



DEVELOPMENT PLANNING UNIT

# UMZUMBE LM DRAFT ANNUAL REPORT

2019/2020 FINANCIAL YEAR

## Contents

1	Chapter 1 Mayor’s Foreword and Executive Summary .....	6
1.1	Municipal Managers Overview .....	8
1.2	Municipal Functions, Population and Environmental Overview .....	10
1.3	Service Delivery Overview .....	19
1.4	Financial Health Overview .....	21
1.5	Statutory Annual Report Process .....	25
2	Chapter 2 Governance.....	26
	Component A .....	26
2.1	Political and Administrative Governance .....	26
2.2	Administrative Governance .....	32
	Component B: Intergovernmental Relations.....	35
2.3	Intergovernmental Relations .....	35
	Component C: Public Accountability and Participation .....	36
2.4	Public Meetings .....	36
2.5	IDP Participation and Alignment.....	38
	Component D: Corporate Governance.....	38
2.6	Risk Management .....	38
2.7	Anti-Corruption and Fraud, Whistle blower’s hotline .....	56
2.8	Supply Chain Management.....	56
2.9	By-laws .....	56
2.10	Municipal Website .....	57
3	Chapter 3 – Service Delivery Overview & Performance.....	57
	Component A: Basic Services.....	57
3.1	Water Provision .....	57
3.2	Waste water (Sanitation) Provision.....	58
3.3	Electricity .....	59
3.4	Waste management (Refuse collection, waste disposal, street cleaning and recycling) .....	63
3.5	Housing .....	67
3.6	Free Basic Services and Indigent Support .....	69
	Component B: Road Transport .....	71
3.7	Roads.....	71
3.8	Transport (Vehicle licensing and public bus Operation.....	74
3.9	Waste Water (Storm water Drainage).....	74
	Component C: Planning and Development.....	76

3.10	Development Planning.....	77
3.11	Local Economic Development.....	81
	Component D: Community and Social Services & Fire Fighting Services .....	85
3.12	Libraries; Archive's, Museums, Galleries, Community Facilities; other .....	85
3.12.1	Child Care, Aged Care, Social Programmes .....	87
	Component E: Environmental Protection .....	88
3.13	Bio-diversity, landscape (Incl. Open Spaces): and Other (EG Costal Protection).....	88
	Component F: Health.....	88
3.14	Clinics .....	88
	Component G: Security and Safety.....	91
3.15	Free Basic Services and Indigent Support .....	91
3.16	Police.....	91
3.17	Fire .....	92
3.18	Disaster Management, Animal Licensing and Control, Control of Public Nuisances and other)	92
	Component H: Sport and Recreation .....	94
3.19	Sports and Recreation / Youth Development.....	94
3.19.1	Sports and Recreation .....	94
3.19.2	Youth Development .....	95
	Component I: Corporate Policy Offices and Other Services .....	98
3.20	Executive and Council .....	98
3.21	Financial Services .....	98
3.22	Human Resources Services.....	101
3.23	Information Communication Technology (ICT) Services .....	101
	Component K: Organizational Performance Scorecard.....	106
4	Chapter 4: Organisational Development Performance .....	107
	Component A: Introduction to the Municipal Personnel .....	107
4.1	Employees Totals, Turnover and Vacancies.....	107
	Component B: Managing the Municipal Workforce .....	110
4.2	Policies.....	110
4.3	Injuries, Sickness and Suspensions .....	111
4.4	Performance Rewards .....	112
4.5	Skills Development and Training .....	112
5	Chapter 5: Employee Expenditure .....	115
	Component A: Statement of Financial Performance .....	116

5.1	Statement of Financial Performance (Refer to AFS) .....	116
5.2	Grants .....	118
5.3	Asset Management.....	119
	Introduction to Asset Management.....	119
5.4	Financial Ratios Based on Key Performance Indicators.....	119
	Component B: Spending Against Capital Budget Introduction to Spending Against Capital Budget .	122
5.5	Capital Expenditure .....	122
5.6	Sources of Finance.....	123
5.7	Capital Spending on 5 Largest Projects .....	124
5.8	Basic Service and Infrastructure Backlogs Overview.....	125
5.9	Cash Flow Statement .....	125
5.10	Borrowings and Investments.....	125
5.11	Public Private Partnership.....	126
	Component D: Other financial Matters.....	126
5.12	Supply Chain Management.....	126
5.13	GRAP Compliance.....	126
6	Chapter 6 – Auditor General Audit Findings Introduction .....	127
	Component A: Auditor – General Opinion of Financial Statements Year-1 .....	127
6.1	Auditor General Reports Year - 1 (Precious Year).....	127
	Component B: Auditor General Opinion Year 0 (Current Year).....	128
6.2	Auditor General Report Year 0 (Current Year of Reporting) .....	128
6.2.1	Umzumbe Corrective Action Plan 2018/2019 Financial Year.....	139
	Glossary .....	144
	Appendices.....	148
	Appendix A – Councillors Committee Allocation and Council Attendance .....	148
	Appendix B – Committees and Committee Purposes .....	151
	Appendix C – Third Tier Administrative Structure .....	152
	Appendix D – Functions of Municipality / Municipal Entity / Entity functions .....	153
	Appendix E – Ward Reporting.....	155
6.2.2	Audit Committee Chairman’s Report .....	161
6.2.3	Appendix F – Recommendations of the Municipal Audit Committee Year 0.....	169
	Appendix I - Revenue Collection Performance by Source .....	174
	Appendix J – Conditional Grants Received Including MIG .....	175
	Appendix K – Revenue Collection Performance by Vote and by Source .....	176
	Appendix L Conditional Grants Received: Excluding MIG.....	176

Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes..... 177

Volume ii Annual Financial Statement ..... 178

Umzumbe Oversight Report 2019/20 FY ..... 179

Annual Report 2019/2020 Council Resolution ..... 180

# 1 Chapter 1 Mayor's Foreword and Executive Summary

## Mayors Foreword and Executive Summary



It is with pleasure that I greet all Umzumbe citizens in the name of service delivery. As the Mayor of Umzumbe Municipality, I am compelled by the Municipal Systems Act No.32 of 2000, Chapter 6, Section 46 which specifically require the municipality to prepare for each financial year an Annual Report that will look at the performance of the municipality in all set targets. As I table this Annual Report, I am reminded that the last financial year which is 2019/2020 was the worst year in my life as a person as well as a public representative.

Having assumed the Mayoral Office on a full-time basis in March 2020 I was looking forward to continue discharging the responsibility bestowed to me by the citizens of Umzumbe who voted the ANC to govern Umzumbe Municipality

in 2016. My first experience was to deal with COVID 19 pandemic that was already in the country. The introduction of level 5 lockdown by the President of Country Cyril Ramaphosa put everything in the grinding halt. That impacted negatively in our efforts to deliver services to the people of Umzumbe because our employees had to stay at home except for essential services. It is going to take some time to recover from those delays.

It is worth mentioning that COVID 19 fast forwarded the 4th Industrial Revolution. It is correct to say that change must be accepted or it will be imposed itself to you. In trying to ensure that all statutory meetings are sitting we had to follow an online meeting through Zoom and Microsoft Team. The introduction of those technological interventions saw us conducting all portfolio committees as well as the Council, which allowed us to pass the 2020/2021 budget via Microsoft Team. To be precise life will never be the same even post-COVID 19. We are challenged to consider all those changes imposed by COVID 19 in our next budget circle.

Public Participation is a cornerstone of any government in the developing world. Despite COVID 19 pandemic we had to comply with that constitutional mandate especially when compiling 2020/2021 budget. Through various stakeholders and media platforms we were able to validate this process.

The United Nations Sustainable Developmental Goals has emphasized the importance of infrastructure development. As our response to that call, we have already handed over Dark City Access Road to Ward 17 residents, Mevana Access Road to Ward 03 residents and Mkhize Access Road to Ward 18 residents. We have also done sod turnings for Mpelazwe Access Road in Ward 17, Siyakhula Access Road in Ward 15, Mnafu Bridge in Ward 19, Ndunge Access Road in Ward 16, Guquka Bridge in Ward 15 and Morrison Bridge in Ward 14. The progress made by the following projects is also worth mentioning

- Mnafu Community Hall
- Rosettenville Community Hall
- Ndumakude Sports field
- Nkanini Sports Complex
- Nkanini Phase 02 Sports field

It is regrettable that housing programme is not moving with an expected speed. This has already caused some community protests in some of the wards. We are having a conversation with the relevant department in trying to deal with the problem.

In conclusion I would like to thank the Council and Management for their undivided support in ensuring that Umzumbe Municipality delivers to the people as per our promise when we launched the manifesto of the ruling party in 2016. We are inspired by Chapter 13 of the National Development Plan which talks about building a capable state. We can only make Umzumbe Municipality a capable state organ of state if we work together and more importantly prioritizing the needs of the people of Umzumbe. I Thank You.

**Her Worship**

**Ms MPL Zungu**

**Mayor Umzumbe Local Municipality**

## 1.1 Municipal Managers Overview

### MUNICIPAL MANAGER'S OVERVIEW 2019/20 FINANCIAL YEAR



Once again, we have reached that time of the year where we have to reflect on the activities that we had to undertake to respond to the needs of the people of Umzumbe Municipality listed in our IDP. In 2016 the new Council adopted the Integrated Development Plan (IDP) which came with reviewed developmental mandates that were going to be implemented by the municipality. The political and administrative wings jointly committed to push the implementation of all community needs from our IDP. As an Accounting Officer I am tasked to provide the strategic direction that will see the Council fulfil its mandate to change the lives of the people.

Chapter 13 of the National Development Plan is emphatic on the building of the capable state

in which leadership forms a nucleus of that capable state. The fundamental responsibility of the Council had to ensure that this capable state is realized through service delivery to the people. The key aspect to that is that an Accounting Officer must be in the forefront in assisting the Council to achieve that objective. Central to that was for me to ensure that all senior management positions are filled. Currently the Director Technical Services has been appointed and commenced his duties. With his appointment the senior management structure is now complete.

It was encouraging to receive Unqualified Audit Opinion from the Auditor General for the financial year 2018/2019. There were matters of emphasis raised by the Auditor General and I am grateful to report that some of them have been addressed. The Chief Financial Officer has provided sound advice on dealing with every matter raised by the Auditor General as we on the road to reclaim our Clean Audit status.

Our Local Economic Development (LED) within the municipality is the key in addressing the governing party's resolution on Radical Socio-Economic Transformation. This Sub-Unit was confronted by staffing matters in June 2020 which led to the collapse of daily operations. We responded by ensuring that Manager LED is appointed and we on the process of ensuring that we have a fully fledged LED which will assist in fighting poverty post COVID 19. Recent evidence is that COVID 19

exposed poverty levels that is entrenched in our society and in the coming years our budgeting process should look at addressing this problem.

It is also a task of the Accounting Officer to ensure that the organisational transformation is achieved through skills development of the workforce. As a result, our Corporate Services Department has through our Workplace Skills Development Programme (WSP) trained the staff as well as Councillors on different educational skills.

Having said all as asserted above one cannot conclude without citing the challenges that came with COVID 19 internally as well as in the community. The pandemic has created an unstable organisation which was characterized by anxiety from all wings. It needed us to provide stewardship during these trying times. The lockdown caused major delays in most projects. Despite those bottlenecks we must embrace good things that came as a result of COVID 19. We were rushed to 4th Industrial Revolution and with no choice we had to hit the ground running. We must start now thinking of bolstering our IT section because it will play a pivotal role in enhancing service delivery soon.

As I conclude it will be proper for me to thank the Mayor, Deputy Mayor, Speaker and the entire Council for supporting me while I ensure that the Council decisions are implemented and accounted for. My gratitude also goes to the Management and staff for their hard work in building what is known as Umzumbe Municipality whose reputation is known in different spheres of governments. Council Committees, Amakhosi and community structures are very important in ensuring that community needs are taken care of and that is greatly appreciated.

As I serve this municipality, I will ensure that accountability, transformation, monitoring and evaluation is the bible of everyone who is employed by Umzumbe Municipality.

Yours in Service Delivery

**Mr T P Cele**

**Municipal Manager**

**Umzumbe Local Municipality**

## 1.2 Municipal Functions, Population and Environmental Overview

### **Municipal Functions**

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

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

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

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

Listed below are the current functions performed by the municipality: -

- Building Regulations
- Storm Water Management System in Built up Areas
- Trading Regulations
- Refuse Removal
- Traffic (in process)
- Fences and Fencing
- Local Sports Facilities
- Public Places
- Local Economic Development
- Development Planning
- Disaster Management
- Fire and Rescue Service

### **Demographics & Location**

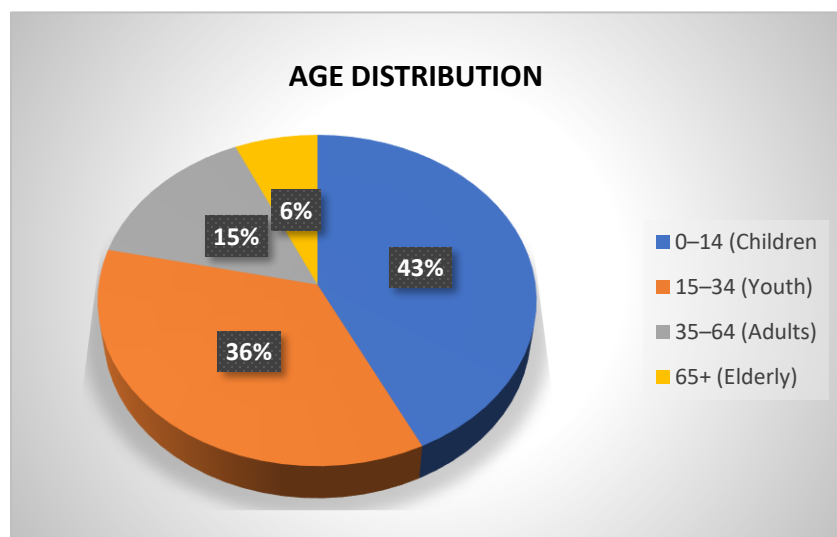
The latest 2016 community survey indicates that Umzumbe municipality's total population is 151676 people, where males account for 47.8% of the population and the female is 52.2%. The most populated ward in the municipality is ward 3 with 10094 people and ward 5 with a total population of 9517 people.

KZN213: Umzumbe	Male	Female	Total
	72501	79175	151676

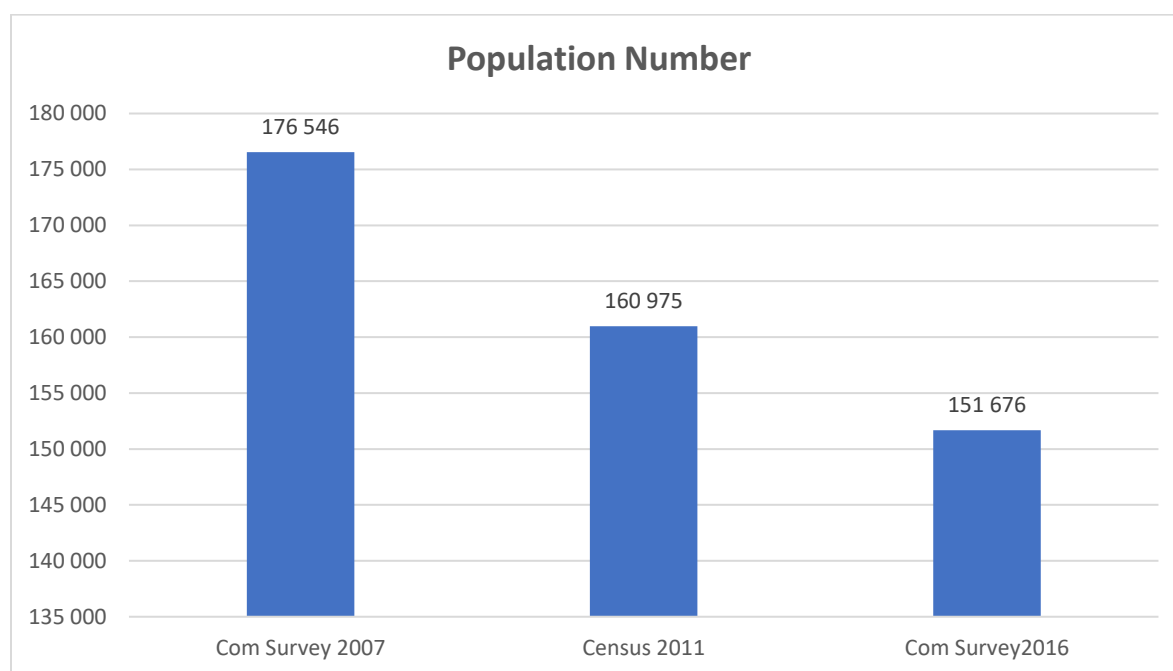
*Source: Stats SA Community Survey 2016*

Ward Number	Population
Ward 1	7,681
Ward 2	5,977
Ward 3	10,094
Ward 4	9,090
Ward 5	9,517
Ward 6	6,870
Ward 7	8,935
Ward 8	6,104
Ward 9	8,624
Ward 10	6,742
Ward 11	7,116
Ward 12	6,699
Ward 13	6,730
Ward 14	7,740
Ward 15	8,243
Ward 16	8,504
Ward 17	8,856
Ward 18	7,733
Ward 19	7,135
Ward 20	8,017

Source: Stats SA Community Survey 2016

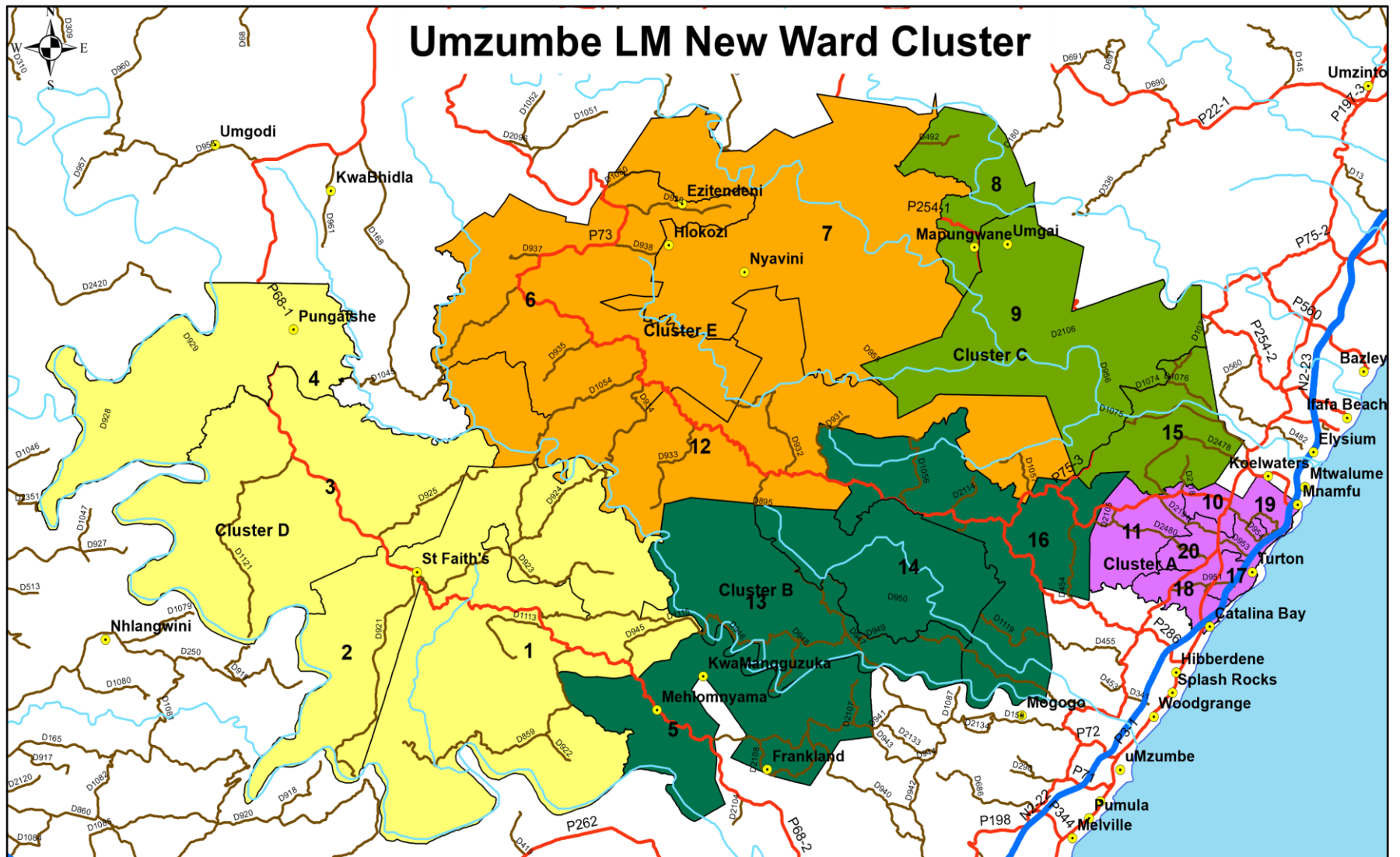


*Source: Stats SA Community Survey 2016*



*Source: Stats SA*

The municipality is situated within the lower southern coast region of KwaZulu Natal within the Ugu District which consist of Four (4) local Municipalities namely; Umzumbe, Ray Nkonyeni , Umdoni and Umuziwabantu Municipality. The decline in population as seen above is as a result of rural-urban migration by job seeker and students.



