	533 918	512 877
ABSA MIG Account - Port Shepstone 40 - 7277-6506	123 210	119 046	123 209	119 046
FNB - Money market account	3 880 727	3 882 380	3 880 727	3 882 380
FNB 32 day fixed deposit account	5 683 686	5 683 686	5 683 686	5 683 686

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	888 378	711 365	786 002	557 350
			885	885
			985	985
			953	913
			620	000 000
			496	-
			839	428 965
			585	050
			025 196	959 727
			701 559	123 525
		123 525		147 101
		275 040		580 156
		(43 697 006)		(48 603 732)

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	701 559	123 525
Figures in Rand	2014	2013
7. Cash and Cash Equivalents		
Cash and cash equivalents consist of:		
Cash on hand	-	128
Bank balances	82 221 589	67 991

TOTAL

8. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants and receipts comprises of:

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

		284	
Short-term deposits	9 564 413	9 566 066	
	91 786 002	77 557 478	
Project Consolidate			
GIS grant			
Low cost housing grant			
Ntelezi Msane			
Municipal Infrastructure Grant			
Disaster Management Grant			
KZN Sports			
National Electrification			

MOVEMENT DURING THE YEAR

Balance at the beginning of the year

Additions during the year

Income recognition during the year

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

9. Provisions

RECONCILIATION OF PROVISIONS - 2014

	Opening Balance	Additions	Utilised during the year	Actuarial Loss (Gain)	Current Service cost	Finance Cost	Total
Provision for Bonus	634 290	680 206	(634 290)	-	-	-	680 206
Long Service Awards	455 000	-	(30 474)	(13 526)	93 000	37 000	541 000
Leave Pay	1 915 269			-	-	-	2 018 459
	3 004 559						3 239 665

RECONCILIATION OF PROVISIONS - 2013

	Opening Balance	Additions	Utilised during the year	Actuarial Loss (Gain)	Current Service Cost	Finance Cost	Total
Discount Rate						7.96%	7.40%
CPI (Consumer Price Inflation)						6.33%	5.66%
Normal Salary Increase Rate						7.33%	6.66%
Net Effective Discount Rate						0.59%	0.69%
The effect of a 1 % increase movement in the assumed rate of salary inflation is as follows:							
Total Accrued Liability						000	000
Current Service Cost						000	000
Interest Cost						000	000
						000	000

The effect of a 1 % decrease movement in the assumed rate of salary inflation is as follows:

Total Accrued Liability						000	000
Current Service Cost			245			000	000
Interest Cost						000	000
						000	000

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Provision for Bonus	458 572	634 290	(458 572)	-	-	-	634 290
Long Service Awards	351 000	-	(13 943)	11 943	75 000	31 000	455 000
	2 245 556	1 374 025	(732 965)	11 943	75 000	31 000	3 004 559
							424 526
						2 730 665	2 580 033
						3 239 665	3 004 559
Leave Pay	1 435 984	739 735	(260 450)	-	-	-	1 915 269

Non-current liabilities Current liabilities

PROVISION FOR LONG SERVICE AWARDS

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2014 may become entitled to in future, based on an actuarial valuation performed at that date.

The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2014 by a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Figures in Rand	2014	2013
10. Operating lease asset (liability)		
Current assets	-	-
Current liabilities	(9 464)	(1 565)

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	(9 464)	(1 565)
--	----------------	----------------

Office equipment was leased by the Municipality. 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	69 007
	513	520
	445 031	916 678
	659	325
	000	000
	897 998	603 909
	436 688	650 912
	977 152	100 795
-in second to fifth year inclusive	57 506	126 513

11. TRADE AND OTHER PAYABLES

Trade payables

Other payables

Rental Deposits Retention

12. Property rates

RATES

Property Rates Billed

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
13. Government grants and subsidies		
Grants Realised		
Equitable share	94 545 000	86 177 000
Municipal Systems Improvement Grant	890 000	800 000
Low Cost Housing Grant	-	107 990
Financial Management Grant	1 650 000	1 500 000
Municipal Infrastructure Grant	-	-
Internal Audit	-	141 782
Disaster Management Grant	6 698 126	771 035
Ntelezi Msane	421 380	-
Municipal Infrastructure Grant	30 939 504	40 178 348
Intergrated National Electrification Programme	2 934 531	4 040 273
GIS Grant	-	28 355
KZN Sports Grant	163 465	35 950
	138 242 006	133 780 733
Project Consolidate		
Balance unspent at beginning of year		
Municipal Systems Improvement Grant	99 885	99 885
Current-year receipts	890 000	800 000
Conditions met - transferred to revenue	(890 000)	(800 000)