The table below depicts the settlements which were not affected by the re-demarcation.

Settlement Type	Ward No.
KwaMaqhikizane	8
Mthwalume	19
Ngomakazi	
Maqikizane	
Nyavini	10
Esinyameni	8
Gugha	8
Gobhamehlo	8
Mgezankamba	8
Ngwenda	8
Thuthuka	
Umzumbe NU	
Umgayi	9
Mbiyane	9
Gubhuza	7
The Ridge Farm	8
Umgai	12
Mhlabatshane	4
KwaNtumeni	3
Eluphepheni	3
Imfomfo	
Bhekameva	3
Nomageje	3
KwaMagugu	3
Sosibo	3
KwaNjongoma	3
Mthaleni	2
Oshamba	2
Wowana	2
Dunusa	2
Nhlengesisi	2
Deyi	2
Dunuse	2
Phongolo	2
Goba	2
Thembelihle	2
Ngcengesisi	2

Settlement Type	Ward No.
Qoloqolo	11
Inkulu	11
KwaBombo	11
Qurha	11
Isangqu	11
Ntabazu	11
Sipofu	11
Nyonyana	11
Inyonyana	11
Ndunge	16
Ntengela	16
Gubhugubhu	
Nkangala	
Nomakhanzana	15
Dingimbiza	15
Mnamfu	19
Isiqungeni	18
Amahwaqa	18
Mpikanisweni	
Nhlalwane	3
Ncazolo	2
Odeke	14
Ixopo	13
Mbonje	
Mvuzane	1
KwaDweshula	1
Gcwalemini	1
Sunduza	1
Ngoleleni	11
Cathula	1
Dibi	1
Rosettenville	16
Cabhane	16
Velumemeze	16
Gqayinyanga	16
Nkalokazi	7
Ndumakude	14
Hlanzeni	1
Mayekeni	1
Mawuleni	1

Settlement Type	Ward No
Mehlomnyama	5
Gumatane	2
Mathulini	18
Thaleni	2
Ndlovuzulu	2
Thuntutha	
Enkulu	
Ncane	

### 1.3 Service Delivery Overview

Umzumbe Local Municipality is mandated to practice and provide services to achieve the local governance objectives which are;

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organisations in matters of local government.

Umzumbe Local Municipality has adopted tools and approaches to achieve the local government objectives and developmental local government. The White paper on local government puts forward three interrelated approaches to assist municipalities to become more developmental them being: -

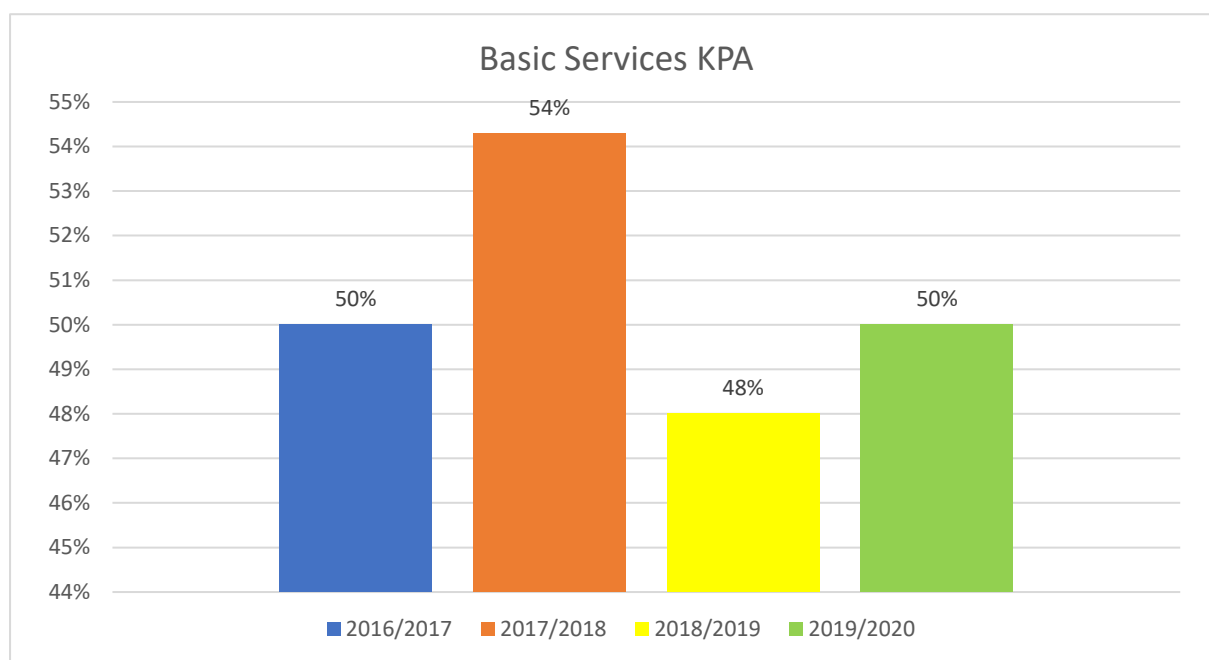
- Integrated Development Planning and Budgeting;
- Performance Management; and
- Working together with local citizens and partners

It is therefore with the utmost urgency and priority that the municipality ensure for efficient and effective provision of service to the community in a manner that is in line with the Constitution of South Africa.

The Department of Social & Community Services as well as the Technical Services Department are responsible for the provision of basic services delivery to the community of Umzumbe. The 2019/20 financial year produced a decline in the level of performance by these two departments, with the following reasons;

- Interruptions of municipal operations by community protest;
- Resignations of key personnel in strategic position;
- Delayed filling of vacant post; and
- Non responsive bidders on key service delivery orientated projects

## KPA Performance for 2019/2020 Financial Year



The diagram indicates the performance of the service delivery KPA during the 2019/20 financial year when compared to the 2018/19, 2017/18 financial years as well as the 2016/17 financial year. The 2018/19 financial year is lower than both the previous financial years performance however 2019/20 performance reflects improvement when compared to 2018/19 by 2%. This indicates a need to improve performance together with recruitment of personnel to head the Technical Services Department.

The municipality last reviewed the Indigent policy and register during the 2018/19 financial year. The review comes in response to Provincial CoGTA's and other sector departments request to annually review the Indigent policy and register. The review was done through a cluster-based approach in partnership with ward councillors and ward committees to identify households which may be classified as indigent. The policy was adopted by council and will be implemented in the 2019/20 financial year. In 2019/20 financial year the municipality planned to review the indigent register however the target was not achieved due to capacity issues and the indigent register is set to be reviewed by the end of quarter 2 of 2020/21 financial year.

## 1.4 Financial Health Overview

The municipality had a net surplus of R44 million (R30 million previous year). The net assets position showed a positive increase to R589 million from the previous year (R544 million). Cash flows were strong as bank balances showed a positive sign and increased from R197 million from the previous year to R239 million for the current year. Expenditure was monitored and evaluated against budget accordingly. In addition, all conditional grants were cash backed and were spent according to their conditions. Unspent grants were committed and applied and submitted towards rollover processes to the next financial year. Taking into consideration the above factors, the municipality was in a very strong and healthy financial position.

### **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 2018/2019 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted by the 31 August deadline to the Auditor General. The municipality received an unqualified audit report with matters of emphasis. 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 compilation of the annual financial statements for the financial year 2019/2020 is on track 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 submitted to portfolio committees such as the Executive and Finance as well as Treasury.

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

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

The preparation of the mid-year adjustment budget and performance assessment was compiled and adopted by the Council on the 24 January 2020.

#### **Annual budget:**

The annual budget for the 2020/2021 financial year was successfully compiled and adopted by council as per the MFMA deadline. MSOCA processes and formats were utilised in compiling the annual budget.

The MSCOA annual budgets were successfully loaded onto the National Treasury portal within the deadline.

**Accounting processes:**

All monthly accounting processes were completed.

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

The municipality is using Sage 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. The annual procurement plan was also compiled. The SCM policy was also reviewed during the year.

SCM implementation reports were submitted to the portfolio committees with any deviations, irregular, fruitless and wasteful expenditure also reported on.

The municipality has functioning bid committees i.e., 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 2019/2020 financial year in accordance with GRAP 17. The asset register will also further be reviewed and forms part of the processes of the preparation of the annual financial statements.

**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. The rates tariffs have also been published in the gazette. There has been a reduction of government debt however there are still challenges with regard to debt recovery due to the dynamics of the geographical area within Umzumbe.

**MSCOA implementation:**

The municipality has already started with MSCOA processes such as: training, system vendor engagement, awareness creation, project steering team formulation, project steering committee meetings, development of implementation plans, budget MSCOA conversions, preparation of the draft 2019/2020 budget in MSCOA format, MSCOA database creation and departmental meetings. The municipality has successfully prepared the 2019/2020 and 2020/2021 budget in the MSCOA format and had successfully uploaded it onto the National Treasury Local Government Portal. The municipality is in line with its MSCOA implementation plan and started transacting on the MSCOA system from 1 July

2017. The Municipality will continue to monitor and evaluate the MSCOA implementation and anticipates that there will be no challenges.

**Challenges:**

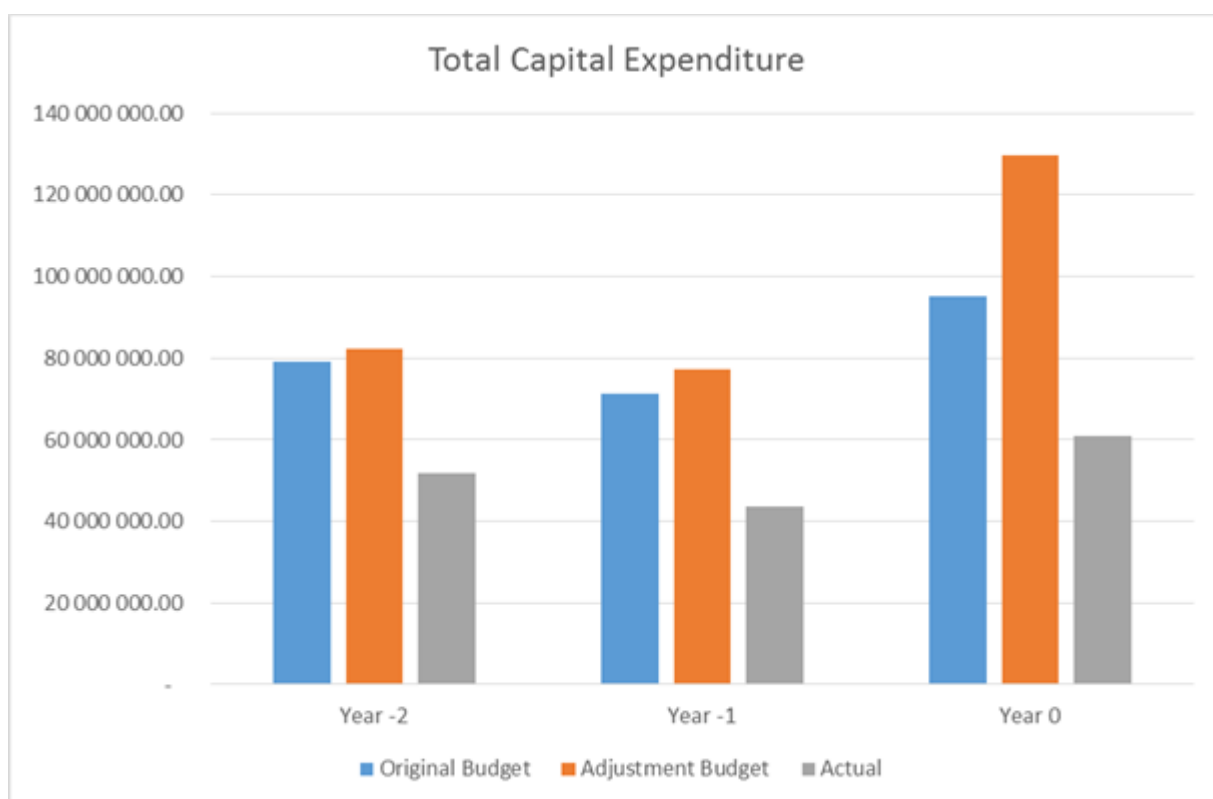
- The requirements of GRAP 17 posed challenges such as componentizing of infrastructure assets which required specialized knowledge.
- The physical verification of the assets was also challenging due to assets being spread over the large geographical area of Umzumbe.
- The municipality faced challenges of debt recovery regarding non - payment of rates.
- Capacity constraints within the department also remain a challenge.
- Lack of sufficient storage/working space for filing of documents and for staff to work.
- System challenges as a result of MSCOA implementation.

**Recommendations:**

- Utilisation of a service provider to assist in the review of the assets register in order to ensure GRAP 17 compliance.
- Key positions will be fast tracked to ensure there is enough human capacity.
- More training will take place to ensure that finance staff are kept up to date with latest financial trends including MSCOA related issues.
- More intervention from government departments and other stakeholders regarding payment of property rates and debt recovery through support obtained from COGTA and Treasury.
- Recovery of debt through use of legal intervention.
- Explore alternate avenues to increase storage capacity and space for staff to work and for filing of documents.
- Assistance from COGTA and Treasury regarding compliance matters

Operating Ratios	
Detail	%
Employee Cost to total cost	35%
Repairs & Maintenance to PPE	2%
Finance Charges & Impairment	0%

Total Capital Expenditure: Year -2 to Year 0			
Detail	Year -2	Year -1	Year 0
Original Budget	79 080 589.10	71 392 040.00	95 273 727
Adjustment Budget	82 198 880.50	77 396 040.00	129 641 615
Actual	51 733 349.09	43 807 120.00	60 929 896



## 1.5 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	Finalise 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
7	Mayor tables the unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase.	
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
11	Municipalities receive and start to address the Auditor General's comments	November
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
13	Audited Annual Report is made public and representation is invited	
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight report	December
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	
18	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January

## 2 Chapter 2 Governance

### Component A

#### 2.1 Political and Administrative Governance

##### Introduction to Political and Administrative Governance

Umzumbe Municipality Political governance is led by the Mayor who is the head of the political side, chairing the Executive committee as well as the Finance portfolio committee. As a municipality we pride ourselves as having a female Mayor and Speaker. The Deputy Mayor is a member of the Exco and serves as a portfolio chair for the Human Settlement and Infrastructure Committee.

The Speaker of the council chairs the council meetings of the municipality and heads all Council related matters. The council has an executive committee made up of Seven (7) full time councilors. In dealing with oversight role, the council has a Municipal Public Accounts Committee (MPAC) made up of five (5) non- executive committee members. There are Six (6) portfolio committees and Section 79 Committees in place within the municipality:


- Human Settlement and Infrastructure Portfolio;
- Planning and LED Portfolio;
- Social and Community Services Portfolio;
- Finance Portfolio;
- Youth Development Portfolio;
- Municipal Public Accounts Committee and
- Corporate Services Portfolio Committees.

In assisting the MPAC and the Council, an external Audit Committee through a shared services approach has been established. In the 2019/20 financial year, Mr. Paul Preston's contract came to an end and was replaced by Ms. Leah Thabisile Khumalo. The Audit Committee comprises of the following members;

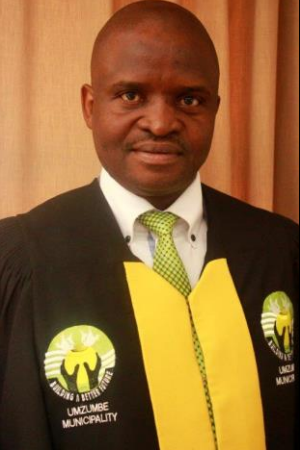

Name of Member	Qualifications	Appointed
Ms. Chantel Elliott	<ul style="list-style-type: none"><li>• B. Com (Hons), CA(SA)</li><li>• B Compt</li><li>• Postgrad Diploma: V.A.T</li><li>• Advanced Certificate: International financial Reporting standards</li></ul>	2016
Mr. Zweli Zulu	<ul style="list-style-type: none"><li>• Master's in Business Administration</li><li>• Post Graduate Diploma in Business Management</li><li>• Bachelor's Degree in Business Technology</li><li>• Diploma in Labour Economics</li></ul>	2018


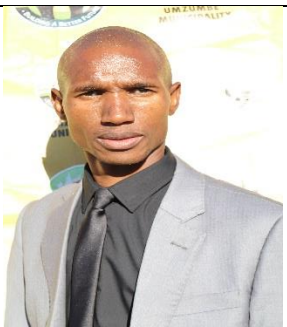



Name of Member	Qualifications	Appointed
Ms. Bongeka Jojo	<ul style="list-style-type: none"> <li>• B Com: CA(SA)</li> </ul>	2016
Ms. Leah Thabisile Khumalo	<ul style="list-style-type: none"> <li>• LLB</li> <li>• Bachelor of Luris</li> <li>• Project Management</li> <li>• Professional Legal Training</li> <li>• Oil Training Course</li> </ul>	2020

## Political Governance

	<p><b>POLITICAL STRUCTURE</b></p> <p><b>MAYOR</b></p> <p>Cllr M.P.L. Zungu</p> <p>EXCO. Chair and Head FBCC and Finance Portfolio Committee</p>	<p><b>Function</b></p> <p>In terms of Section 49 of Municipal Structures Act and Regulations 117 of 1998 the Executive Mayor presides at meetings of the executive committee; and performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by municipal council or the executive committee.</p> <p><b>S56(2): The executive mayor must:</b></p> <ol style="list-style-type: none"> <li>Identify the needs of the municipality,</li> <li>Review and evaluate those needs in order of priority,</li> <li>Recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and</li> <li>Recommend or determine the best way, including partnerships and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.</li> </ol>
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		<p><b>MFMA S54:</b></p> <ul style="list-style-type: none"> <li>a. Must provide general political guidance over the fiscal and financial affairs of the municipality;</li> <li>b. In providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act, the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;</li> <li>c. Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;</li> <li>d. Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and</li> <li>e. Must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.</li> </ul>
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	<p><b>DEPUTY MAYOR</b></p> <p>Cllr S.R. Cele</p> <p>Head: Human Settlement and Infrastructure Portfolio Committee</p>	<p>The Deputy Mayor exercises the powers and performs the duties of the mayor if the mayor is absent or not available or if the office of the mayor is vacant. The Mayor may delegate duties to the Deputy Mayor (Municipal Structures Act 1998, S49).</p>
	<p><b>SPEAKER</b></p> <p>Cllr M.P. Shoji</p> <p>Chairperson of Council</p>	<p>In terms of Section 37 of the Municipal Structures Act and Regulations 117 of 1998 The Speaker of a Municipal Council-</p> <ol style="list-style-type: none"> <li>Presides at meetings of the council.</li> <li>Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).</li> <li>Must ensure that the council meets at least quarterly;</li> <li>Must maintain order during meetings</li> <li>Must ensure compliance in the council and council and council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000; and</li> <li>Must ensure that the council meetings are conducted in accordance with the rules and orders of the council.</li> </ol>

	<p><b>EXECUTIVE COMMITTEE</b></p> <p>Cllr M.Z. Luthuli</p> <p>Development Planning and Local Economic Development Portfolio</p>	<p>Member of Exco and Chairperson of the Development Planning and LED Portfolio oversees all matters within the section.</p>
	<p>Cllr M.S. Mdletshe</p>	<p>Member of Exco and Chairperson of Youth Development Committee.</p>
	<p>Cllr N.Y. Mweshe</p> <p>Corporate Services Committee portfolio</p>	<p>Member of Exco and Chairperson of Corporate Services Portfolio Committee.</p>
	<p>Cllr B.B. Luthuli</p>	<p>Member of Exco and member of the Planning and LED Portfolio Committee.</p>
	<p>Cllr P. Zamisa Social and Community Services Portfolio</p>	<p>Member of Exco and Chairperson of Social and Community Services Committee.</p>

## Council

The Municipal council comprises of 39 Councilors, 15 being females and 23 are males for the year ended. However, the municipality gained an additional ward making the total number of wards 20. Twenty (20) of them are ward Councilors and Nineteen (19) are Proportional Representatives.

Out of 39 Councilors, 30 belong to the ANC, 6 IFP, 1 EFF, 1 APC and 1 DA. PAC's Pr.

## Political Decision Making

Political recommendations are taken at caucus level for 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.


## Traditional Leaders

In compliance with section 81 of the Municipal Structures Act (Act No. 117 of 1998), the municipal council has included 7 out of 16 traditional leaders to sit in the Municipal Council. Inkosi R.S Shinga leader sits in the Municipal Executive Committee with Inkosi B.S Cele sitting in Municipal Public Accounts Committee. The table below indicate portfolios assigned to each traditional leader.

NAME	COMMITTEE	TRADITIONAL COUNCIL
Inkosi B Radebe	Human Settlements and Infrastructure	Hlubi Traditional Council
Inkosi B.S Cele	Youth Committee and MPAC	Cele P Traditional Council
Inkosi N.W Mbhele	Finance	Mabheleni Traditional Council
Inkosi R.S Shinga	Planning and LED Committee	Ndelu Traditional Council
Inkosi S.C Gumede	Human Settlements and Infrastructure	Qwabe (P) Traditional Council
Inkosi Z.E Ngcobo	Social and Community Services	Nyavini Traditional Council
Inkosi Z.R Qwabe	Corporate Services Committee	Qwabe (N) Traditional Council

## 2.2 Administrative Governance

Administrative leg of the Council is led by the Accounting Officer and the managers reporting directly to him (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 Top MANCO of the municipality.

	<p><b>MUNICIPAL MANAGER</b> <b>Mr T P Cele</b></p>	<p><b>Function</b></p> <p>The office of the Municipal Manager is responsible for the following services: <b>Development Planning and Local Economic Development, Communications &amp; Mayoralty, Youth Development, Legal Services, Special Programmes and Internal Audit.</b></p> <p><b>Development Planning</b> – functions are to drive the strategic planning of the municipality, spatial planning, Building Control and Land Use Management, Geographic Information Systems and Performance Management System.</p> <p><b>Local Economic Development-</b> responsible for ensuring economic growth within the LM through the assistance of Crafters, SMME's and Coops. It is further required to ensure for the implementation of the Local Economic Development Strategy in alignment with the Municipal, provisional and national goals.</p> <p><b>Communications, Mayoralty, Youth Development and Special Programmes</b> – main functions of the department are to plan, develop and implement strategies and projects in order to achieve a co-ordinated internal and external communication process, support the administrative functioning of the Mayor's Office and advance the interest of special groups and young people within Umzumbe.</p> <p>▪ <b>Internal Audit:</b> developing a flexible annual audit schedule and long-term audit plan using an appropriate risk- based methodology, in</p>
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		<p>consultation with Management and for approval by the Audit Committee</p> <ul style="list-style-type: none"> <li>▪ implementing approved annual audit schedule(s), including as appropriate any special tasks or projects requested by Management and approved by the Audit Committee;</li> <li>▪ maintaining a professional audit staff with sufficient knowledge, skills and experience to meet requirements; and</li> <li>▪ issuing periodic (quarterly) reports to the Audit Committee and Management summarizing the results of audit activities and the benefits derived;</li> <li>▪ The Internal Audit function will comply with the <i>International Standards for Professional Practice of Internal Auditing</i> as set by the Institute of Internal Auditors'.</li> </ul>
	<p><b>CHIEF FINANCIAL OFFICER:</b> <b>Mr K Audan</b></p>	<p>The Department is responsible for managing the financial administration of the municipality. It comprises sub departments i.e. <b>Expenditure and Assets, Budget, Treasury and Revenue and Supply Chain Management.</b></p>
	<p><b>DIRECTOR SOCIAL DEVELOPMENT &amp; COMMUNITY SERVICES</b> <b>: Mrs ZAN Lushaba</b></p>	<p>The Department comprises of three units namely, <b>Community Services, Disaster Management and Waste Management Unit.</b> The unit facilitate with the upliftment of communities through poverty alleviation programmes, maintained/accessible government facilities and support given to households involved in natural disasters. They department seeks to contribute to social cohesion through the maintenance of community facilities and provision of community services.</p>

	<p><b>DIRECTOR CORPORATE SERVICES:</b>  <b>Mr B G Nyuswa</b></p>	<p>Corporate Services Department is composed of three sections. These are <b>Human Resources, Administrative Support, Information and Communication Technology</b> 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><b>DIRECTOR TECHNICAL SERVICES:</b>  <b>(Vacant)</b></p>	<p>This is the department that has been entrusted with delivery of basic services through operations and maintenance of existing infrastructural services as well as delivering new services so as to reduce backlog in the municipality. It consists of two units namely, <b>Housing Unit and Project Management Unit.</b></p>

## Component B: Intergovernmental Relations

### Introduction to Co-operative Governance and Intergovernmental Relations

In aligning our municipality with the transcripts that governs Co-operative Governance and Intergovernmental Relation there are structures that had been 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.

## 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.

The Manager Development Planning represents the Municipality in the Provincial Spatial Planning and Land Use Management Act (Act No. 16 of 2013) SPLUMA Forums held Quarterly by the Department of Cooperative Governance and Traditional Affairs in collaboration with the Department of Rural Development. IDP Indaba's are hosted by the Department of Cooperative Governance and Traditional Affairs with all local municipalities required to attend.

### 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 Municipality's. The Chief Financial Officer is the delegate representing the Municipality in the CFO's forums with Manager Development Planning representing the municipality in the District Planners Forum, District Technical Advisory Committee on Performance Management Systems together with the IDP Forums.

## 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 promote a culture of accountability together with a people-centered approach of development. As a process of public participation IDP & Budget road shows were conducted in the 3<sup>rd</sup>. quarter of the financial cycle. Due to the COVID-19 pandemic and the national lockdown, the IDP & Budget Roadshows were conducted virtually as they were incorporated to the mayoral radio slots. 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, Mehlomanyama Police Station (ward 5), Assisi Clinic (ward 5), Ntumbankulu Clinic (ward 1), Phungashe Information Centre (Ward 4), Bhanoyi Community Hall (ward 6), Umzumbe Municipal Offices (ward 10), Mgai Clinic and social welfare (ward 8) , Kwa Smith (ward 15), ward 19 Government offices, Ziyabenya Car wash (ward 17), Junction ward 2, Joyisi (ward 6), Mngomeni High (ward 7), Bambumoya (Ward 3) and Mtwalume Clinic (Ward 09).

Monthly ward committee meetings were held to discuss developmental issues and chaired by the ward councillor of each ward. On a quarterly basis IDP Rep Forums are held and attended by various stakeholders as part of the public participation process to provide inputs to the Municipal Integrated Development Plan. The forum was unable to sit during this financial year due to service delivery protest.

Quarterly report back public meetings were held on all 20 municipal wards as another mechanism to strengthen public participation.

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 Cllr S Mdletshe. The committee oversees all matters related to youth development and sustainable livelihoods in the modern era.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
ward 1 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 2 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 3 Public Meetings	Q 1,2, & 3	1	NIL		Yes	Feedback on quarterly reviews
ward 4 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 5 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 6 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 7 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 8 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 9 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 10 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 11 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 12 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 13 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 14 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 15 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 16 Public meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 17 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 18 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 19 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 20 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews

## 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 56 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

### 2.6 Risk Management

In terms of MFMA section 62 (1) (c)(I), extensive responsibilities are assigned to Accounting Officers/Municipal Managers. These responsibilities include ensuring that the organisation under their control has effective, efficient and transparent systems of financial and risk management and internal control.

Enterprise Risk Management Encompasses:

- Aligning risk appetite and strategy – Management considers the entity’s risk appetite in evaluating strategic alternatives, setting related objectives, and developing mechanisms to manage related risks.
- Enhancing risk response decisions – Enterprise risk management provides the rigor to identify and select among alternative risk responses – risk avoidance, reduction, sharing, and acceptance.
- Reducing operational surprises and losses – Entities gain enhanced capability to identify potential events and establish responses, reducing surprises and associated costs or losses.
- Identifying and managing multiple and cross-enterprise risks – Every enterprise faces a myriad of risks affecting different parts of the organization, and enterprise risk management facilitates effective response to the interrelated impacts, and integrated responses to multiple risks.
- Seizing opportunities – By considering a full range of potential events, management is positioned to identify and proactively realize opportunities.
- Improving deployment of capital – Obtaining robust risk information allows management to effectively assess overall capital needs and enhance capital allocation.

Enterprise Risk Management (ERM) forms a critical part of any institution's strategic management. It is a process whereby an institution both methodically and intuitively addresses the risks attached to its activities with the goal of achieving sustained benefit within each activity and across the portfolio of activities. ERM is therefore recognized as an integral part of sound organizational management and is being promoted internationally and in South Africa as good practice applicable to the public and private sectors.

The underlying premise of risk management is that every government body exists to provide value for its stakeholders. Such value is based on the quality-of-service delivery to the citizens. All institutions face uncertainty and the challenge for management is to determine how much uncertainty is the institution prepared to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance value. Value is maximized when management sets objectives to strike an optimal balance between growth and related risks, and effectively deploys resources in pursuit of the institution's objectives.

The top 10 risks are:

Risk 01. Local Economic Development: Economic Growth Development Program – Inadequate economic growth development program.

Risk 02. People: Occupational Health and Safety – Non implementation of health and safety programs.

Risk 03. Infrastructure: Project Implementation – Delays in implementation of projects.

Risk 04. Business Process: Public Participation – Ineffective community participation and consultation.

Risk 05. Business Support: Indigent Register – Inadequate Indigent Register.

Risk 06. Financial Management: Supply Chain Management Procurement – delays in procurement of goods and services.

Risk 07. Fleet Management: Maintenance – Lack of maintenance of fleet.

Risk 08. People: Skills Attraction and Retention – Failure to attract and retain critical scarce skills.

Risk 09. Financial Management: Budget – National budget cuts impacting on service delivery.

Risk 10. Business Support: Communication – Inadequate communication with stakeholders.

## Risk Report

NO	RISK NAME	RISK DISCRIPTION	CURRENT CONTROLS	STRATEGIES	TARGET DATE
<b>RISK ASSESSMENT MONITORING TOOL</b>					
<b>OFFICE OF THE MUNICIPAL MANAGER</b>					
1	Strategic Leadership: Integrated Development Plan	Failure to implement the IDP	a) Integrated Development Plan and Process Plan. b) Integrated Development Plan Forums. c) Portfolio Committee. d) Public Participation Strategy. e) Response Committees. f) Ward Structures.	a) Conduct awareness campaigns to the public. b) Annual review of Integrated Development Plan.	a) Ongoing b) 30 June 2019
2	LED Growth development program	Inadequate economic growth development program.	a) Local Economic Development Portfolio Committees and Forums. b) Local Economic Development Strategy.	a) Review Local Economic Development Strategy b) Monitor and evaluation of projects c) Develop Terms of Reference for Local Economic Development Portfolio Committee.	31 September 2019

3	Local Economic Development: Investments Attraction and Retention	Inability to attract investors and tourists to the municipal area.	a) Informal Traders Policy. b) Local Economic Development Portfolio Committee. c) Local Economic Development Strategy. d) Spatial Development Framework. e) Tourism Plan.	a) Review Local Economic Development Strategy b) Develop the Tourism Strategy c) Training of Local Economic Development Portfolio Committee.	a) 30 June 2020 b) 30 June 2020 c) 30 September 2019
4	Business Support: Communication	Inadequate communication with stakeholders.	a) Communication Strategy e.g., loud hailers, newsletters and radio slots. b) Website.	a) Conduct training on municipal employees on policies. b) Review of Communication Strategy.	a) Ongoing b) 30 December 2019
5	Business Process: Public Participation	Ineffective community participation and consultation.	a) Communication and Public Participation Strategy. b) Integrated Development Plan Forums. c) Monthly ward committee meetings. Public meetings by mayor/speaker and deputy mayor.	a) Acquire public participation vehicle. b) Annual review of Participation Strategy.	a) 30 September 2019 b) 30 September 2019

6	Community Development: Development Planning	Uncoordinated developments (Illegal developments).	a) Awareness campaigns on land use. b) By-laws. c) Geographic Information System (GIS). d) Land use scheme. e) Municipal Planning Tribunal. f) Spatial Development Framework.	a) Conduct Land Audit. b) Ongoing campaigns with Amakhosi and community on land development.	a) 30 June 2020 b) Ongoing
7	Political Office Bearers: Speakers Office	Political interference in the administration of the municipality.	a) Councillors Code of Conduct. b) Councillors Training Programs. c) Declaration of interest. d) Municipal Public Accounts Committee. e) Newsletter.	a) Conduct councillor's training and induction. b) Review Disclosure of Interest Form. c) Conduct councillors training and induction.	a) Ongoing b) 30 June 2019 c) Ongoing
8	Business Support: Compliance	Non compliance with legislation.	a) Compliance checklist. b) Internal Audit Unit. c) Oversight structures. d) Regular Updates by Legal Section. e) Reports to Treasury and f) Cooperative of Governance and Traditional Affairs.	a) Regular reporting on compliance. b) Submit compliance checklist quarterly to oversight structures.	a) Ongoing b) 30 September 2019

9	Business Support: Performance Management System	Inadequate implementation of Performance Management System.	<ul style="list-style-type: none"> <li>a) Development Planning Portfolio Committee.</li> <li>b) Internal Audit Plan.</li> <li>c) Performance Audit Committee.</li> <li>d) Performance Management System Policy and Regulations.</li> <li>e) Quarterly performance Reviews.</li> </ul>	<ul style="list-style-type: none"> <li>a) Develop Standard Operating Procedure for Performance Management System.</li> <li>b) Review Performance Management System Policy.</li> </ul>	<ul style="list-style-type: none"> <li>a) 30 June 2019</li> <li>b) 30 June 2019</li> </ul>
10	Business Support: Risk Management	Ineffective risk management processes.	<ul style="list-style-type: none"> <li>a) Audit Committee.</li> <li>b) Enterprise Risk Management and Fraud Register.</li> <li>c) Enterprise Risk Management Policy.</li> <li>d) Oversight structures</li> </ul>	<ul style="list-style-type: none"> <li>a) Regular reporting to oversight structure.</li> <li>b) Review and implement the Enterprise Risk Management Policy.</li> <li>c) Review Risk Management Committee with Terms of Reference.</li> </ul>	<ul style="list-style-type: none"> <li>a) Ongoing</li> <li>b) 30 June 2020</li> <li>c) 30 September 2019</li> </ul>
11	Business Support: Internal Audit	Ineffective internal audit function.	<ul style="list-style-type: none"> <li>a) Audit Committee Charter.</li> <li>b) Audit Committee.</li> <li>c) Internal Audit Charter.</li> <li>d) Internal Audit Methodology.</li> <li>e) Internal Audit Plan.</li> <li>f) Municipal Public Accounts Committee.</li> </ul>	<ul style="list-style-type: none"> <li>a) Collaborate with other municipalities for training of internal audit staff.</li> <li>b) Municipal Manager enforce Consequence Management for non-implementation.</li> </ul>	<ul style="list-style-type: none"> <li>a) Ongoing</li> <li>b) 30 September 2019</li> </ul>

NO	RISK NAME	RISK DISCRIPTION	CURRENT CONTROLS	STRATEGIES	TARGET DATE
<b>RISK ASSESSMENT MONITORING TOOL</b>					
<b>COPORATE SERVICES DEPARTMENT</b>					
1	People: Occupational Health and Safety	Non implementation of Occupational Health and Safety Programs.	a) Health and Safety Committee. b) Human Resource Officer. c) Occupational Health and Safety Plan. d) Occupational Health and Safety Policy. e) Workman's Compensation.	a) Make budget provision to conduct an Occupation Health Safety Assessment. b) Engage with traditional leadership to obtain authority to erect the fence. c) Review a Health and Safe Plan. d) Engage the security service provider to strengthen the security of employees.	immediately
2	Fleet Management: Maintenance	Lack of maintenance of fleet	a) Fleet Management Policy b) Political Office Bearers Vehicle Policy c) Service Plan	a) Implement Service Level Agreement with mechanics b) Review the fleet management policy to include plant	a) 31 December 2019 b) 31 December 2019

				c) Review the political office bearers' vehicles	c) 31 December 2019
3	Fleet Management: Maintenance	Abuse of municipal fleet.	a) Branding of Vehicles. b) Code of Conduct c) Disciplinary Code. d) Driver testing in-house. e) Fleet Management Policy. f) Monthly Fleet Management Reports to Top MANCO. g) Tracking Device. h) Trip Authorisation and Log Books. i) Vehicle Inspection Form. j) Vehicle Inspection Sheet.	a) Conduct awareness on Fleet Management Policy. b) Conduct advance driving training (Political office bearers' staff) c) Review Fleet Management Policy to make sure Consequence Management. d) Implementation of the Fleet Management Policy.	a) Ongoing b) Ongoing c) 31 December 2019 d) 30 September 2019
4	Fleet Management: Administration	Inadequate monitoring of log books and garge cards	a) Fleet Management Policy b) Monthly Reports to Top MANCO. c) Trip Authorisation and Log Books. d) Vehicles Inspection Sheets.	Management to consider implementing future action plan	
5	Skills attraction and retention	Failure to attract and retain critical scarce skills	a) Recruitment and Selection Policy b) Skills Retention Policy c) Workplace skills plan and annual training report.	a) Implement Skills retention Policy	immediately

6	People: Recruitment and selection	Ineffective recruitment and selection processes.	a) Human Resource Policy. b) Audit Trails. c) Human Resource Policy. d) Leave Policy. e) Political support staff. f) Recruitment and selection policy. g) Reference and Qualification Checks. h) Verification of candidates	a) Review and implement the Political Support staff Policy. b) Review and implement the Recruitment and Selection Policy.	a) 30 July 2019 b) 30 September 2019
7	People: Leave Management	Ineffective management of leave.	a) Attendance Register. b) Electronic Leave Management System. c) Human Resource Policy. d) Leave Policy. e) Monthly Leave Reports. f) Pre-approval of leave forms. g) Transponder System.	a) Conduct Leave Audit.	a) 30 September 2019
8	People: Overtime Management	Abuse of overtime.	a) Human Resource Policy. b) Human Resource Policy. c) Leave Policy. d) Overtime Form	Management to monitor existing controls	

9	Business Support: Training	Inadequate training of municipal staff and councillors.	a) 1% Skills Development Levy by Local Government Sector Education Training. b) Skills Audit Forms. c) Training Committee. d) Workplace Skills Plan in place.	a) Develop and implement Training Plan.	a) 30 June 2019
10	Business Support: Registry/Records Management	Inadequate records management process.	a) Document Movement Register. b) File Plan. c) Filing Cabinets. d) Filing Strong Room. e) Filing Systems. f) Fireproof Safe.	a) Implementation of Electronic Filing Systems	a) 31 December 2019
11	Business Support: Registry/Records Management	Inadequate mail procedures.	a) Incoming/Outgoing Mail Register. b) Registry Plan.	Management to monitor controls	
12	Business Process: Legal Services	Escalated litigation against the municipality.	a) Code of Conduct. b) Communication Strategy. c) Litigation Minimisation Strategy. d) Supply Chain Management Policy.	a) Workshop officials/ councillors on Communication Strategy and Litigation. b) Review the Litigation Minimisation Strategy. c) Review the Communication Strategy.	a) 31 December 2019 b) 30 September 2019 c) 30 September 2019

13	Business Support: Insurance	Inadequate insurance coverage of assets.	a) Asset Register b) Asset Register. c) Insurance Policy.	Management to consider implementing future action plan	
14	Business Support: Secretarial Support	Ineffective secretarial support to the council.	a) Cut-off dates to provide inputs to the secretariates Decision Circular.b) Monthly Reports and Portfolioc) Committee Meetings.d) Roster of Meetings	a) Consider creating a standard agenda for portfolio meetings.	Ongoing

NO	RISK NAME	RISK DISCRIPTION	CONTROLS DISCRIPTION	STRATEGIES	TARGET DATE
<b>RISK ASSESSMENT MONITORING TOOL</b>					
<b>SOCIAL AND ECONOMIC DEVELOPMENT</b>					
1	Business Support: Indigent Register	Inadequate Indigent Register.	a) Code of Conduct. b) Indigent Policy. c) Indigent Register. d) Ward Committees.	a) Research on the system that will assist to update the indigent register.  b) Review of Indigent Register.  c) Research on the system that will assist to update the indigent register.	a) Ongoing  b) 30 September 2019  c) Ongoing
2	Community Services: Disaster Management.	Inability to respond in case of fires and accidents	a) Disaster Advisory Forums. b) Disaster Management Act. c) Disaster Management Plan. d) Disaster volunteers. e) Fire Fighting Strategy. f) Fire truck g) Fire truck. h) Incident disaster relief. i) skid unit j) Vehicle Disaster Management	a) acquire full equipped skid unit. b) Review Fire Fighting Strategy. c) Make budget provision to acquire GPS. d) Make budget provision to acquire Global Positioning System. e) Acquire skid unit.	a) 30 September 2019 b) 30 September 2019 c) 30 March 2020 d) 30 March 2020 e) 30 September 2019

NO	RISK NAME	RISK DISCRIPTION	CONTROLS DISCRIPTION	STRATEGIES	TARGET DATE
<b>RISK ASSESSMENT MONITORING TOOL</b>					
<b>TECHNICAL SERVICES</b>					
1	Infrastructure: Municipal Infrastructure Grant.	Inability to utilise municipal grants.	a) Close Out Reports. b) Monitoring and Reporting. c) Monthly and Quarterly Reports to Treasury. d) Municipal Information System Reports.	Management to monitor the risk	
2	Infrastructure: Project Implementation	Delays in implementation of projects.	a) Approved Business Plans. b) Bid Committees. c) Energy Master Plan. d) Fixed Contracts. e) Housing Sector Plan. f) Implementation Plan. g) Infrastructure Master Plan. h) Monthly Progress Report. i) Ward Committees. j) Weekly Departmental Programs.	a) Regular meetings with Inter Governmental Relations.  b) Strengthens consultation processes with traditional authorities.  c) Local community made aware of projects and policies.  d) Monthly meetings with Inter Governmental Relations.	Ongoing  Ongoing  Ongoing  Monthly  Ongoing