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

GIS Grant

Balance unspent at beginning of year

-	-
---	---

7 985 36 340

Conditions met - transferred to revenue

- (28 355)

7 985 7 985

Low Cost Housing Grant

Balance unspent at beginning of year

512 913 598 746

Interest received

21 040 22 157

Conditions met - transferred to revenue

- (107 990)

533 953 512 913

Figures in Rand

2014

2013

13. Government grants and subsidies (continued)

Internal Auditor Grant

Balance unspent at beginning of year

- 141 782

Conditions met - transferred to revenue

- (141 782)

- -

KZN Pounds Act Grant

Balance unspent at beginning of year

- 1 000
000

Transferred back to COGTA

- (1 000
000)

- -

Ntelezi Msane Grant

Balance unspent at beginning of year

1 000 000 1 000
000

Conditions met - transferred to revenue

(421 380) -

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Financial Management Grant

Current-year receipts

578 620	1 000
	000

Conditions met - transferred to revenue

	1 500
1 650 000	000
(1 650 000)	(1 500 000)

Municipal Infrastructure Grant

Balance unspent at beginning of year

-	-
---	---

Current-year receipts

	10 270
-	348
31 189 000	29 908 000

Conditions met - transferred to revenue

(30 939 504)	(40 178 348)
--------------	--------------

Conditions still to be met - remain liabilities (see note 8)

249 496	-
----------------	---

Provide explanations of conditions still to be met and other relevant information

Disaster Management Grant

Balance unspent at beginning of year

7 428 965	-
-----------	---

Current-year receipts

-	8 200 000
---	-----------

Conditions met - transferred to revenue

(6 698 126)	(771 035)
-------------	-----------

730 839	7 428 965
----------------	------------------

Conditions still to be met - remain liabilities (see note 8)

KZN Sports

Balance unspent at beginning of year

114 050	-
---------	---

Current-year receipts

525 000	150 000
---------	---------

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Conditions met - transferred to revenue	(163 465)	(35 950)
	475 585	114 050
Conditions still to be met - remain liabilities (see note 8).		

Figures in Rand	2014	2013
13. Government grants and subsidies (continued)		
National Electrification Grant		
Balance unspent at beginning of year	2 959 727	-
Current-year receipts	5 000 000	7 000 000
Conditions met - transferred to revenue	(2 934 531)	(4 040 273)
Conditions still to be met - remain liabilities (see note 8).	5 025 196	2 959 727
14. Investment revenue		
Interest revenue		
Interest Received on Investments	4 503 583	3 465 211
15. Other income		
Rental Income	-	38 772
Tender Income	188 412	106 842
Miscellaneous income	256 701	555 092
	445 113	700 706
16. General expenses		
Advertising	425 327	474 811
Auditors remuneration	1 159 504	847 218

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Bank charges	137 769	92 394
Consulting and professional fees	1 571 118	1 844 207
Consumables	182 938	146 255
Functions and refreshments	271 536	193 781
Insurance	511 027	324 821
Bursaries	452 145	445 321
Conferences and seminars	440 763	118 840
IT expenses	140 758	38 791
Lease rentals on operating lease	189 543	177 842
Marketing	314 275	245 018
Motor vehicle expenses	879 934	828 843
Printing and stationery	440 685	443 240
Security (Guarding of municipal property)	799 109	303 067
Telephone and fax	1 578 105	1 357 948
Training	446 130	607 982
Subsistence and Travel	1 462 015	830 380
Electricity	463 987	37 114
Free basic services (Electricity)	6 164 072	6 004 691
Uniforms	227 072	63 283
Tourism development	2 088 848	1 420 631
Project Expenditure	11 379 153	8 760 546

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Other expenses	6 953 755	4 566	891
	38 679 568	30 173	915

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
17. Employee related costs		
Basic Salary	17 019 938	14 104 693
Bonus	1 660 181	1 150 068
Medical aid - company contributions	837 454	619 285
Unemployment Insurance Fund	122 283	102 619
Skills Development Levy	228 787	189 304
Leave pay provision charge	464 813	901 510
Pension Contribution	1 775 716	1 451 997
Travel, motor car, accommodation, subsistence and other allowances	3 626 553	3 250 113
Overtime payments	501 774	324 271
Acting allowances	113 387	66 918
Other Salary costs	187 858	295 407
	26 538 744	22 456 185
Remuneration of Municipal Manager		
Annual Remuneration	674 390	678 339
Car Allowance	235 021	204 969
Performance Bonus	98 485	-