				<p>e) Strengthen consultation processes with traditional authorities.</p> <p>f) Formulation of roster and a plan for BID committees.</p>	31 December 2019
3	Community Development: Housing Provision	Unavailability of land for housing development.	<p>a) Housing Sector Plan.</p> <p>b) Land Use Scheme.</p> <p>c) Valuation Roll.</p>	<p>a) Engagement with Rural Development in relation to Land rights.</p> <p>b) Conduct Land Audit.</p>	<p>a) Ongoing</p> <p>b) 30 June 2020</p>
4	Infrastructure: Maintenance.	Inadequate maintenance of infrastructure after completion.	<p>a) Maintenance Plan.</p> <p>b) Plant and equipment.</p> <p>c) Reports to Infrastructure Portfolio Committee.</p>	<p>a) Transfer of roads to Department of Transport.</p> <p>b) Review of Infrastructure Maintenance Plan.</p>	<p>a) 30 September 2019</p> <p>b) 30 September 2019</p>
5	Waste Management: Programs	Ineffective waste management programs.	<p>a) Contracted refuse removal personnel.</p> <p>b) Integrated Waste Management Plan.</p> <p>c) Service-Level Agreement (SLA) for Waste Collection.</p> <p>c) Skip bins.</p>	<p>a) Implement the Integrated Waste Management Plan.</p> <p>b) Make budget provision for skip bins</p> <p>c) Conduct awareness campaigns on Waste Management.</p>	<p>a) Ongoing</p> <p>b) 30 March 2020</p> <p>c) Ongoing</p>

NO	RISK NAME	RISK DISCRIPTION	CONTROLS DISCRIPTION	STRATEGIES	TARGET DATE
<b>RISK ASSESSMENT MONITORING TOOL</b>					
<b>FINANCE</b>					
1	Financial Management: Supply Chain Management Procurement	Delays in procurement of goods and services.	a) Bid Committee Schedule Meetings b) Communication Strategy. c) Long outstanding orders are reviewed. d) Procurement Plan e) Supply Chain Management Policy and Procedures (Verification of goods supplied)	a) Conduct Supply Chain Management awareness on municipal officials. b) Implementation of the 7-day rule (request 7 days before)	a) 30 September 2019 b) Ongoing
2	Financial Management: Supply Chain Management Tenders	Irregular awarding of tenders.	a) Fraud Prevention Plan. b) Internal Audit Reports. c) Reports Quarterly to Council on Expenditure. d) Supply Chain Management Policy and Procedures. e) Supply Chain Management Committees f) Whistle Blowing Hot Line.	a) Quarterly report of the implementation of Supply Chain Management Policy. b) Irregular expenditure reporting to Audit Committee/MPAC	a) Ongoing b) 30 September 2019

3	Supply Chain Management: Supplier Database	Doing business with employees of the state.	a) Central Supplier Database. b) Central Supplier Database. c) Declaration of Interest Forms. d) MBD4 Forms.	a) Block suppliers identified by Auditor General.	Ongoing
4	Financial Management: Supply Chain Management Procurement	Inappropriate goods and services procured by the Municipality.	a) Contract Management Framework. b) Supply Chain Management Policy and Procedures. c) Supply Chain Management Policy and Procedures.	a) Conduct Supply Chain Management awareness.  b) Conduct research and monitoring of user specifications.  c) Develop and adopt Contract Management Framework.	a) Ongoing  b) Ongoing  c) 30 September 2019
5	Supply Chain Management: Quotations/Price List	Inflating of prices by service providers.	a) BID evaluations. b) Price negotiation. c) Supply Chain Management Policy and Procedures. d) Whistle Blowing	a) Create a list of price database for all goods and services required.	a) 30 September 2019
6	Financial Management: Budget	National budget cuts impacting on service delivery.	a) Approved budget  b) Budget Policy  c) Revenue Generation Strategy	a) Strictly monitor the SDBIP  b) Review revenue generation strategy	a) Ongoing  b) 30 September 2019

7	Financial Management: Revenue and Debt Management	Inability to collect debts owed to the municipality.	a) Inability to collect debts owed to the municipality. b) Credit and Debt Collection Policy. c) Credit Control and Debt Collection Policy. d) Monitoring of Government Debts.	a) Escalating relevant intergovernmental relations (IGR) Forum and MuniMEC.	a) Ongoing
8	Financial Management: Valuation	Inaccurate valuation roll.	a) Continuous monitoring of Timeframe Over 5 years. b) Reports to Cooperative Governance and Traditional Affairs.	a) Conduct Land Audit. b) Develop/review Service Level Agreement with Valuers.	a) 30 June 2020 b) 30 September 2019
9	Financial Management: Asset Management	Poor safeguarding of municipal assets.	a) Annual Asset Verification. b) Asset Inventory Sheet. c) Asset Management Policy. d) Asset Register. e) Dedicated Asset Officer. f) Security caretakers locks.	a) Conduct ongoing awareness on Asset Management Policy. b) Enforce security guards at the entrance points to check assets.	a) 30 September 2019
10	Financial Management: Asset Management	Abuse of municipal assets (telephone, laptops, cell phones, office equipment etc.)	a) Asset Management Policy. b) Code of Conduct. c) Furniture Policy	a) Review and workshop policies to all municipal officials. b) Implement Consequence Management.	a) 30 June 2020 b) Ongoing
11	Financial Management: Salaries	Late payments of salaries to employees.	a) Business Continuity Plan. b) Cut-off dates. c) Human Resource Policy.	a) Review business continuity plan to incorporate financial system off-site.	a) 30 September 2019

12	Financial Management: Creditors	Failure to pay service providers within 30 days.	a) Invoice Register. b) Irregular Expenditure Policy and Register. c) Monthly Reconciliation. d) Procurement Plan. e) Supplier Awareness Campaigns	a) Ensure compliance to the 30 day Policy and regular reporting. b) Review of the Irregular Expenditure Policy.	a) 30 September 2019  b) 30 September 2019
13	Financial Management: Expenditure Management Salaries	Incorrect payment of salaries.	a) Monthly Reconciliations. b) Payroll Cut-off Schedule. c) Payroll Reviews.	a) Ensure compliance with payroll cut-off schedule	Ongoing

## 2.7 Anti-Corruption and Fraud, Whistle blower's hotline

Fraud represents a significant potential risk to the Municipality's assets and reputation. The Municipality is committed to protecting its funds and other assets. The Municipality will not tolerate corrupt or fraudulent activities whether internal or external to the organizations, and will vigorously pursue and prosecute any parties, by all legal means available that engage in such practices or attempt to do so.

The Anti-Corruption Strategy and Fraud Prevention Plan have been developed as a result of the expressed commitment of Government to fight corruption. It is also an important contribution to the National Anti-Corruption Strategy of the country and supplements both the Public Service Anti-Corruption Strategy and the Local Government Anti-Corruption Strategy. The Anti-Corruption Strategy were reviewed during the 2018/19 Financial year.

## 2.8 Supply Chain Management

The Municipality has a supply chain management unit which 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. The municipality's SCM policy is reviewed on an annual basis.

The unit responds to the authorized purchase requisitions for other departments within the municipality using the enterprise resource planning system called SAGE Evolution. The swift response to the authorized purchase requisitions where possible is always ensured. Separate files were opened for each individual contract which contained details of the contractor, evaluation and adjudication reports, payments detail etc. The annual procurement plan was also compiled.

SCM implementation reports were submitted to the portfolio committees with any deviations, irregular, fruitless and wasteful expenditure also reported on. The municipality has functioning bid committees i.e., Bid Specifications, Bid Evaluation & Bid adjudication. The evaluation and adjudication of the tenders was done accordingly within the prescripts of SCM regulations.

The municipality is striving to empower local businesses and cooperatives to improve our local economic development. The suppliers are rotated where possible to ensure that there are equal opportunities. However, there are challenges since most of our local businesses are not well established and therefore cannot supply or provide certain goods or services.

## 2.9 By-laws

Section 11(3) (m) of the Municipal Systems Act No 32 of 2000, gives municipality's the right to pass by-laws in their area of jurisdiction. The SPLUMA bylaws were developed and Gazetted by the municipality with the aim to institutionalize SPLUMA Principles across the entire municipality. There were no bylaws adopted by council during the 2019/20 financial year.

## 2.10 Municipal Website

Section 75 of the Municipal Finance Management Act (Act No. 56 of 2003) requires the Accounting Officer to place the following documents onto the website.

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	4 March 2020 / 12 June 2020
All current budget-related policies	Yes	12 June 2020
The previous annual report (Year -1)	Yes	24-Jan-19
The annual report (Year 0) published/to be published	No	2 April 2019
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	18 Dec 2019
All service delivery agreements (Year 0)	None	
All long-term borrowing contracts (Year 0)	No	
All supply chain management contracts above a prescribed value (give value) for Year 0	None	
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	None	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	None	
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	None	

## 3 Chapter 3 – Service Delivery Overview & Performance

### Component A: Basic Services

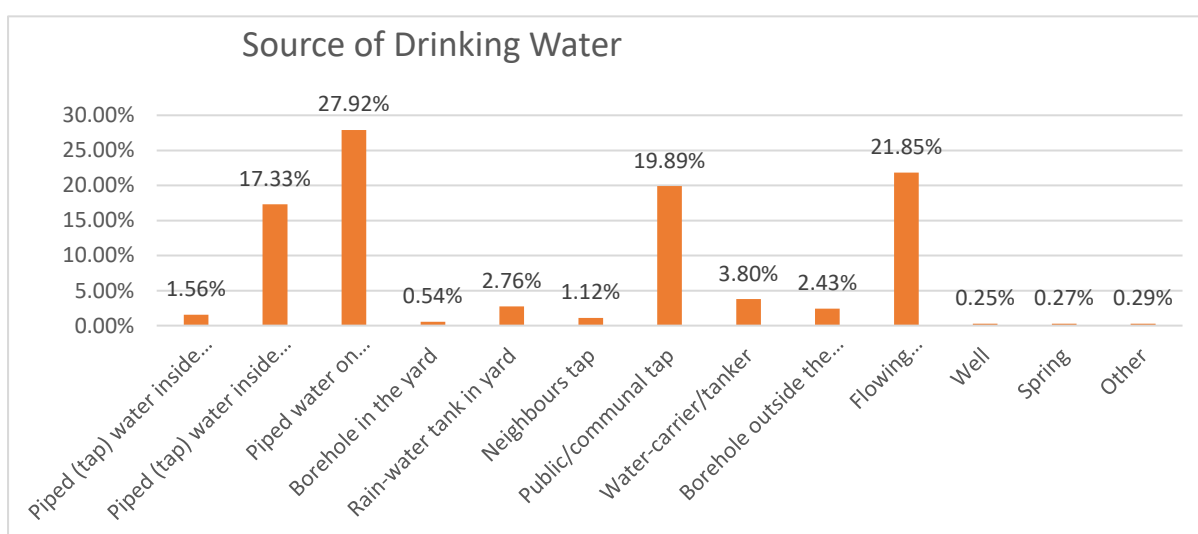
#### 3.1 Water Provision

Water and Waste water (sanitation) are services provided by Ugu Municipality as an institution with water serves authority. Housing services are implemented by the department of Human settlement in conjunction with the Municipality. The basic water service in Umzumbe is community standpipes within 200m -800m radius of all households.

The Strategic Integrated Projects (SIPs) programme identified projects by Governance aimed at fast tracking development and growth. Mhlabatshane Dam is a project within the district aimed at improving access to water for the communities. UGu District Municipality in partnership with Umgeni Water, are working together to ensure operation of the Dam and improved access to water.

Mthwalume, Ndelu and Mhlabatshane water supply zones falls within Umzumbe Municipality. The Ndelu supply zone is supplied by the Ndelu waterworks from the Umzumbe River and 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 area.

Water Sources	Households
Piped (tap) water inside the dwelling/house	1.56%
Piped (tap) water inside yard	17.33%
Piped water on community stand	27.92%
Borehole in the yard	0.54%
Rain-water tank in yard	2.76%
Neighbours tap	1.12%
Public/communal tap	19.89%
Water-carrier/tanker	3.80%
Borehole outside the yard	2.43%
Flowing water/stream/river	21.85%
Well	0.25%
Spring	0.27%
Other	0.29%



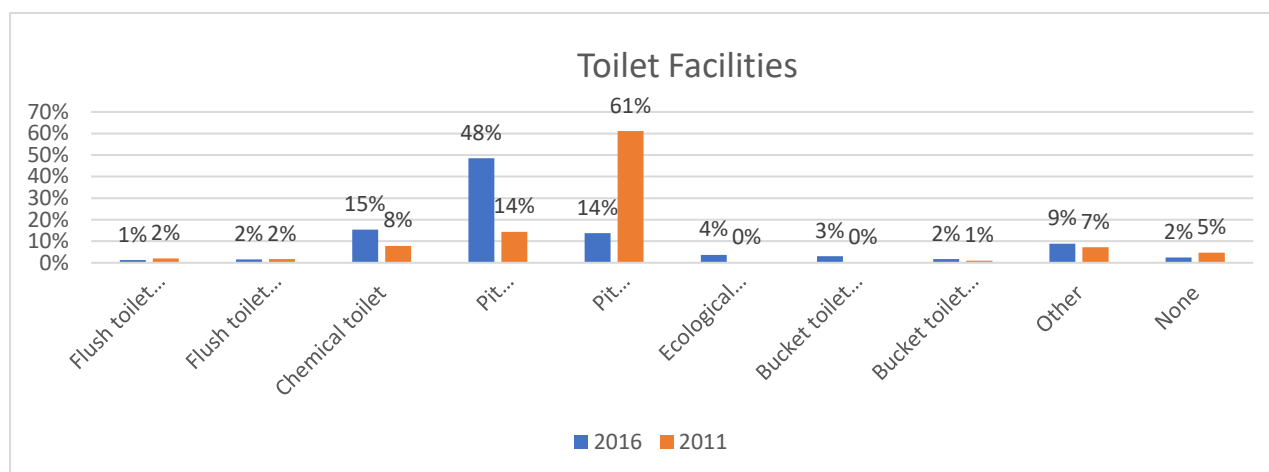
**Source: Stats SA Community Survey 2016**

The 2016 Community Survey reveals that access to water within RDP standards decreased from 36% in 2011 to 29% in 2016. The stats further indicate a rise in household access to water below RDP standard from 64 % in 2011 to 71% in 2016. The District is to be commended for the positive figures and encouraged to strive for more.

### 3.2 Waste water (Sanitation) Provision

The only sewer option in Umzumbe is Ventilated Pit Improved Latrines (VIP). Based on the recent 2016 Community Survey, the sanitation backlog is estimated at 31% of households with sanitation below the RDP standard. Sanitation for households at RDP standard is 34 %.

Access to Sanitation	Households
Flush toilet connected to a public sewerage system	1.25%
Flush toilet connected to a septic tank or conservancy tank	1.52%
Chemical toilet	15.32%
Pit latrine/toilet with ventilation pipe	48.50%
Pit latrine/toilet without ventilation pipe	13.75%
Ecological toilet (e.g., urine diversion; enviroloo; etc.)	3.71%
Bucket toilet (collected by municipality)	3.02%
Bucket toilet (emptied by household)	1.67%
Other	8.81%
None	2.45%



*Source: Stats SA Community Survey 2016*

### 3.3 Electricity

The Municipality through the Eskom Network planning report has identified areas which are not constrained in terms of Electricity coverage. There are areas which are already covered with electricity and are energised. The project has managed to provide job opportunities to the Community. The challenges that are normally faced by the Municipality is theft of infrastructure cables illegal connections in a local area. The Municipality is also providing the Fire Gel system in green field areas that does not have electricity at all and every month they are supplied with a liquid gel by the Community Services Department. Electricity Tokens are given to the indigent households and to pensioners.

The Energy Master Plan was last adopted during the 2017/18 Financial year. The Energy master Plan indicated that 19130 households out of 28132 households are serviced and it also stated that the backlog

is 9002 households. In the 2019/20 financial year 522 households were connected and a total of 28654 households are currently services and leaving a backlog of 8480 households.

Table indicating performance for the 2018/19 and 2019/20 financial years

Electricity Service Policy Objectives Taken From IDP						
Service Objectives  <i>Service Indicators</i>  (i)	Outline Service Targets  (ii)	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx						
Universal Access to Basic Services	Electrification of households and Street lights	547	450	547	872	522

Table indicating dedicated personnel responsible for electricity services in the 2019/20 financial year

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	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	#DIV/0!
10 - 12	0	0	0	0	#DIV/0!
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	2	2	2	0	0%

Table indicating Capital Expenditure for electricity services during the 2019/20 financial year

Capital Expenditure Year 0: Electricity Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	25000000.00	25000000.00	8595985.85	0%	
Isiphofu: Electrification: 872 Households Connected	25000000.00	25000000.00	8595985.85	0%	25000000

### 3.4 Waste management (Refuse collection, waste disposal, street cleaning and recycling)

Waste management services are provided through the use of skip bins that are placed at strategic positions within Umzumbe LM jurisdiction. The Municipal Integrated Waste Management Plan (IWMP) was last adopted in the 2017/18 financial year with a plan to improve the overall operations and services approach currently in use with the municipality.

The Municipality has identified areas where there is a huge need of waste removal and to comply with the Integrated waste management plan of the District, Province and National Department of Environmental affairs with IWMP (Integrated waste management plan). Waste collection and disposal, Umzumbe municipality has a service provider contract per financial year for collections and disposal of waste. Over and above that the municipality has an SLA (Service level agreement) with the sister Municipality in our district “Umdoni Local Municipality” to assist with the removal and disposal of skip beams per week on the four identified strategic positions that consist of high waste generation. This programme is targeting over 7800 families plus 1900 individual waste generators. The waste collection programme has created several Job opportunities within our Municipality The table below indicates the programmes and projects set out in the IWMP for the years to come.

Project Name	Ward	Progress
IWMP review	All Wards	To be done in the coming financial years
Waste Management Bylaws	All wards	Awaiting Council adoption
Development of Recycling station	TBC	To be done in the coming financial years
Procure Skip Loader Truck	All Wards	Included in 2020/21 Budget
Procure Crew Cab Truck	All Wards	Included in 2020/21 Budget
Waste Management Unit	TBC	In progress (20 waste management general workers recruited)
Awareness campaigns	All Wards	In progress
Street swiping	All Wards	In progress
Procure more skip bins	All Wards	To be done in the coming financial years
Landfill Site	TBC	To be done in the coming financial years

The municipality has embarked on an initiative to recycle solid waste through putting dustbins with categories of waste. Due to the rural nature of the municipality, skip bins have been placed in about six areas within all five clusters and collect waste on a weekly basis as tabled below:

PLACE	WARD	DURATION
SASSA	Ward 19	Weekly
Thuthwini Taxi Rank	Ward 10	Weekly
Dunsten Farrell	Ward 16	Bi-monthly
St Faiths	Ward 2	Weekly
KwaPhungase	Ward 4	Weekly
Umzumbe Old Clinic	Ward 10	Weekly

The Unit had an annual target of conducting 200 collections and was able to collect a total of 216 collections during the 2019/20 financial year.

**Table indicating Solid Waste services Delivery Levels during the 2019/20 financial year**

<b>Solid Waste Service Delivery Levels</b>		
<b>Description</b>	<b>Households</b>	
	<b>Year -1</b>	<b>Year 0</b>
	<b>Actual</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>
<b><i>Solid Waste Removal: (Minimum level)</i></b>		
Removed at least once a week	542.00	542.00
<i>Minimum Service Level and Above sub-total</i>	554.00	554.00
<i>Minimum Service Level and Above percentage</i>	1.93%	1.93%
<b><i>Solid Waste Removal: (Below minimum level)</i></b>		
Removed less frequently than once a week	10.00	10.00
Using communal refuse dump	1056.00	1056.00
Using own refuse dump	24765.00	24765.00
Other rubbish disposal	2251.00	2251.00
No rubbish disposal	30.00	30.00
<i>Below Minimum Service Level sub-total</i>	28112.00	28112.00
<i>Below Minimum Service Level percentage</i>	0.98	0.98
<b>Total number of households</b>	<b>28666.00</b>	<b>28666.00</b>

**Table indicating Solid Waste services Delivery Levels during the 2019/20 financial year**

Waste Management Service Policy Objectives Taken From IDP						
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Universal Access to Basic Services	Solid Waste / Refuse removals	200	300	200	200	201

**Table indicating Waste Management Employees during the 2019/20 financial year**

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	1	0	1	100%
4 - 6	1	1	1	0	0%
7 - 9	10	20	19	1	10%
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	11	12	20	2	17%

Table indicating Waste Management Expenditure during the 2019/20 financial year

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	250000	227873.67	R190234.24	-91%	
Solid Waste Collection	R 250 000.00	R227873.67	R190234.24	-91%	R190234.24

### 3.5 Housing

The Municipality is a deep rural Municipality and it uses the Rural instrument in term of Housing development. The wards of Umzumbe Local Municipality are divided in to 5 cluster, and funding to implement housing projects is from the Department of Human settlement. During the 2017/18 financial year the municipality under took a process of reviewing and adopting the municipal Housing Sector plan. The Housing Sector Plan indicates the municipal backlog currently sitting at 9662 households.

As of year-end 2019/20 financial year, the Municipality has constructed a total of 3980 housing units. There is a land right agreement with Ingonyama Trust Board, in areas that are privately owned it becomes a problem to build houses as stipulated in the policy document as a result of such we only built on Ingonyama land. The Municipality is engaging with the state land ownership to enter into a development right agreement for other programmes of housing development.

The housing projects are only depended on the allocation of funds from the Provincial Department of Human Settlement funding allocation per financial year. The challenge is that Umzumbe local municipality has a huge demand on housing development but funding allocation per financial year are limited. Implementation of housing projects at Umzumbe LM is documented on the IDP and the forward planning is for a five-year period.

Cluster C: uMpheme construction began to take over the houses that were previously incomplete from the last contractor and they are also building new house in ward 1,2,3 &4 so far in the year 2019/20 uMpheme has managed to complete 119 houses.

Cluster D: uMpheme construction is in the process to completion of the 500 houses that were approved for construction in 2019/20 uMpheme construction has managed complete 492 houses.

Disaster house: The house that were completed were 94 houses.

**Table indicating Percentage of Households in receipt of Housing during the 2019/20 financial year**

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	3000	3000	100.0%
Year -2	2000	2000	100.0%
Year -1	1000	1000	100.0%
Year 0	1000	1000	100.0%

Table indicating Strategic objectives and financial year comparisons of the 2019/20 financial year

Housing Service Policy Objectives Taken From IDP						
Service Objectives  <i>Service Indicators</i>  (i)	Outline Service Targets  (ii)	Year 0		Year -1		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective						
Universal Access to Basic Services	Facilitation and project management of rural housing development	380	280	380	280	280E

Table indicating Human Settlements Unit employees during the 2019/20 financial year

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	0	0	0	0	#DIV/0!
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	1	100%
10 - 12	0	0	0	0	#DIV/0!
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	2	2	2	1	50%

### 3.6 Free Basic Services and Indigent Support

In aligning with the International, National and Provincial policy objectives on poverty alleviation and the constitutional mandate to ensure citizens have equal rights and access to basic services. The Council of Umzumbe committed itself to developing poverty alleviation initiatives that would improve the quality of life for the community of Umzumbe. In doing so the Community Services Unit Compiled the 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. 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. The Indigent register was adopted by council and includes all the households in need of support.

The municipality currently supports a total number of 130 households for gel and 4000 households for electricity tokens.

The table below indicates free basic services provided by the municipality together with the municipal performance during the 2019/20 financial year:

Strategic Objectives	Strategies	Project Name	Annual Target 2018/19	Annual Actual 2018/19	Annual Target 2019/20	Annual Actual 2019/20
Support and protect the rights of vulnerable groups in society	Implement Children Programmes	Dress a child Campaign	Provide School Uniform to 2400 vulnerable children	Target Achieved	Dress a child: Provide School Uniform to 1700 vulnerable children	Target Achieved
Improve food security and create employment opportunities	Support Agricultural and Poverty Alleviation initiatives	One Home One Garden	200 Households	Target Achieved	ONE HOME ONE GARDEN: – 100HH Watering can, wheelbarrow, spade, falk, hoe	Target Achieved, Watering can, wheelbarrow, spade, falk, hoe distributed to 100 Households
Universal Access to Basic Services	Provision of Free Basic Electricity	Free Electricity Tokens	4 Reports on Tokens Distributed	Target Achieved	4 Claims Reports on Tokens Distributed	Target not Achieved Claims Report on Tokens Distributed was submitted, however POE was not submitted.
Improve food security and create employment opportunities	Support Agricultural and Poverty Alleviation initiatives	Gel Provision	Provide Gel & Stoves to 300 Households	Target Achieved	Gel and Stoves Provision to 130 HH	Target not Achieved: 130 Indigent Households Provided with Gel & Stoves for quarter 1 and 2, however POE was not submitted.
Improve food security and create employment opportunities	Support Agricultural and Poverty Alleviation initiatives	Indigent support	Indigent support	Target Achieved	Indigent Relieve: 4 Reports	Target Achieved: 4 Indigent Relieve Support Reports

## Component B: Road Transport

### 3.7 Roads

The municipal roads programme was informed by the projects identified during the Public Participation events, Umzumbe Capital Expenditure Framework and Infrastructure Master Plan wherein they were prioritized and included in the IDP document as a planning tool.

Umzumbe Municipality has maintenance programme for the roads constructed through the use of municipal Plant which has been acquired to ensure proper maintenance and utilization of the municipal roads.

During the 2019/20 Financial Year the municipality had planned to procure a tipper truck and the procurement processes were delayed due to COVID-19 pandemic and national lockdown resulting to non-achievement of the targets.

The Municipal Technical Services Department had the following infrastructure projects, planned in the previous financial year.

Project Name	Annual Target	Annual Actual	Expenditure
Siyakhula Access Road	50% completion of Siyakhula access road (2.5kms)	Target Not Achieved: 10% of Construction progress achieved	R561 572.90
Ndunge Access Road	30 % completion of Ndunge access road (Construct 2.5kms)	Target not Achieved: 0% completion of Ndunge Access Road, however (Contractor Appointed in March 2020)	R0.00
Ncapheni Access Road	100 % completion of Ncapheni Access Road (Construct 2kms)	Target not achieved: 40% completion of Ncapheni Access Road	R 611 885.27
Ncazolo Access Road	100 % completion of Ncazolo Access Road (1Construct 2,5 kms of subbase)	Target not Achieved: 75% completion Ncazolo Access Road	R 7 319 584.56
Mevana Access Road	100 % completion Mevana Access Road (Construct 2.1kms of new access road)	Target Achieved: 100 % completion Mevana Access Road (Construct 2.1kms of new access road)	R 1 695 168.69
Mkhize Access Road	Construct 2.1kms of new access road Mkhize Access Road	Target Achieved: 100% Completion Mkhize Access Road (Construct 2.1kms of new access Road)	R 2 253 425.11
Mpelazwe Access Road	100 % completion of Mpelazwe Access Road (Construct 2.3 kms)	Target Not Achieved: 60 % completion of Mpelazwe Access Road (Construct 2.3 kms)	R 1 741 113.43
Labour Intensive Construction	100% Completion of 3km LIC road construction on Shezi ward 17; Darkcity ward 19; Luthuli ward 18)	Target Not Achieved: 75% Completion of 3km LIC road construction on Shezi ward 17; Dark city ward 19; Luthuli ward 18)	R 4 221 797.57
Ndumakude Sportfield	50% Completion of Ndumakude sportfield constructed	Target met (70% Progress achieved)	R2 206 644.36



**Photo: Ncazolo Access Road ward 01**

**Table indicating Gravelled Road Infrastructure during the 2019/20 financial year**

Gravel Road Infrastructure				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2	185	10	0	164
Year -1	192	7	0	209
Year 0	192	5	0	210

**Table indicating Tarred Road Infrastructure during the 2019/20 financial year**

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

Road Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	Year -1		Year 0		
		Target	Actual	Target		Actual
<i>Service Indicators</i>		*Previous Year		*Previous Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
<b>Service Objective xxx</b>						
Universal Access to Basic Services	Construction and maintenance community access roads	14.8	1.5	13.1	2.9	2.9

Table indicating employee structure during the 2019/20 financial year

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	1	1			0%
4 - 6	4	5			0%
7 - 9	1				0%
10 - 12	9	11	9	2	18%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	15	17	9	2	12%

### 3.8 Transport (Vehicle licensing and public bus Operation

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



*Photo: Mode of Public Transport in Umzumbe*

### 3.9 Waste Water (Storm water Drainage)

The Municipality had formal storm water drainage system installed during the construction of municipal access roads.

Stormwater Infrastructure				
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Kilometres Stormwater measures maintained
Year -2	0	0.3	0.3	0.1
Year -1	20	7.0	5.0	3.0
Year 0	20	15	8	20

**Table indicating Stormwater Infrastructure during the 2019/20 financial year**

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

## Component C: Planning and Development

### Introduction to Development Planning and Local Economic Development

Umzumbe Local Municipality processes development applications in terms of the Spatial Planning and Land Use Management Act No 16 of 2013. The SPLUMA bylaws were adopted by council and Gazetted to assist the municipality in implementing the SPLUMA legislation. The wall-to-wall scheme was adopted by council and will be gazetted.

The Umzumbe wall-to-wall scheme will assist the municipality in:

- providing develop land use management systems in line with the Spatial Planning and Land Use Management Act principles;
- incorporate indigenous/traditional methods of land use allocation and land use;
- priority's Environmental and sector plans (e.g. coastal, flood lines, biodiversity)
- Identify areas in need of environmental protection.

The Municipal Planning Tribunal was established in terms of Section 35 of SPLUMA, with the municipality opting for a Joint Municipal Planning Tribunal with Umdoni Local Municipality. The Manager Development Planning is delegated as the Municipal representative in the Tribunal as well as Authorized Officer in terms of Section 35(2) of SPLUMA. The Tribunal Sits monthly to assess and approve applications from the Northern Municipalities and currently comprises of four members.

In terms of physical planning and economic development of Umzumbe Municipality, the provincial development corridors offer an opportunity for densification and investment concentration along these corridors (N2, R102 and P68, P73). The Provincial SDF guidelines make reference on the importance of ensuring that the Densification Framework is reflected on the Municipal Spatial Development Framework.

In the 2018/19 financial year, the Development Planning Unit with the assistance of Isibuko se Africa Development Planners commenced and completed the KwaPhungashe Local Area Plan. The plan was identified as secondary node by the municipal SDF as an area which has potential growth and improved service delivery. In the 2019/20 financial year the municipality had planned to develop a Local Area Plan for Umgai locality which was also identified as a secondary node by the municipal SDF as an area which has potential growth and improved service delivery. Umgai Local Area Plan could not be developed due to the Covid 19 pandemic and lockdown regulations which disrupted the tender process, this project has been rolled over to the 2020/21 financial year.

#### **Umzumbe Land Audit**

A lack of land ownership by the municipality becomes a challenge when enforcing land use clauses. In addressing the matter, the Development Planning Unit planned has conducted a Land Audit, to assist the municipality in obtaining up-to-date information on land ownership. This has been done with the assistance of an external service provider, Ziphelele Planning & Environmental consultancy. This

process will be finalized in the 2020/21 financial year, ward level analysis and site inspections are the only outstanding exercises left before completion of this project. However, an implementation plan has been done to guide the municipality on steps and procedure to undergo the process of land acquisition and development.

### 3.10 Development Planning

The Development Planning Section is responsible for the development and implementation of Integrated Development Plan, Organizational Performance Management System and implementation of the Spatial Development Framework. The preparation of the Five year (2017/18 – 2021/2022) Integrated Development Plan of the municipality was an integrated participatory process that began July 2019 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 to conduct measurement on quarterly basis where the performance targets were evaluated against the planned targets as per the Service Delivery and Budget Implementation Plan during the 2019/20 financial year.

A total of five mayoral Izimbizo were held between October and November 2019, within and around the municipality taking a clustered approach in the participation of the community. councillor M.P.L Zungu gave report backs on completed projects to the community, and on the planned projects from the previous financial year.

The IDP /budget roadshows were conducted between March and April 2019, where the Mayor presented the Annual Budget and planned projects for the 2020/21 financial year. Due to the COVID 19 pandemic and national lockdown, the IDP/ budget roadshows were incorporated in the mayoral radio slots.

The municipality owns 0% land, close to 40% of the land falls under Ingonyama Trust Board with approximately 35 % of land under private and government departments. This poses a challenge to the municipality in so far as the enforcement of the laws is concerned.

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. A large portion of the population lives in poverty and depends on social grants this needs to be addressed in order to improve the quality of life for all. 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.

**Table indicating Development Applications processed**

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	-	0	0	0	0	0
Determination made in year of receipt	-	0	0	0	0	0
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

Cluster	Project Name	Progress
Cluster A	Turton Beach Framework	Done 2015
Cluster D	Phungashe Local Area Plan	Done 2018
Cluster D	St Faiths Local Area Plan	Planning Phase
Cluster E	Umgai Local Area Plan	In progress
Cluster B	Morrison Post Local Area Plan	Planning Phase
Cluster E	Hlokozi Local Area Plan	Planning Phase

**Table indicating Capital Expenditure during the 2019/20 financial year**

Capital Expenditure Year 0: Planning Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2800000	2654760	587053	-377%	
Umzumbe Land Audit	1840000	1840000	1452600	0%	1452600
Umzumbe IDP	200000	200000	196575	0%	199560

**Table Indicating Vacancy rate for Planning**

<b>Employees: Planning Services</b>					
<b>Job Level</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents</b>	<b>Vacancies (as a % of total</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>posts)</b> <b>%</b>
0 - 3	1	1	0	1	100%
4 - 6	3	3	2	1	33.33%
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	4	4	2	2	0%

Table indicating total number of applications received in the 2019/20 financial year

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	0	0
Determination made in year of receipt	0	0	0	0	0	0
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	0

Planning Policy Objectives Taken From IDP						
Service Objectives  <i>Service Indicators</i>  (i)	Outline Service Targets   (ii)	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx						
Accelerating Service Delivery through Strategic, Spatial and Land Use Planning	Implementation and Review of Land Use Scheme and SPLUMA By-laws	0	0	0	0	0

### 3.11 Local Economic Development

#### Introduction to Economic Development

Local Economic Development (LED) is an outcome, based on local initiative and driven by local stakeholders. It involves identifying and using local resources, ideas and skills to stimulate economic growth and development. The aim of LED is to create employment opportunities for local residents, alleviate poverty, and redistribute resources and opportunities to the benefit of all local residents. The LED Strategy was compiled to assist realize the full economic potential of Umzumbe and attracting investment.

The Unit realizes that LED is an ongoing process, rather than a single project or a series of steps to follow. LED compasses all stakeholders in a local community, involved in a number of different initiatives aimed at addressing a variety of socio-economic needs in that community.

The following are the priority areas for service delivery in LED:

- SMME's and Cooperative development
- Arts and Craft Development
- Arts and Culture
- Agriculture and
- Tourism

The municipality has embarked on a gender-based approach to LED in order to bridge the gender gap of which Women have been experiencing. The approach is further influenced by the fact that females make up 2% more than males 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. Cooperatives and SMME support are programmes offered by the municipality to resolve the inequality problem experienced by previously disadvantaged communities with the Municipality. In boosting tourism, the municipality has in the past financial year committed to developing Ntelezi Msane 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, Gobhela Arts and Crafts Centre, Turton Beach, Itshe la Maria Stone, Source of Umthwalume river, Initiation of Traditional Healers Place, KwaNdelu Landscape, Bhukumesiya (Shembe) Village and Summery of tourism products in Umzumbe Municipality.

The unit is responsible for all the activities associated with economic development initiatives such as, Agricultural development programme, Co-operatives Development, SMME Development, Tourism Development, Arts and Culture and Arts Performance Development Programme set out to improve the key performance areas.

The municipality has embarked on three economic sectors namely Primary, Secondary and tertiary sectors of the economy presenting an opportunity engagement to develop economic activities that are balanced and sustainable

### **SMME Development**

This is a programme that helps develop small businesses that are registered as close corporations. The LED Unit updates the SMME's database regularly. SMME's training is provided in partnership with provincial government departments.

During the 2019/20 Financial Year the LED unit was not able to achieve its annual target of 5 New SMME's to be placed under the Incubator programme due to COVID19 Restrictions and Treasury directives that halted the continuation of the process. The programme has been rolled over to 2020/21 financial year.

### **Co-operatives Developments**

This programme assists cooperatives in Umzumbe to develop through financial relief by providing inputs, training and mentorship. A total of 4 cooperatives were placed under the municipal incubator programme to receive inputs during the 2019/20 Financial year, however COVID19 Restrictions and Treasury directives halted the continuation of the process.

### **Arts and Craft Development**

Individuals and Cooperatives are provided with soft and technical skills, which they will use to generate income and as a different intervention to poverty alleviation. Within the selected areas individuals are trained and then encouraged to form a business entity for trading. An Annual target of 4 new crafters provided with inputs was not achieved during the 2019/20 financial year due to huge labour turn-over in LED Unit.

The Municipality commenced renovations of Market Stalls to provide facilities for local crafters and SMME's to sell as well as showcase their products. KwaPhungashe Market stalls have been renovated in quarter 3 of 2019/20 financial year with community members currently occupying the premises.

### **Agriculture Support Programme**

The programme focuses on identifying agricultural projects that will be able to stimulate economic development and assist project beneficiaries with relevant inputs. The Unit has supported community gardens previously, and the annual target was achieved with 123 communal and commercial farmers through COVID-19 relief fund.

### **Tourism Development**

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

celebration events. One of the objectives to this project is to restore and preserve local history and cultural development.

The 2019/20 financial year target was to host 2 heritage celebration events i.e., Isisivivane sika Shaka and Ntelezi Msane. The events were both to be conducted in the 4<sup>th</sup> quarter, however could not be held due the COVID 19 pandemic and national lockdown.

**Table indicating total number of EPWP jobs created in the 2019/20 financial year**

<b>Job creation through EPWP* projects</b>		
	<b>EPWP Projects</b>	<b>Jobs created through EPWP projects</b>
<b>Details</b>	<b>No.</b>	<b>No.</b>
Year -2	3	68
Year -1	5	100
Year 0	21	220

**Table indicates the Local Economic Development Unit Employee structure for the 2019/20 financial year**

<b>Employees: Local Economic Development Services</b>					
<b>Job Level</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	1	1	1	0	0%
4 - 6	1	3	1	2	67%
7 - 9	0	0	0	0	0%
10 - 12	3	4	3	1	25%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	5	8	5	3	38%

**Table indicating Capital Expenditure during the 2019/20 financial year**

<b>Capital Expenditure Year 0: Economic Development Services</b>					
<b>R' 000</b>					
<b>Capital Projects</b>	<b>Year 0</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project Value</b>
Total All	24000000	24000000	1219780	0%	
Kwa Market Stalls Phungashe Renovations	50000	50000	35000	0%	163350
Arts & Crats Development	350000	350000	208487	0%	208487

SMME Incubation	900000	900000	597793	0%	597793
Co-ops Incubation	800000	800000	98500	0%	98500
Talent Search (Music) Competition	300000	300000	280000	0%	280000

## Component D: Community and Social Services & Fire Fighting Services

### 3.12 Libraries; Archive's, Museums, Galleries, Community Facilities; other

The Social and Community Services Department is responsible for the maintenance, administration and development of community facilities. The municipality has 29 community halls, 74 sport fields and 2 unregistered cemeteries. Rossetenville hall in ward 14 and Mnafu hall in ward19 are currently under construction and will be completed in the 2020/21 financial year.



**Photo: Mnafu Hall ward 19**



**Photo: Rossetnville ward 14 (Front View)**



**Photo: Rossetnville ward 14 (Side View)**



**Photo: Rossetnville ward 14 (Rear View)**

Table indicating total number of employees under the cemeteries unit during the 2019/20 financial year.

Employees: Cemeteries and Crematoriums					
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	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	3	2	1	33%

### 3.12.1 Child Care, Aged Care, Social Programmes

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	Year -1		Year 0		
		Target	Actual	Target		Actual
<i>Service Indicators</i>		*Previous Year		*Previous Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
<b>Service Objective xxx</b>						
Support and protect the rights of vulnerable groups in the society	implement Child programmes	2400 vulnerable children	2400	2400 vulnerable children	R2 400	Target Achieved
	implement Senior Citizens programmes	Golden Games	Target Achieved	Golden Games	Target Achieved	Target Achieved
	Roll out HIV/AIDS programmes	Ward Aids Campaign	Target Achieved	Ward Aids Campaign	Target Achieved	Annual target was not achieved due to COVID 19
	Roll out Disability programmes	Disability Day	Target Achieved	Disability Day	Target Achieved	Target not achieved

## Component E: Environmental Protection

### 3.13 Bio-diversity, landscape (Incl. Open Spaces): and Other (EG Coastal Protection)

Umzumbe Municipality in partnership with the Department of Environmental Affairs has worked hard in ensuring the implementation of goal 6 (response to climate change) of the Provincial Growth and Development Strategy through:

- Installation of sign boards
- Skip bins on strategic points
- Clearing of illegal dumping zones
- Recycling information
- Placement of bins on public areas, schools, halls and street vendors
- Conducting information sessions.

We do strive to improve the performance of the service we are rendering to the community.

#### **Environmental Management**

There is a Bioregional Plan which was done for the KZN Region from KZN wild life.

- Air quality plan and study was conducted
- (IWMP) was developed by the District

The Environmental Management Unit further partnered with Ugu District Municipality in the drafting of the following plan;

- Coastal Management Plan
- Environmental Management Framework
- Climate change strategy

## Component F: Health

### 3.14 Clinics

According to the Department of Health, Umzumbe Municipality has 1 Community Health Center in Mthwalume, 13 clinics and 3 mobile clinic stopping points. The facilities are under the operation and maintenance of the Department of Health.