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Other	44 327	25 375
	1 052 223	908 683
Remuneration of Chief Financial Officer		
Annual Remuneration	585 867	554 333
Car Allowance	204 171	176 639
Performance Bonuses	119 780	50 960
Leave Payout	164 270	-
Other	43 261	11 085
	1 117 349	793 017
Remuneration Corporate Services Director		
Annual Remuneration	547 953	517 036
Car Allowance	190 958	166 655
Performance Bonuses	124 029	-
Acting Allowance	15 387	-
Other	35 279	8 486
	913 606	692 177
Remuneration of Technical Services Director		
Annual Remuneration	585 867	554 333
Car Allowance	204 171	173 667
Performance Bonuses	111 225	-
Other	39 900	6 957

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	941 163	734 957
Figures in Rand	2014	2013
17. Employee related costs (continued)		
Remuneration of Social & Economic Development Director		
Annual Remuneration	547 953	515 885
Car Allowance	190 958	196 026
Performance Bonuses	80 021	34 044
Other	46 836	8 590
	865 768	754 545
18. Remuneration of councillors		
Mayor	642 035	612 782
Deputy Mayor	605 474	590 493
Speaker	591 892	569 233
Councillors	9 547 132	9 055 257
19. Debt impairment	11 386 533	10 827 765
Contributions to debt impairment provision		
20. Depreciation, amortisation and Impairment	397 010	277 655
Property, plant and equipment		8 410
	11 156 381	036

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Intangible assets	41 502	31 805
	11 197 883	8 441
21. Auditors' remuneration		841
Fees		
	1 159 504	847 218
22. Cash generated from operations		
Surplus		66 001
	49 709 246	044
Adjustments for:		
Depreciation and amortisation	11 197 883	8 441
Loss on sale of assets	1 348 391	265 867
Debt impairment	397 010	277 655
Movement in operating lease accrual	7 899	-
Movements in provisions	235 106	641 060
Other non-cash items	(45 002)	56 997
Prior Year Adjustments	-	(1 240 937)
Changes in working capital:		
Receivables from exchange transactions	14 541	152 405
Trade and other receivables from non exchange transactions	(2 326 087)	(876 182)
Trade and Other Payables	2 785 776	3 330 513
VAT	(2 998 075)	(1 606 333)

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Unspent Conditional Grants and Receipts	(4 421 966)	(1 023 576)
	55 904 722	74 420 354

Figures in Rand	2014	2013
-----------------	------	------

23. Commitments

Authorised capital expenditure

Approved and contracted for: • Infrastructure	14 698 136	23 316 092
Approved but not yet contracted for: • Infrastructure	125 278 338	108 818 145

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	-	-
	379 003	379 003

25.FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	864	779
Current year expenditure	072	835
Less: Amounts condoned	(84 936)	(39 750)
	-	864

INCIDENT

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Figures in Rand	2014	2013
Notes to the Annual Financial Statements		
Irregular expenditure		
Opening balance	241 157	387 669
Add: Irregular Expenditure - current year	408 291	567 039
Less: Amounts condoned	(26 649 448)	(11 713 551)
	-	241 157

The municipality also incurred penalties and interest on PAYE, SDL, UIF and VAT amounting to R 51 169.64. The expenditure was tabled to council for condonment.

INCIDENT

The municipality incurred fruitless and wasteful expenditure of R13 701.90 due to interest and penalties arising from late payments. The expenditure was tabled to council for condonment.

Incident

The municipality incurred fruitless and wasteful expenditure of R4 200.00 as a result of costs incurred in the processes with the South Africa Local Government Bargaining Council. The expenditure was tabled to council for condonment.

DETAILS OF IRREGULAR EXPENDITURE – CURRENT YEAR (2014)

Incident	Action	-
During the year, the accounting officer ratified The expenditure was tabled to council for minor breaches amounting to R 771 332 condonment.		771 332
The municipality incurred irregular expenditure The expenditure was tabled to council for as a result of incomplete procurement processes condonment.		18 636 959

being followed during the allocation of projects to consulting engineers. This irregular expenditure relates to a prior year audit query which has affected the current year. The payment made in this respect amounts to R18 636 959 for the current year.