## Health Services

	Non-fixed Facilities			Clinics			Hospitals	
Sub-District Name	HTA Sites	Mobiles	Mobile points	Health Post	Provincial Clinics	CHC's	District Hospitals	
Umzumbe	3	3	22	1	13	1	0	0

**Table indicating Most Deprived Wards in terms of health services**

Ward No	Number
1	18
8	25
7	35
6	62
9	63
2	75
12	80
13	132
11	144

**Table indicating School Health Teams**

Sub-District Name	School health teams
Umzumbe	6

**Table indicating WBOTS within Umzumbe LM**

Sub-District Name	Department	Partner	Total
Umzumbe	7	1	8

**Table indicating Community health workers**

Sub-District Name	Number of employees
Umzumbe	265

**Table indicating TLD training: Turton**

Facility Name	Total TLD trained
BAPHUMILE CLINIC	1
GQAYINYANGA CLINIC	0
KHAYELIHLE CLINIC	0
MABHELENI CLINIC	2
MGAYI CLINIC	0
MORRISONS POST CLINIC	1
NDELU CLINIC	1
TURTON CHC	30
<b>TOTAL</b>	<b>35</b>

**Table indicating TLD training: Port Shepstone Hospital**

Facility Name	Total TLD trained
ASSISI CLINIC	4
MADLALA CLINIC	4
MARBURG CLINIC	4
NHLALWANE CLINIC	3
NTIMBANKULU CLINIC	5
PHUNGASHE CLINIC	3
ST FAITHS CLINIC	4
<b>TOTAL</b>	<b>92</b>

## Component G: Security and Safety

### 3.15 Free Basic Services and Indigent Support

In aligning with the International, National and Provincial policy objectives on poverty alleviation and the constitutional mandate to ensure citizens have equal rights and access to basic services. The Council of Umzumbe committed itself to developing poverty alleviation initiatives that would improve the quality of life for the community of Umzumbe. In doing so the Community Services Unit Compiled the 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. 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. Indigent policy was adopted by council, advert was issued for community members to apply to be part of the indigent register. Currently the Department is in the process of verifying and compilation of the register.

The table below indicates free basic services provided by the municipality together with the municipal performance during the 2019/20 financial year:

Project Name	Programme Description	Annual Target	Annual Actual
Dress a child Campaign	School campaign to provide uniform for 1700 identified indigent learners	Provide School Uniform to 1700 vulnerable children	Target Achieved
Free Electricity Tokens	4 quarterly reports were compiled	4 quarterly reports were compiled of households that had bought electricity and then received free electricity tokens (monthly)	Target not Achieved Claims Report on Tokens Distributed is submitted, however POE was not submitted.
Cooking gel and stove Provision	Free Alternative Energy	Provide cooking gel and stove to 130 Households per Quarter	Target was not Achieved on time: 130 Indigent Households Provided with Gel & Stoves for quarter 1 and 2.
Indigent support	4 indigent support reports were compiled.	4 Indigent support reports	Target Achieved 4 Indigent Relief Support Reports

### 3.16 Police

Umzumbe municipality currently has three police stations namely; St Faiths, Mehlomyama and Msinsini Police Station. The South African Police Services has indicated its intention to build an additional Police Station within the Municipality. The police station will assist in decreasing the crime rate and better accessibility to the community. The Development Planning unit received and approved the SPLUMA Application to construct a Police Station in KwaNdelu ward 12.

The Municipality Commenced operations towards the establishment of the Municipal police and traffic services as part of measures to reduce social crime with the community of Umzumbe.

There are preparations for Hibberdene Police Station to extend its serviced and have a sub-station in the Qoloqolo area in ward 9. This will assist people of Qoloqolo who currently have to go via Umzinto then to Hibberdene if they need services, the police station will assist in decreasing the crime rate and better accessibility to the community.

### 3.17 Fire

#### Fire Fighting Services

Umzumbe is in a process of establishing a Fire and Rescue Services Section, this came after the decision to withdraw from the Fire Fighting Shared Service Agreement that was between Umzumbe, Umdoni, Vulamehlo and UGU District. Currently there are two (2) vehicles (Truck and Skid Unit) that are used to respond to incidents that are reported. Two (2) firemen, four (4) reserve fire fighters and four (4) trainee fire fighters have been recruited and they are responding to incidents.

### 3.18 Disaster Management, Animal Licensing and Control, Control of Public Nuisances and other)

The Disaster Management Section has been able to accomplish all of the tasks set out to do in the financial year. The accomplishments are progressive with growth that gives projections of a section that has a great potential to establish itself as a unit. Programs that were implemented this year were aligned with the key performance areas as stated in the act

- Institutional Capacity (Advisory Forums and engagement with stakeholders)
- Disaster Risk Assessments (The Disaster Management Plan)
- Disaster Risk Reduction (Awareness campaigns and early warnings)
- Response and Recovery (Distribution of relief material and reports were compiled for intervention of District and Provincial Disaster Management Centre's)

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 all events that were hosted by the municipality.

## **Awareness Campaigns**

Eleven (11) awareness campaigns out of thirteen (13) were conducted in the 2019/2020 financial year. There were nine (9) fire awareness campaigns conducted by the fire-fighting section that relate for fire issues. These are conducted mainly in schools, Traditional Authority Courts and meetings of different stakeholders. There were also two (2) community awareness campaigns that are conducted by the Disaster Management Section on issues relating to disaster incidents. These were done strategically to highlight vulnerabilities of these particular areas and measures to prevent or mitigate those risks. Disaster Management section plays a coordinating role and invited stakeholders who are competent in different fields that needed to be addressed.

## **Stakeholders Advisory Forum**

Disaster Management Stakeholders' Advisory Forum is meeting on a quarterly basis. This year the section held 4 Stakeholders Advisory Forums as planned. Stakeholders include the following departments (among others):

- Department of Human Settlement
- Department of Transport
- Department of Health
- Department of Home Affairs
- KZN Wildlife
- SASSA
- Department of Social Development
- South African Police Services (SAPS)
  - Hibberdene
  - Msinsini
  - Mehlomnyama
  - St Faith's
  - Sawoti
- Red Cross
- Umzumbe Fire and Rescue Services
- District Disaster Management Centre -
- Provincial Disaster Management Centre
- Department of Education

## **Volunteer Program**

The aim of this programme was to broaden the manpower since the disaster management office is challenged. This programme assists with the reporting of incidents that occur in our communities so

as to make the stipulated 72 hours response time and to ensure that all reported cases are attended to. These volunteers also assist with dissemination of information as they attend meetings within wards and go to other places like clinics, tribal courts, etc. An annual target of 4 reports was achieved by the Disaster Management Unit.

### **Trainings/Capacity Building**

A three-month training/capacity building program on disaster management for trainee fire fighters was planned for the 2019/2020 financial year. Training was supposed to start on 01 April 2020 but was not possible due to the COVID 19 pandemic and the national lockdown regulations. This target could not be met and could not be rolled over neither due to contract and funding for this program which ended in June 2020 during the end of the 2019/2020 financial year. Contracts were terminated on 30 June 2020. The trainee fire fighters were only receiving stipend, the only contribution that Umzumbe could have is to capacitate them in the field of their interest (firefighting) so that they can either assist others or assist themselves in finding job opportunities.

### **Challenges**

#### **Understaffing and Resources**

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 as they are equally important and complement each other to create a vibrant disaster management section.

### **Resources**

The section is dealing with emergencies e.g., fires, Motor Vehicle Accidents (MVA)s 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. The unavailability of resources means the practitioner has to wait until rain subsides so that assessments can be done. The lack of storage space also means that practitioner needs to collect relief material from UGu Disaster Centre so that they can respond to affected families.

The fire fighters work shifts as most of the cases like Moto Vehicle Accidents (MVA)s happen at night. It becomes time consuming to call fire fighters from home to respond to emergencies. There is a need for park home to accommodate fire fighters during night shift and standby.

## **Component H: Sport and Recreation**

### **3.19 Sports and Recreation / Youth Development**

#### **3.19.1 Sports and Recreation**

The Community Services Unit is responsible for the maintenance and renovation of sport facilities together with the Technical Services Department which is responsible for the design and construction. The Youth Development Unit with the assistance of the Sports Confederation Committee, administer

the utilisation procedures of these facilities. According to the Municipal Spatial Development Framework 2020, Umzumbe LM has a total of 74 facilities. Of the 74 sports facilities, 10 are classified as school fields, 7 are sports complexes with 57 being community sports fields. The Umzumbe Sport Confederation Committee is fully functional and regularly meets monthly to assist the office for sport programmes implementation. Sitting of the committee was interrupted by the COVID 19 pandemic and the national lockdown regulations which lead to disruptions in municipal operation which resulted in to only four (4) out of ten (10) sittings.

The following sporting events were to be conducted by the Youth Development Unit together with the Sport Confederation Committee during the 2019/2020 financial year.

- Mayoral Cup Games
- SALGA Games

However, these sporting events could not be conducted due to the COVID 19 pandemic and the national lockdown regulations. The SALGA games were removed from the SDBIP during the budget adjustment and SDBIP amendment in January 2020 and its budget was adjusted to another project.

The Community Services unit had an annual target of maintaining 40 sports fields through grass cutting and 6 Sports fields were targeted for poles and nets installation. Unfortunately, that target was not achieved due to the COVID 19 pandemic and the national lockdown regulations. Only 34 sports fields were cut and only 4 sports fields were provided with nets and installation of poles.

The National Golden Games were held on 18-26 October 2019 at Port Elizabeth, Eastern Cape.

The Mfundo Lushaba Marathon was launched during the 2018/19 financial by the Youth Development Unit. The event was aimed at honouring the late Municipal Mayor, whilst promoting social cohesion and healthy living. In 2019/2020 financial year the municipality could not host the marathon due to the COVID 19 pandemic and the national lockdown regulations.

### 3.19.2 Youth Development

The Youth Development Unit is operating through set legislative provisions which govern local government and the National Youth Development Policy; hence the unit is Administratively located in the Office of the Municipal Manager; for its Political Oversight purpose it is located in the Office of the Mayor and a Youth Development Champion sitting in EXCO.

In aligning with the National Youth Policy, the unit has the following focus areas

- Education, skills development;
- Nation building and social cohesion;
- Health care and combating substance abuse;
- Economic participation and transformation; and

- Effective and responsive youth development institution

The career growth initiatives programme assist pupils from all high schools on career subject selection. The event was held on the 29<sup>th</sup> of August 2019 at Sibanini Community Hall in ward 10. The municipality further facilitated the Mayoral Registration programme aimed at providing Tertiary Registration fees for first year and second year students, seeking enrolment to various universities within the country. More than 140 students were assisted in 2019/2020 financial year.

Table indicating employee composition within the Youth Development Unit

Employees: Sport and Recreation					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	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	3	3	0	0%

Sport and Recreation Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	Year -1		Year 0		
		Target	Actual	Target		Actual
<i>Service Indicators</i>		*Previous Year		*Previous Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
<b>Service Objective xxx</b>						
Support and protect the rights of vulnerable groups in the society	implementation of Youth Programmes	Mayoral Cup Games	Target Achieved	Mayoral Cup Games	Target Not Achieved	Target Not Achieved
		Beach Games (festival)	Target Achieved	Beach Games (festival)	Target Achieved	Achieved
		SALGA Games	Target Achieved	SALGA Games	Target Not Achieved	Target Not Achieved

## Component I: Corporate Policy Offices and Other Services

### 3.20 Executive and Council

The council identified objectives in the compilation of the 5-year Integrated Development Plan which aim;

- To solicit input and information towards the development of a credible 5-year IDP;
- To review the municipality's mission, vision and strategic objectives of the municipality in line with government priorities;
- To align the IDP with local government's Turn Around Strategy and the service delivery agreement (outcome nine) and with other policy imperatives;
- To develop an IDP that factors in the rural context of Umzumbe and possible benefits of Government Rural Development Priority;
- To identify strategic focus areas for the next five years

The capital projects identified are aligned to the municipal strategic objective and government priorities. The Mhlabashane Dam construction, Turton Beach development, Ntelezi Msane Memorial, 039 Royal Plaza (Phungashe) and Mathulini Mall development will help improve access to services and job creation.

### 3.21 Financial Services

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 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 & Assets

Budget, Revenue & Treasury

Supply Chain Management

**Functions of the Financial Services Department:**

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

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

**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 are transparent, competitive, equitable, cost effective and fair

Table indicating total number of employees within the Finance department during the 2019/20 financial year

Employees: Financial 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	33%
4 - 6	12	12	12	0	0%
7 - 9	1	1	1	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	16	16	15	1	6%

### 3.22 Human Resources Services

The Municipal workforce plays a pivotal role in ensuring that the municipality achieves its development goals and bettering service delivery to the community. The municipality therefore prides its self in employing and developing suitable candidates, while providing a safe working environment for its staff through effective implementation of the Human Resource Policy

Employees: Human Resource 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	3	1	2	67%
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%
<b>Total</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50%</b>

Table Indicating the Vacancy Rate for the 2019/20 financial year

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category) %
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	3	1	33.33
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00!
Fire fighters	6	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	15	1	6.66
Senior management: Levels 13-15 (Finance posts)	3	1	33.33
Highly skilled supervision: levels 9-12 (excluding Finance posts)	0	0	#
Highly skilled supervision: levels 9-12 (Finance posts)			#DIV/0!
<b>Total</b>	<b>29</b>	<b>3</b>	<b>10.3</b>

### 3.23 Information Communication Technology (ICT) Services

The Information and Communication Technology Unit provides Telecommunications and Information Technology (ICT) support to all the Departments and users within Umzumbe Local Municipality.

The ICT Unit has to ensure that the correct and accurate data is available and accessible by the authorised Departments and Users internally and externally all the time. This data must be secured against unauthorised users and viruses.

This Unit has to ensure that up-to-date Systems and infrastructure are used to enhance speedy service delivery.

1. Software Licensing is crucial keep licensing UpToDate in order to have the systems running to enable the Service Delivery. We are now using 53.33% Office 365 and we have to procure the balance. Ensure that the licenses for Financial Systems are update.

2. IT Upgrade - Infrastructure must be upgraded from time to time to keep it up and running all the time and be able to use the latest technology. We have to extend telecommunications, network and internet connectivity to the remote Offices, while maintaining the existing ones. We also have to install Wi-Fi Hotspots to help the Youth of Umzumbe access the Internet. We are also in the process of establishing Youth Centres where the youth can access the Internet as well.

3. Internet connectivity is wheels that keep ICT running. We have to make sure it is available all the time. We have to upgrade connectivity in the Main Office to 30 MB upload / download.

4. Software and Hardware – We have to make sure that the Users have devices that are in good condition with software that will enhance and maximize their performance. We also have to upgrade the Server infrastructure as it is now reaching end of life. 2 x Domain Controllers

2 x Virtual Servers

7 x Servers

16 x POE Switches

130 x Active Directory User Accounts

+/- 60 Printers

+/- 140 Desktops / Laptops

150 ESET Licenses for Desktops / Laptops and 80 licenses for Mobile phones.

Our largest capital project is the procurement of Computer Equipment and software in order to support other Departments. Network has been upgraded on all the Offices; we are now on CAT6. There are no foreseen variations.

ICT Services Policy Objectives Taken From IDP									
Service Objectives  									

Table Indicating total employees within the IT Unit during the 2019/20 financial year.

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	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	3	3	0	0%

**Table Indicating total cost on Financial Performance during the 2019/20 financial year**

<b>Financial Performance Year 0: ICT Services</b>					
<b>R'000</b>					
<b>Details</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	877	1281	1281	828	-55%
Expenditure:					
Employees (Total Cost)	505	876	876	876	0%
Repairs and Maintenance	110	105	105	75	-40%
Other	300	300	300	276	-9%
<b>Total Operational Expenditure</b>	915	1281	1281	1227	-4%
<b>Net Operational Expenditure</b>	38	0	0	399	100%

**Table Indicating Capital Expenditure under the IT Unit during the 2019/20 financial year**

<b>Capital Expenditure Year 0: ICT Services</b>					
<b>R' 000</b>					
<b>Capital Projects</b>	<b>Year 0</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project Value</b>
Total All	900	900	680	-32%	
Computer Equipment and Software	900	900	680	-32%	900

ICT is trying its best under circumstances, for instance our Municipality is rural and there is no optical fibre for internet connectivity which results in slow network. Eskom's Load shedding poses problems on our

operations as our connectivity gets affected. Budget cuts result in Users having to use laptops and desktops that have gone beyond their end-of-life period.

Component K: Organizational Performance Scorecard

## 4 Chapter 4: Organisational Development Performance

### Component A: Introduction to the Municipal Personnel

#### 4.1 Employees Totals, Turnover and Vacancies

Table Indicating Total number of employees during the 2019/20 financial year

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	0	0	0	0	0	
Skilled (Levels 3-5)	80	36%	58	58	1.00	
Highly skilled production (levels 6-8)	0	0	0	0	0	
Highly skilled supervision (levels 9-12)	22	12%	2	3	0.28	
Senior management (Levels 13-15)	90	15%	15	15	1.13	
MM and S57	15	12%	4	4	0.19	
<b>Total</b>	<b>207</b>	<b>13%</b>	<b>79</b>	<b>80</b>	<b>2.59</b>	<b>0</b>

Table Indicating number of Disciplinary Action Taken in the 2019/20 financial year

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
0	0	0	0

Table Indicating number of Employees whose Salary was increased in the 2019/20 financial year

Number of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels9-12)	Female	0
	Male	0
Senior management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0

**Table Indicating number of employees whose salary exceeds the grade determined in the 2019/20 financial year**

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

**Table Indicating number of employees who's appointed to post not approved determined in the 2019/20 financial year**

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

## Component B: Managing the Municipal Workforce

### 4.2 Policies

The Corporate Services Department is responsible for the well-being of the municipal staff, through the drafting and review of the Human Resource Policy and associated policies. The municipality had the following policies adopted and reviewed during the 2019/20 financial year.

<b>List of 2018/2019 Adopted Policies</b>		
<b>Policy</b>	<b>Achieved/ Not Achieved</b>	<b>Responsible Department</b>
Supply Chain Management Policy	Achieved	Finance Department
Employee Transfer Policy	Achieved	Corporate Services
Records Management Policy	Achieved	Corporate Services
Performance Management Policy	Achieved	Corporate Services
Information Communication Technology Policy	Achieved	Corporate Services
Workplace Skills Plan	Achieved	Corporate Services
Procurement Plan	Achieved	Finance Department
Risk Management Policy	Achieved	Office of the Municipal Manager
Performance Management Policy Framework	Not Achieved	Office of the Municipal Manager

### 4.3 Injuries, Sickness and Suspensions

**Table Indicating number of Injuries on Duty in the 2019/20 financial year**

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

**Table Indicating number of sick leave taken in the 2019/20 financial year**

<b>Number of days and Cost of Sick Leave (excluding injuries on duty)</b>						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	32	50%	4	5	0.44	
Skilled (Levels 3-5)	24	40%	16	21	0.33	
Highly skilled production (levels 6-8)	38	15%	20	11	0.52	
Highly skilled supervision (levels 9-12)	15	95%	3	4	0.21	
Senior management (Levels 13-15)	12	20%	3	4	0.16	
MM and S57					0.00	
<b>Total</b>	<b>121</b>	<b>44%</b>	<b>46</b>	<b>73</b>	<b>1.66</b>	<b>0</b>

**Table Indicating number of Suspensions in the 2019/20 financial year**

<b>Number and Period of Suspensions</b>				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken, or Status of Case and Reasons why not Finalised	Date Finalised
0	0	0	0	0

## 4.4 Performance Rewards

**Table Indicating number of Performance Rewards in the 2019/20 financial year**

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 1-2)	Female	0	0	0	
	Male	0	0	0	
Skilled (Levels 3-5)	Female	0	0	0	
	Male	0	0	0	
Highly skilled production (levels 6-8)	Female	0	0	0	
	Male	0	0	0	
Highly skilled supervision (levels 9-12)	Female	0	0	0	
	Male	0	0	0	
Senior management (Levels 13-15)	Female	0	0	0	
	Male	0	0	0	
MM and S57	4	4	4	4	100%
Total		4	4		

## 4.5 Skills Development and Training

The Municipality conducted the following staff and councillor trainings and courses in line with the Work Place Skills plan and Municipal Vision as indicated in the Municipal Integrated Development Plan.

Employees Trained as per Umzumbe Workplace Skills Plan in 2019.

YEAR	NAME OF EMPLOYEE	DESIGNATION	COURSE	INSTITUTION
2019	Mlungisi P Ngcobo	Building Control Officer	BTECH Construction Management	DUT
2019	Phakamsile V Msimango	Sub Accountant: Payroll	BCOM in Supply Chain	UNISA
2019	Zithobile Shazi	Procurement	BCOM in Supply Chain	UNISA
2019	Nosisa Blankenberg	Manager Internal Auditor	Post Grad Diploma in Forensic Investigation & Criminal Justice, school of law	UKZN
2019	Mthembeni Sithole	Asset Control Officer	BCOM Financial Management	UNISA
2019	Thabile Mbili	Data Capture	Post Grad Business Admin	UNISA
2019	Sfiso Nxele	Acting IDP Manager	Post Grad Business Management	MANCOSA
2019	Thembelihle Mthombeni	Committee officer	Bachelor of Public Admin	MANCOSA
2019	Hlengiwe Mbhele	Committee officer	Bachelor of Public Admin	MANCOSA
2019	Nontokozi Ndlovu	Procurement Officer	Advance Diploma in Financial Accounting	UNISA
2019	Mahlatse Phosa	IDP Manager	MBA	MANCOSA
2019	Monwabisi Meth	PMU Technician	Btech Civil Engineering	DUT
2019	Themba Cele	Fleet Officer	Protection Officer	Mzansi Security & Training
2019	Zekhethelo Mshengu	Development Planner	Post grad Diploma in Business Management	MANCOSA
2019	Andile Dweku	Assistant Ward Committee Clerk	Bachelor of Public Admin	MANCOSA
2019	Xolani Cele	Ward Committee Officer	Bachelor of Public Admin	MANCOSA
2019	Mphilisi Hlongwa	Housing Manager	BTECH Civil Engineering	DUT
2019	Nondumiso Shoji	Registry Clerk	B Admin	UNISA
2019	Nomcebo Nzimande	Account.Exp and Assets	BCOM Financial Accounting	UNISA
2019	Nombuso Mswane	Procurement Officer	BCOMT Internal Auditing	UNISA
2019	Andile Msomi	Council/ Exco Admin Support	Bachelor of Commerce	Regent Business School

YEAR	NAME OF EMPLOYEE	DESIGNATION	COURSE	INSTITUTION
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2020	Nontokozi Ndlovu	Procurement Officer	Advance Diploma in Financial Accounting	UNISA
2020	Victor Ndlovu	PA to Director Technical Services	Bachelor of Arts in Government and Development	UNISA
2020	Sfiso Nxele	Manager: Development Planning	MBA	MANCOSA
2020	Nondumiso Shoji	Registry Clerk	B Admin	UNISA
2020	Mlungisi Ngcobo	Building Control Officer	BTECH Civil Engineering	DUT
2020	Syabonga Gumede	Foreman	BTECH Transportation Engineering	DUT
2020	Hlengiwe Mbhele	Committee Officer	Bachelor of Public Admin	MANCOSA
2020	Thembelihle Mthombeni	Committee Officer	Bachelor of Public Admin	MANCOSA
2020	Xolani Cele	Ward Committee	Bachelor of Public Admin	MANCOSA
2020	Nosisa Blankenberg	Internal Audit Manager	Post Grad Diploma in Forensic Investigations and Criminal Justice	UKZN
2020	Lwazi Luthuli	Driver to Deputy Mayor	Higher Certificate in Project Management	MANCOSA
2020	Nomonde Mzobe	PA to MM	Higher Certificate in Project Management	MANCOSA
2020	Zanele Mtshali	Sub Accountant Payments	Bachelor of Accounting Science in Financial Accounting	UNISA

#### **Employees Trained as per Umzumbe Workplace Skills Plan in 2020.**

##### **Trainings**

<b>Date</b>	<b>Course</b>	<b>Number of Employees</b>
22-26 January 2018	Records Management Course	2
12- 16 February 2018	Fire Fighter 1 and Hazmat Awareness	1
21- 23 February 2018	Minute Taking, report Writing Responsibilities of a PA	7
22 February 2018	Hezchem Training	2
21 – 25 February 2018	Fire Fighter 1 and Hazmat Operation Challenge	1
04 – 08 June 2018	Introduction to Computer	10
25 – 29 June 2018	Advance Microsoft Excel	16
26 – 28 June 2018	First AID Level 1	14
03 -07 December 2018	Basic GIS Training	04

## 5 Chapter 5: Employee Expenditure

The municipality had a net surplus of R29 million (R35 million previous year). The net assets position showed a positive increase to R548 million from the previous year (R518 million). Cash flows were strong as bank balances showed a positive sign and increased from R169 million from the previous year to R181 million for the current year. Expenditure was monitored and evaluated against budget accordingly. In addition, all conditional grants were cash backed. Conditional grants such as FMG, INEP and EPWP were fully spent. Taking into consideration the above factors, the municipality was in a very strong and healthy financial position.

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 2018/2019 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 very well as they maintained the clean audit status as it had received another clean audit from the Auditor General. This was the fourth consecutive clean audit received by the municipality. 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 2018/2019 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted by the 31 August deadline to the Auditor General.

## Component A: Statement of Financial Performance

### 5.1 Statement of Financial Performance (Refer to AFS)

#### Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

#### Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019 Restated*
<b>Revenue</b>			
Other income	15	625,506	482,706
Interest received - investment	14	12,415,453	12,993,519
Property rates	12	7,734,671	7,538,883
Government grants & subsidies	13	173,623,004	170,349,868
<b>Total revenue</b>		<b>194,398,634</b>	<b>191,364,976</b>
<b>Expenditure</b>			
Employee Related Costs	19	56,640,022	52,859,734
Remuneration of Councillors	20	17,242,325	16,888,294
Depreciation Amortisation and Impairment	22	22,772,083	24,223,549
Finance costs	16	123,000	104,000
Debt Impairment	21	353,384	1,387,688
Contracted services	17	13,229,829	17,610,151
General Expenses	18	39,408,924	48,421,991
<b>Total expenditure</b>		<b>149,769,567</b>	<b>161,495,407</b>
<b>Operating Surplus</b>		<b>44,629,067</b>	<b>29,869,569</b>
Loss on Disposal of Assets		(159,910)	(329,317)
<b>Surplus for the year</b>		<b>44,469,157</b>	<b>29,540,252</b>



## UMZUMBE LOCAL MUNICIPALITY


### ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2020

#### APPENDIX D1

REVENUE	Approved Budget (R)	Adjustments (R)	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Property rates	7 541 301	193 371	7 734 672	7 734 672	0	0.0%	Not required
Interest earned - external investments	13 531 500	-	13 531 500	12 415 453	-1 116 047	-8.2%	Not required
Government grants and subsidies	184 056 000	30 971 669	215 027 669	173 623 004	-41 404 665	-19.3%	Due to the delays experienced during the COVID19 lockdown period, projects and the related expenditure were delayed resulting in less realisation of income from grants than expected.
Other income	583 859	(89 000)	494 859	625 506	130 647	26.4%	The variance can be mainly attributed to the increase in the tender sales documents
<b>Total revenue</b>	<b>205 712 660</b>	<b>31 076 041</b>	<b>236 788 701</b>	<b>194 398 635</b>	<b>-42 390 066</b>	<b>-17.9%</b>	
EXPENDITURE	Approved Budget (R)	Adjustments (R)	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Salary/Remuneration related costs	84 650 135	3 525 085	88 175 220	73 882 347	-14 292 873	-16.2%	The variance can be attributed mainly to vacancies that existed during the year. Fewer positions were filled than anticipated.
General expenses, Contracted services & other expenses	125 672 335	6 486 018	132 158 354	75 887 220	-56 271 134	-42.6%	Due to the delays experienced during the COVID19 lockdown period, projects were delayed resulting in less expenditure being incurred than expected. In addition, project re- prioritisation, implementation of cost saving mechanisms as well as strict monitoring and evaluation of pricing of goods and services had resulted in less spending when compared to the budget.
<b>Total expenditure</b>	<b>210 322 470</b>	<b>10 011 104</b>	<b>220 333 574</b>	<b>149 769 567</b>	<b>-70 564 007</b>	<b>-32.0%</b>	
Operating surplus	-4 609 810.02	21 064 937	16 455 127	44 629 068	28 173 941		
Loss on disposal				-159 910	-159 910		
Internal reserves	99 883 537	13 302 952	113 186 489		-113 186 489		
<b>NET SURPLUS FOR THE YEAR</b>	<b>95 273 727</b>	<b>34 367 889</b>	<b>129 641 615</b>	<b>44 469 158</b>	<b>-85 172 457.49</b>		

## 5.2 Grants

Grants have been received in terms of DORA as well as Provincial allocations.

 <b>UMZUMBE MUNICIPALITY</b> <b>GRANTS REGISTER FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020</b>				
<b>APPENDIX E</b>				
<b>GRANT NAME</b>	<b>BALANCE UNSPENT BEGINNING OF PERIOD 1 JULY 2019</b>	<b>RECEIPTS FOR THE YEAR</b>	<b>EXPENDITURE/ TRANSFERS FOR THE YEAR</b>	<b>BALANCE UNSPENT END OF PERIOD 30 JUNE 2020</b>
Project consolidate Grant	99 885		99 885	-
Financial Management Grant	-	1 900 000	1 900 000	-
Municipal Infrastructure Grant	6 100 011	34 077 000	28 556 464	11 620 547
Expanded Public Work Grant	-	1 564 000	1 418 079	145 921
Disaster Management Grant	-	13 828 669	-	13 828 669
National Electrification Grant	-	15 000 000	8 561 089	6 438 911
Massification Grant	-	10 000 000	1 510 714	8 489 286
KZN Sports Grant	50 000			50 000
Fire Fighting Grant	614 121		239 343	374 778
Disaster Relief Grant - Covid 19	-	1 043 000	322 315	720 685
	<b>6 864 017</b>	<b>77 412 669</b>	<b>42 607 889</b>	<b>41 668 797</b>

In addition, Equitable Share of R131 million was received during the year.

## 5.3 Asset Management

### Introduction to Asset Management

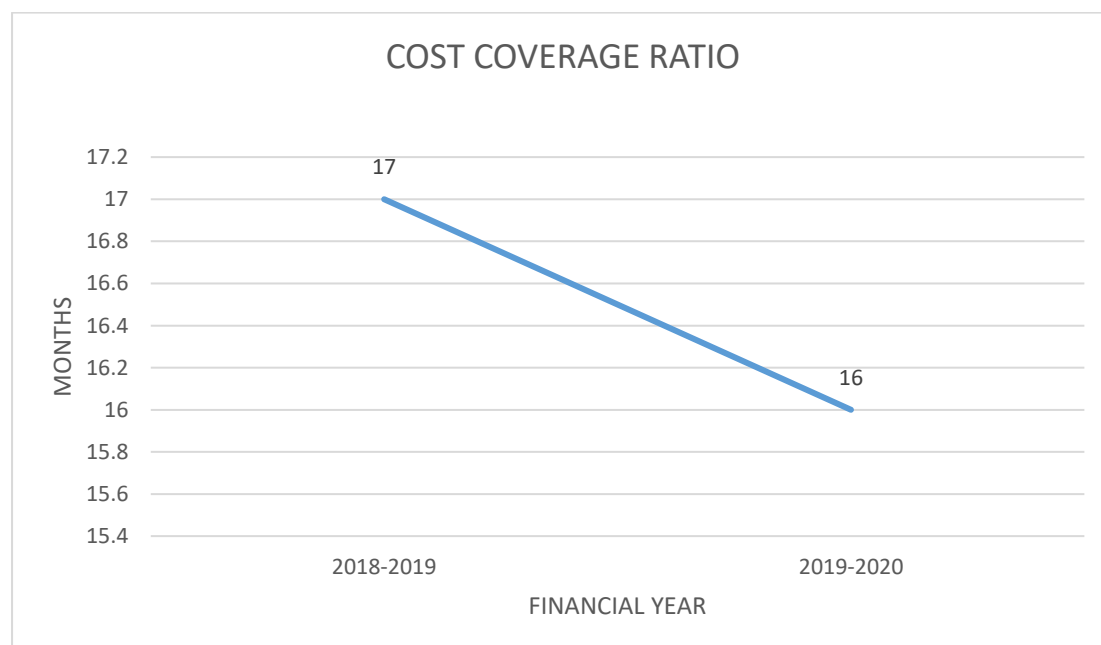
Asset management forms an integral part in the municipality's ability to render service delivery

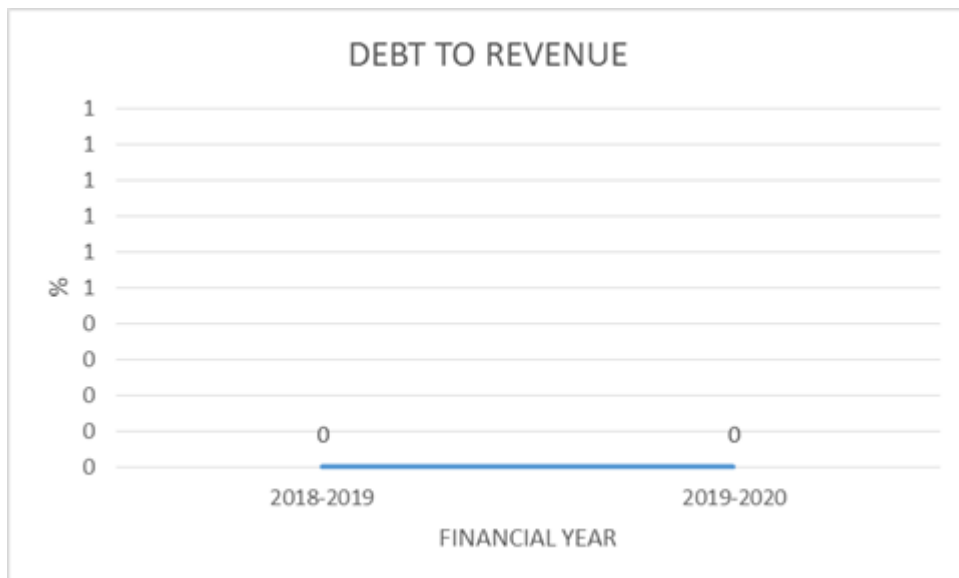
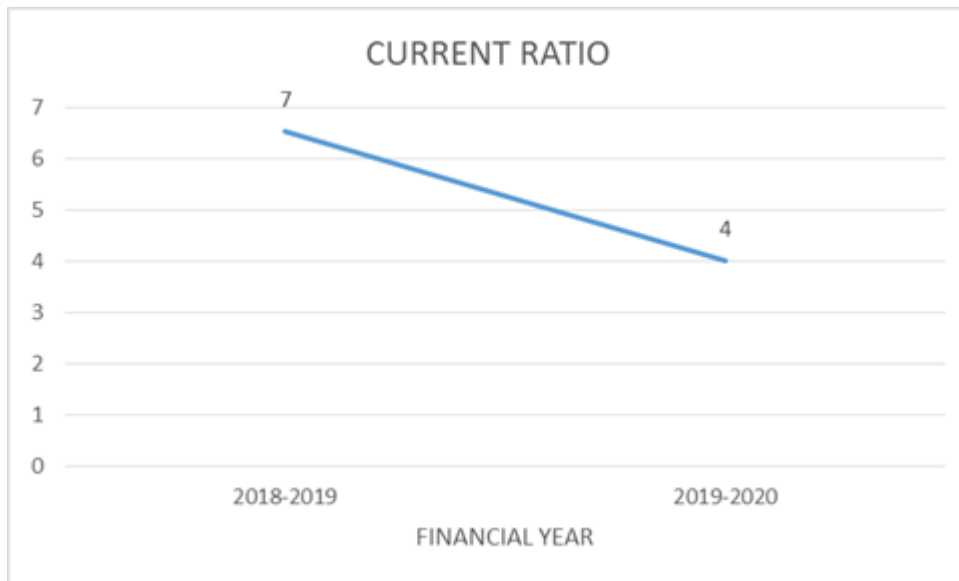
Assets management falls under the Expenditure and Assets unit within finance department. The municipality has an asset management policy in place which also incorporates elements of GRAP. The municipality compiled the fixed assets register for the 2019/20 financial year in accordance with GRAP. This formed part of the process of the annual financial statements' preparation.

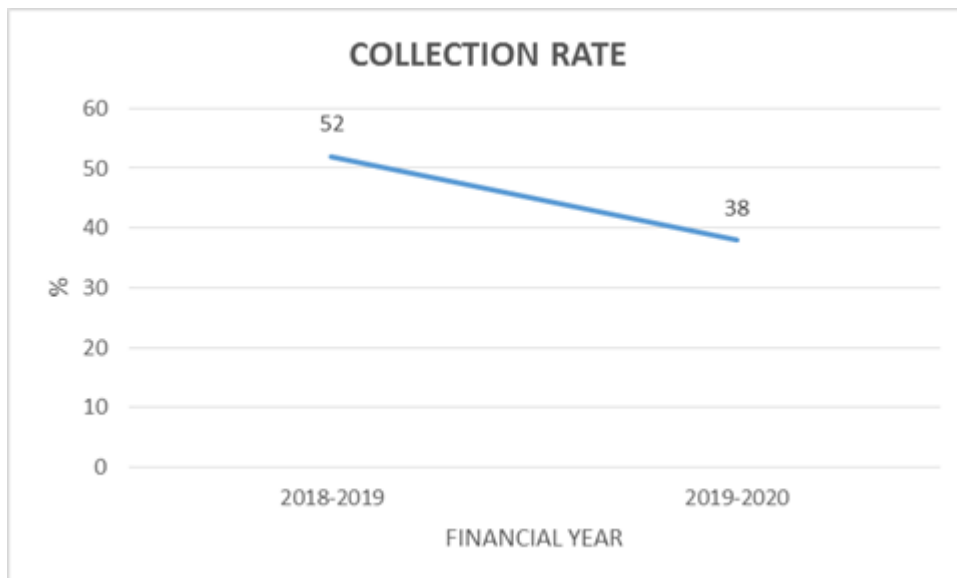
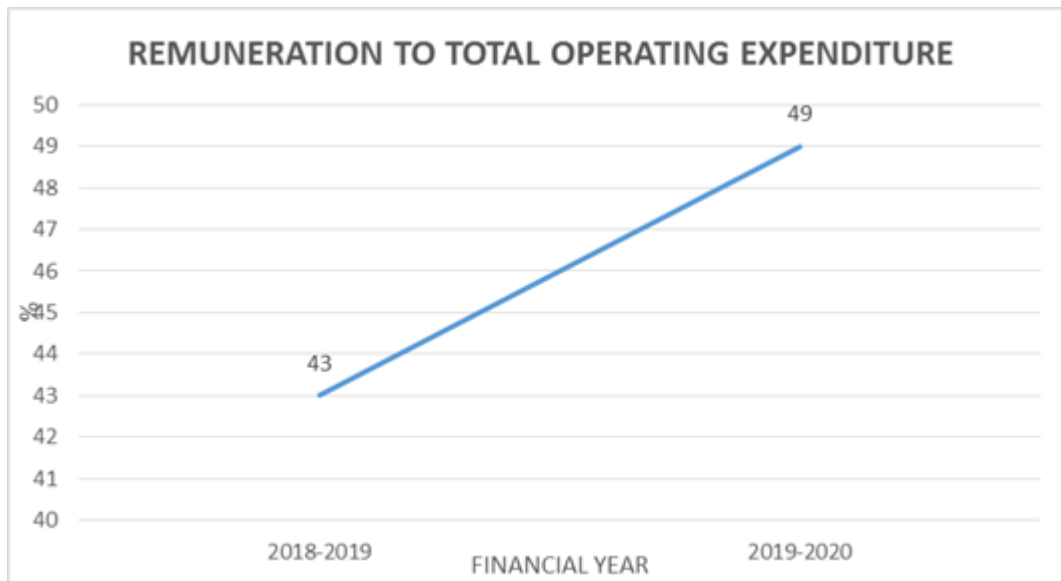
Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	R8 318 931	R8 318 931	R 6 239 101	25%

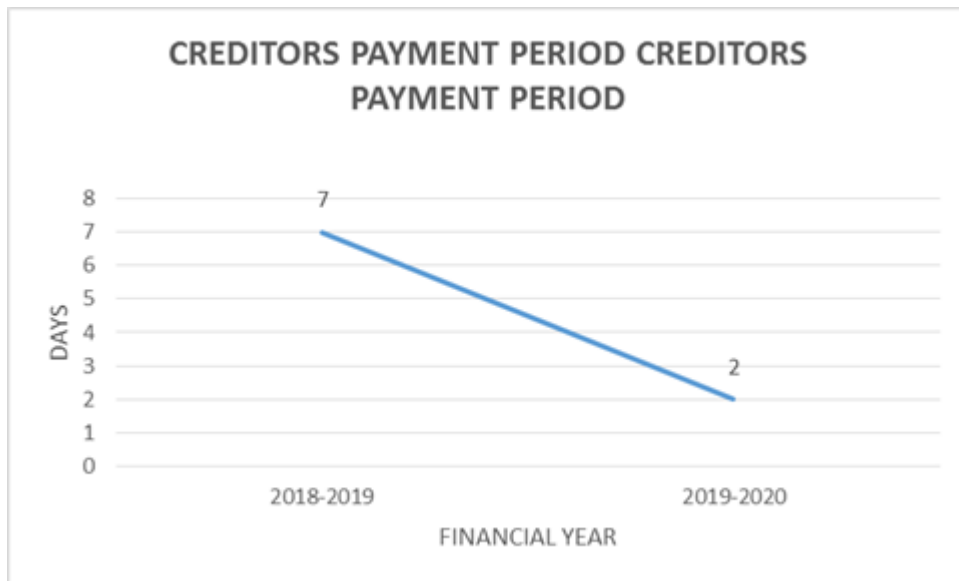
Less repairs and maintenance were incurred than anticipated due to the fair condition of plant and equipment. The conditional assessment of assets will be monitored going forward.

## 5.4 Financial Ratios Based on Key Performance Indicators









The ratios indicate that the municipality is in a strong liquidity position and is financially sustainable. However, there are areas of concern around debt collection and employee costs. With regards to debt recovery, the municipality has sought assistance from Provincial Treasury and COGTA with regards to debt collection as well as enforcing the legal action. The municipality has also reviewing its employment contracts and HR policies as well as organogram structure in an effort to reduce employee costs and prevent any labour court issues.

## Component B: Spending Against Capital Budget Introduction to Spending Against Capital Budget

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded mainly from government grants which is MIG and Equitable share.