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

19 408 291

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

27. PRIOR YEAR ADJUSTMENTS

An adjustment of R 166 745.98 was passed on the opening accumulated depreciation to correct errors in depreciation calculations. (Refer to note 28)

Long service award provision was restated in the prior year resulting in an opening balance adjustment of R351 000. (Refer to note 28)

Vat amounting to R1 240 939 was written off in the prior year as it was not supported by any outstanding invoices. (Refer to note 28)

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

133 780 733
<hr/>
141 047 445

28. Effects of correction of prior year errors on financial statements
Umzumbe Local Municipality
Statement of Financial Position

Annual Financial Statements for the year ended 30 June 2014

Receivables from exchange transactions

VAT Receivable

Trade and Other Receivables from Non Exchange Transactions

Cash and Cash Equivalents

Property , Plant and Equipment

Intangible Assets

Total Assets

Operating Lease Liability

Trade and Other Payables

Unspent Conditional Grants and Receipts

Current : Provisions

Note	As previously reported	Correction of errors	of Total
4	92 204	-	92 204
5	1 726 951	-	1 726 951
6	1 247 342	-	1 247 342
7	77 557 478	-	77 557 478
2	165 619 824	153 834	165 773 658
3		(42)	
-	101 466	153 792	101 424
	246 345 265		246 499 057
10	(1 565)	-	(1 565)
11	(8 650 912)	-	(8 650 912)
8	(12 123 525)	-	(12 123 525)
9	(2 535 616)	(44 417)	(2 580 033)

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Non Current Provisions	9	-	(424 526)	(424 526)
Accumulated Surplus	-		315 151	
	-	(223 033 647)	-	(222 718 496)
Statement of financial performance		-	-	-

	Note	As previously reported	Correction of errors	Reclassification of	Total
Other Income	15	700 706	-	-	700 706
Interest Received - Investment	14	3 465 211	-	-	3 465 211
Property Rates	12	3 100 795	-	-	3 100 795
Government Grants & Subsidies	13		-	-	
		133 780 733			
Total Revenue	-	141 047 445	-	-	
Employee Related Costs	17	(22 381 185)	(75 000)	-	(22 456 185)
Remuneration of Councillors	18	(10 827 765)	-	-	(10 827 765)

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Depreciation Amortisation and Impairment	20	(8 428 887)	(12 954)	-	(8 441 841)
Finance Cost	-	-	(31 000)	-	(31 000)
Debt Impairment	19	(277 655)	-	-	(277 655)
Repairs and Maintenance	-	(807 649)	-	(707 604)	(1 515 253)
Community Participation	-	(1 056 920)	-	-	(1 056 920)
General Expenses	16	(30 869 577)	(11 943)	707 604	(30 173 915)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

Loss on Disposal of Assets	-	(265 867)	-	-
Surplus for the year	-	66 131 940	(130 897)	(265 867)
				66 001 044

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2014

Cashflow Statement

	Note	As previously reported	Correction errors	of Total
Cash Receipts for Equitable Share, Conditional Grants	-	133 735 000	-	133 735 000
Cash Receipts from Customers	-	2 716 108	-	2 716 108
Interest Income	-	3 465 211	-	3 465 211
Finance Costs	-	-	(31 000)	(31 000)
Cash Paid to Suppliers and Employees	-	(65 495 965)	-	(65 495 965)
Purchase of Property, Plant and Equipment	2	(48 390 423)	-	(48 390 423)
Purchase of intangible assets	3	(42 334)	-	(42 334)
Proceeds from Sale of Assets	-	-	-	-
Net increase in cash and cash equivalents	-	<u>146 049</u>	(31 000)	<u>146 049</u>
		26 133 646		26 133 646

29. Contingent liability

Incidents.

Umzumbe Local Municipality

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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 2013 and 30 June 2014 year-ends.

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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 564 412.85 (2013 - R9 566 066). 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)	3 225 148	1 376 817
Absa bank	82 221 589	67 991 284

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.

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Figures in Rand	2014	2013
32.Additional disclosure in terms of Municipal Finance Management Act		
Contribution to Local Government Associations		
Current year subscription	751 799	-
Amount paid	(751 799)	-
	-	-
Audit fees		
Current year fee	1 159 504	887 607
Amount paid - current year	(1 159 504)	(887 607)
	-	-
PAYE and UIF		
Current year deductions	6 359 899	5 778 902
Amount paid	(6 359 899)	(5 778 902)
	-	-
Pension and Medical Aid Deductions		
Current year	4 255 604	4 458 639
Amount paid	(4 255 604)	(4 458 639)
	-	-

33.MULTI EMPLOYER RETIREMENT BENEFIT

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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

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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.

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.

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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 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.

35. SECTION 36 DEVIATIONS

During the year the Accounting Officer approved minor breaches amounting to R771 332.00 (2013 - R504 525)