## 5.5 Capital Expenditure



## UMZUMBE LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2020

### APPENDIX D (2)

	Total actual additions	Approved budget	Adjustments	Final Budget	Variance	Variance	Explanation of Significant Variances greater than 10%
	R	R	R	R	R	%	
<b>MOVABLE ASSETS</b> (Machinery, furniture, computer/software, transport & equipment)	4 289 211	6 776 000	4 871 247	11 647 247	-7 358 036	-63.17%	Projects were delayed due to COVID19 lockdown restrictions which impacted procurement of movable assets such as vehicles. As a result, the expenditure incurred was less than planned expenditure.
<b>IMMOVABLE ASSETS</b> (Roads & other infrastructure)	56 640 684	88 497 727	29 496 641	117 994 367	-61 353 684	-52.00%	Projects were delayed due to COVID19 lockdown restrictions which impacted onsite work. As a result, the expenditure incurred was less than planned expenditure.
<b>TOTAL</b>	<b>60 929 895</b>	<b>95 273 727</b>	<b>34 367 888</b>	<b>129 641 614</b>	<b>-68 711 720</b>	<b>-53.00%</b>	

## 5.6 Sources of Finance

	Medium Term Income and Expenditure					
	2018/2019			2019/2020		
	ADJUSTED BUDGET	FINAL BUDGET 2019/2020	ADJUST	ADJUSTED BUDGET	PROPOSED BUDGET 2020/2021	PROPOSED BUDGET 2021/2022
<b>Revenue by source</b>		R			R	
Government grants and subsidies	177 827 000.00	184 056 000.00	30 971 669.25	215 027 669.25	188 443 000.00	207 289 000.00
Interest from investments	12 765 566.35	13 531 500.33		13 531 500.33	14 343 390.35	15 203 993.77
Tender Sales	64 200.00	64 200.00		64 200.00	68 052.00	72 135.12
Hall Hire	128 400.00	136 104.00	-56 104.00	80 000.00	144 270.24	152 926.45
Rates Income	7 541 301.00	7 541 301.00	193 370.25	7 734 671.25	7 541 301.00	7 541 301.00
Internally generated funds(Accumulated Surplus)	82 346 695.78	99 883 536.86	13 302 951.78	113 186 488.64	36 660 358.07	37 416 519.98
Waste Collection	21 400.00	22 684.00		22 684.00	24 045.04	25 487.74
Insurance Refunds	556 910.00	114 490.00		114 490.00	121 359.40	128 640.96
Commission fees(Agency fees)	21 400.00	22 684.00		22 684.00	24 045.04	25 487.74
Building plans & Licensing/Permits	5 350.00	5 671.00		5 671.00	6 011.26	6 371.94
Market Stalls revenue	-	22 896.00	-22 896.00	-	24 269.76	25 725.95
Proceeds from Auctions	670 000.00	-		-	-	-
Marathon Proceeds	-	15 000.00		15 000.00	15 900.00	16 854.00
Other Revenue( For Lollipops & Other)	160 500.00	170 130.00		170 130.00	180 337.80	191 158.07
Testing Licensing(Tickets & Licensing)	-	10 000.00	-10 000.00	-	10 600.00	11 236.00
<b>TOTAL INCOME BUDGET</b>	<b>282 108 723.13</b>	<b>305 596 197.19</b>	<b>44 378 991.28</b>	<b>349 975 188.48</b>	<b>247 606 939.96</b>	<b>268 106 838.74</b>
<b>OPEX</b>	<b>204 712 682.55</b>	<b>210 322 470.35</b>	<b>10 011 103.64</b>	<b>220 333 573.99</b>	<b>207 682 739.98</b>	<b>227 456 410.74</b>
<b>CAPEX</b>	<b>77 396 040.61</b>	<b>95 273 726.84</b>	<b>34 367 887.65</b>	<b>129 641 614.49</b>	<b>39 924 200.00</b>	<b>40 650 428.00</b>
<b>TOTAL BUDGET</b>	<b>282 108 723.16</b>	<b>305 596 197.19</b>	<b>44 378 991.29</b>	<b>349 975 188.48</b>	<b>247 606 939.98</b>	<b>268 106 838.74</b>

GOVERNMENT GRANTS AND SUBSIDIES-ALLOCATION			
	PROPOSED BUDGET 2019/2020	Adjust	Adjusted Budget 19/20
<b>National Grants Allocations</b>			
Equitable share	131 115 000.00		131 115 000.00
Municipal Systems Infrastructure Grant (MSIG)	-		-
Local Government Financial Management Grant (FMG)	1 900 000.00		1 900 000.00
Municipal Infrastructure Grant (MIG)	34 077 000.00	6 100 000.00	40 177 000.00
Disaster Management Grant	-		-
Integrated national Electrification Programme	15 000 000.00		15 000 000.00
Municipal Systems Infrastructure Grant (MSIG)	-		-
Massification		10 000 000.00	10 000 000.00
Extended Public Works Programme	1 564 000.00		1 564 000.00
<b>Sub Total - National Grant Allocations</b>	<b>183 656 000.00</b>	<b>16 100 000.00</b>	<b>199 756 000.00</b>
<b>Provincial Grants Allocations</b>			-
Maintenance Grant - Sports & Recreation	-		-
Disaster Relief Grant		1 043 000.00	1 043 000.00
<b>District Municipality - UGU</b>			-
Fire Fighting Grant	400 000.00		400 000.00
Disaster Grant		13 828 669.25	13 828 669.25
<b>Sub Total - Provincial &amp; District Grants Allocations</b>	<b>400 000.00</b>	<b>14 871 669.25</b>	<b>15 271 669.25</b>
<b>TOTAL GRANT ALLOCATIONS</b>	<b>184 056 000.00</b>	<b>30 971 669.25</b>	<b>215 027 669.25</b>

## 5.7 Capital Spending on 5 Largest Projects

Table below indicating Capital Spending on 5 Largest Projects

Capital Spending on 5 Largest Projects	
Project Name	Budget Spent
1. Inkanini Sport Ground and Combo Courts	R 10 930 710.58
2. Ncazolo Access Road	R 7 319 584.56
3. Isiphofu Electrification: Phase 1	R 7 085 271.41
4. LIC road construction on Shezi ward 17; Darkcity ward 19; Luthuli ward 18	R 4 221 797.57
5. Construction of Rossetenville Hall	R 4 090 208.22

## 5.8 Basic Service and Infrastructure Backlogs Overview

### Component C: 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.

## 5.9 Cash Flow Statement

### Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

### Cash Flow Statement

Figures in Rand	Note(s)	2020	2019 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Customers		3,609,058	2,985,767
Grants		208,527,669	176,714,000
Interest income		12,415,453	12,993,519
		<u>224,552,180</u>	<u>192,693,286</u>
<b>Payments</b>			
Finance costs		(123,000)	(104,000)
Cash Paid to Suppliers and Employees		(121,343,536)	(134,806,923)
		<u>(121,466,536)</u>	<u>(134,910,923)</u>
<b>Net cash flows from operating activities</b>	24	<u>103,085,644</u>	<u>57,782,363</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(60,929,894)	(43,813,020)
Proceeds from sale of property, plant and equipment	2	-	1,271,633
<b>Net cash flows from investing activities</b>		<u>(60,929,894)</u>	<u>(42,541,387)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>42,155,750</u>	<u>15,240,976</u>
Cash and cash equivalents at the beginning of the year		196,621,721	181,380,745
<b>Cash and cash equivalents at the end of the year</b>	7	<u>238,777,471</u>	<u>196,621,721</u>

The municipality's cash flow is monitored regularly and indicates a favourable liquidity position as at year end. As at 30 June 2020, the municipality had cash and cash equivalents of R 239 million and has increased from R197 million.

## 5.10 Borrowings and Investments

Borrowings are utilized to fund service delivery infrastructure by obtaining loans from registered financial institutions. Investments are utilized to earn interest on surplus funds for the municipality and serves as a form of revenue. The municipality did not borrow funds during the year.

The municipality holds investments amounting to R9, 7 million. Interest is earned at competitive rates. The municipality does not have any borrowings.

### 5.11 Public Private Partnership

No public private partnerships were entered during the year.

## Component D: Other financial Matters

### 5.12 Supply Chain Management

The municipality is using SAGE 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 tender which contained details of the contractor, evaluation and adjudication reports, payments details etc. The municipality has functioning bid committees i.e., Bid Specifications, Bid Evaluation & Bid adjudication. The evaluation and adjudication of the tenders was done accordingly within the prescripts of SCM regulations.

### 5.13 GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders.

Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications. 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 2019/2020 were compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted to the Auditor General

## 6 Chapter 6 – Auditor General Audit Findings Introduction

### Component A: Auditor – General Opinion of Financial Statements Year-1

#### 6.1 Auditor General Reports Year - 1 (Precious Year)

The municipality received an unqualified audit with matters of emphasis 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 (Current Year of Reporting)

AWAITING AUDIT OUTCOME FOR THE 2019-2020:





















### 6.2.1 Umzumbe Corrective Action Plan 2018/2019 Financial Year

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBILITY
<b>ANNEXURE A: MATTERS AFFECTING AUDIT REPORT</b>				
1	Bids advertised for less than the required number of days	All adverts to be thoroughly reviewed by the Bid Specifications Committee before being advertised. Additionally, to ensure that all adverts to be advertised for more than 30 days to prevent any non-compliance.	30 June 2020	SCM Manager
2	Minimum Bid Adjudication Committee requirements were not met.	The Bid Adjudication Committee structure will be reviewed.	30 June 2020	Municipal Manager
3	Measures taken to improve performance resulting in a consistency finding	Conduct thorough verification and alignment of IDP, SDBIP and APR prior to adoption and submission of all documents.  Conduct research on E-PMS  Refer to the FMPPi when drafting SDBIP & APR	30 June 2020	Planning & IDP Manager

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBILITY
4	Reported strategic objectives not consistent with planned strategic objectives	Conduct thorough verification and alignment of IDP, SDBIP and APR prior to adoption and submission of all documents.  Conduct research on E-PMS  Refer to the FMPPI when drafting SDBIP & APR	30 June 2020	Planning & IDP Manager
<b>ANNEXURE B: OTHER IMPORTANT MATTERS</b>				
5	Methodology applied for the impairment of receivables from rates not in line with GRAP104	Ensuring that GRAP104 methodology will applied during the preparation of the Annual Financial Statements.	30 June 2020	CFO
6	Related parties not disclosed in AFS	Ensuring that the Related Party note on the AFS is updated to include a reference to management and councillor's remuneration.	30 June 2020	CFO

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBILITY
7	Overstatement of termination pay out	The matter regarding the former Municipal Manager and the current Director: Corporate Services be reviewed and resolved.	30 June 2020	Municipal Manager
N O	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBILITY
8	Reported KPI measure not consistent with planned KPI measure	To Verify Planned KPI's on SDBIP and APR to ensure alignment and consistency. Hold Meetings with the Extended TOP Management on KPI drafting and implementation.	30 June 2020	Planning & IDP Manager
9	Reported target not consistent with planned target	Request the COGTA PMS Directorate to provide PMS training to Senior Managers and middle management	30 June 2020	Planning & IDP Manager

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBILITY
10	Reported Achievement not consistent with planned and Reported Indicator and Target	Appoint Development Planner dedicated to PMS related Matters. The Personnel will ensure implementation, monitoring as well as verification of targets prior to submission to various internal and external stakeholders. Manager PMS to approve Scorecards, APR and effect IA findings.	30 June 2020	Planning & IDP Manager
11	Overall presentation of the APR	Utilize the COGTA template for APR Drafting	30 June 2020	Planning & IDP Manager
12	Reliability (Completeness) of reported information	The Personnel will ensure implementation, monitoring as well as verification of targets prior to submission to various internal and external stakeholders. Manager PMS to approve Scorecards, APR and effect IA findings.	30 June 2020	Planning & IDP Manager
13	Reliability (validity and accuracy) of reported information	The Personnel will ensure implementation, monitoring as well as verification of targets prior to submission to various internal and external stakeholders. Manager PMS to approve Scorecards, APR and effect IA findings. Conduct site visits and quality assurance to confirm reported information over and above the assessment of POE's	30 June 2020	Planning & IDP Manager
14	Reliability (validity and accuracy) of reported information	The Personnel will ensure implementation, monitoring as well as verification of targets prior to submission to various internal and external stakeholders. Manager PMS to approve Scorecards, APR and effect IA findings. Conduct site visits and quality assurance to confirm reported information over and above the assessment of POE's	30 June 2020	Planning & IDP Manager

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBILITY
15	False declarations by employees and suppliers	The municipality has flagged these suppliers and employees and will investigate the matter further. The municipality, where possible, will not continue to do business with these suppliers. In addition, the municipality will continue to strictly monitor declarations and CSD reports.	30 June 2020	SCM Manager
16	No SLA in place with WBHO Contractor	The matter will be fast tracked, reviewed and resolved to ensure that there is a valid SLA in place.	30 June 2020	Municipal Manager
17	No quality review/assessment done on internal audit function.	The quality review/assessment on the internal audit function will be conducted.	30 June 2020	Manager: Internal Audit
18	Material underspending on a project	The project will be monitored and evaluated for progress. All processes will be fast tracked to ensure that there is speedy progress towards completion of the project.	30 June 2020	Technical Services

Signed (Chief Financial Officer)



Dated.....30 June 2019

## Glossary

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

	<p>Municipal transformation and institutional development</p> <p>Financial viability and management</p> <p>Good governance and community participation</p>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	<p>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</p> <p>which an output has been achieved (policy developed, presentation delivered, service rendered)</p>
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

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

	<p>Financial viability and management</p> <p>Good governance and community participation</p>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	<p>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</p> <p>which an output has been achieved (policy developed, presentation delivered, service rendered)</p>
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

## Appendices

### Appendix A – Councillors Committee Allocation and Council Attendance

<b><u>MZUMBE LOCAL MUNICIPALITY</u></b>			<b>A : Apology</b>		<b>AWA: Absent without Apology</b>	<b>CB: Council Business</b>		<b>LOA: Leave of Absence</b>		<b>R: Resigned</b>	<b>D: Deceased</b>
<b><u>ATTENDANCE REGISTER FOR COUNCIL MEETINGS</u></b>											
<b><u>CLLRs ATTENDANCE FROM 14/03/2017 TO 31/05/2017</u></b>	<b><u>JULY 2019 TO JUNE 2020</u></b>										
<b>COUNCILLORS</b>	<b>31/07/2019</b>	<b>28/08/2019</b>	<b>03/09/2019</b>	<b>18/09/2019</b>	<b>18/10/2019</b>	<b>18/11/2019</b>	<b>06/12/2019</b>	<b>19/12/2019</b>	<b>NO. OF MEETINGS</b>	<b>TOTAL ATTENDED</b>	<b>NON- ATTENDANCE</b>
MP Shoji	P	P	P	P	P	P	P	P	8	8	0
SR Ngcobo	P	P	CB	P	R	R	R	R	8	3	5
MPL Zungu	LOA	P	P	P	P	P	P	P	8	7	1
MZ Luthuli	P	P	P	P	P	P	P	P	8	8	0
NY Mweshe	P	P	P	P	P	P	P	P	8	8	0
CL Shezi	P	P	P	P	AWA	P	P	P	8	7	1
DDB Dhlamini	P	P	P	P	P	P	P	P	8	8	0
Z Sithole	P	P	P	P	P	AWA	P	P	8	7	1
HZ Ndimande	P	AWA	P	A	P	P	P	AWA	8	5	3

OT Luthuli	LOA	AWA	AWA	D	D	D	D	D	8	0	8
NE Xaba	AWA	R	R	R	R	R	R	R	8	0	8
TC Myende	P	P	P	P	P	P	P	AWA	8	7	1
JP Mtambo	P	A	P	P	P	P	P	P	8	7	1
LS Cele	AWA	P	P	P	AWA	P	P	P	8	6	2
SZ Zama	P	P	P	P	P	P	P	P	8	8	0
MM Mfecane	P	P	P	P	P	P	P	P	8	8	0
OJ Mbambo	P	P	P	P	P	P	P	P	8	8	0
P Zamisa	LOA	AWA	AWA	P	P	AWA	P	AWA	8	3	5
SR Cele	P	P	P	P	P	P	P	P	8	8	0
MS Mdletshe	LOA	AWA	P	P	P	P	P	P	8	6	2
BB Luthuli (Female)	AWA	AWA	P	P	P	P	P	AWA	8	5	2
PL Habile	P	P	P	P	P	P	P	P	8	8	0
BB Luthuli (Male)	P	P	P	P	P	P	P	P	8	8	0
DZ Shozi	P	P	P	P	P	P	A	P	8	7	1
EA Zindela	P	AWA	AWA	P	P	AWA	P	P	8	5	3
BT Mfeka	P	P	A	P	P	A	P	P	8	6	2
S Ngubane	P	AWA	P	P	P	P	A	AWA	8	5	3
TJ Radebe	D	D	D	D	D	D	D	D	8	0	8
WN Hlophe	P	P	P	A	P	P	AWA	AWA	8	5	3
RSW Khanyile	P	P	AWA	P	AWA	AWA	A	AWA	8	3	5
EB Dlamini	AWA	AWA	P	AWA	AWA	P	AWA	AWA	8	2	6
ZZ Msani	P	P	AWA	AWA	A	A	P	AWA	8	3	5
LN Duma	P	P	AWA	P	P	AWA	P	P	8	6	2

<b>R Mkhize</b>	<b>AWA</b>	<b>P</b>	<b>P</b>	<b>A</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>8</b>	<b>6</b>	<b>2</b>
<b>TM Mbayi</b>	<b>P</b>	<b>AWA</b>	<b>AWA</b>	<b>P</b>	<b>AWA</b>	<b>AWA</b>	<b>P</b>	<b>P</b>	<b>8</b>	<b>4</b>	<b>4</b>
<b>SM Jeza</b>	<b>P</b>	<b>P</b>	<b>AWA</b>	<b>P</b>	<b>P</b>	<b>AWA</b>	<b>P</b>	<b>P</b>	<b>8</b>	<b>6</b>	<b>2</b>
<b>MA Sikhosana</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>8</b>	<b>8</b>	<b>0</b>
<b>SG Nzimande</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>8</b>	<b>8</b>	<b>0</b>
<b>BM Madwe</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>8</b>	<b>8</b>	<b>0</b>
<b>ST Msani</b>					<b>P</b>	<b>A</b>	<b>P</b>	<b>AWA</b>	<b>8</b>	<b>2</b>	<b>2</b>
<b>SR Ngcobo</b>								<b>P</b>	<b>8</b>	<b>1</b>	<b>0</b>
<b>NP Khumalo</b>								<b>P</b>	<b>8</b>	<b>1</b>	<b>0</b>
<b>RL Mjwara</b>								<b>P</b>	<b>8</b>	<b>1</b>	<b>0</b>
								<b>P</b>	<b>8</b>	<b>1</b>	<b>0</b>

## Appendix B – Committees and Committee Purposes

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
<b>MPAC</b>	Help Council to hold executive and the municipal administration to account and ensure the efficient and effective use of municipal resources.
<b>Council</b>	<ul style="list-style-type: none"> <li>• Adoption of policies, strategies, plans and by laws.</li> <li>• Council play oversight role on implementation of resolutions taken.</li> <li>• Hold the municipal manager accountable for all actions taken.</li> <li>• Responsible for employment of section 54 and 56 employees</li> </ul>
<b>EXCO</b>	<p>Ensures that the municipality;</p> <p>Provides democratic and accountable government for the community of Umzumbe.</p> <p>Promotes social and economic development</p> <p>Promotes health and safety environment.</p> <p>Provides services in a sustainable manner to the community of Umzumbe.</p> <p>Ensures that administration, budgeting and planning process of the municipality meet the requirements of Section 153 (a) of the Constitutions.</p> <p>Oversees the execution of national and provincial functions performed by municipality in accordance with funds provided by relevant government.</p> <p>It comprises of seven Councillors including the Mayor and Deputy Mayor.</p> <p>It reviews and identifies community needs in order of priority.</p> <p>Managing the drafting of IDP, Budget and SDBIP and submit to full Council for adoption.</p> <p>Refers decisions to Council with or without resolutions.</p> <p>Evaluate progress against performance indicators.</p>
<b>Community Services</b>	<p>The objective of the Community Services Committee is to assist the Executive committee to promote a healthy environment by:</p> <p>Advising on legislation, prevention and enforcement mechanisms, which are within the financial and administrative capacity of the municipality;</p> <p>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;</p>
	<ul style="list-style-type: none"> <li>• Overseeing certain municipal services, including health, cultural, cleansing and maintenance services; and</li> <li>• To pay attention to educational and welfare services in general as they apply to the entire municipality.</li> </ul>

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
<b>Development Planning &amp; LED</b>	<b>Objectives</b> <ul style="list-style-type: none"> <li>• Encourage the involvement of the entire municipal community, its bodies stakeholders and institutions in matter of local government.</li> <li>• Participate in National and Provincial programmes</li> <li>• Promote the implementation of Integrated Development Plan (IDP)</li> <li>• Consider reports to EXCO for preparations of Land Use Management Plan subdivisions of land; PMS Etc.</li> <li>• Planning Committee may consider all matters of a policy nature.</li> <li>• Promotes the implementation of LED and IDP.</li> <li>• Assists in providing funding for local business services centres.</li> <li>• Promotes local economic development programmes.</li> <li>• Oversees rendering of services in historically disadvantaged areas.</li> <li>• Consults with traditional Leaders on matters of the economic development</li> <li>• Report to EXCO.</li> <li>• Consist of seven members</li> </ul>
<b>Human Settlements &amp; Infrastructure</b>	Oversee & Report to EXCO
<b>Finance Committee</b>	Oversee & Report To EXCO
<b>Corporate Committee</b>	Oversee & Report to EXCO
<b>Youth Committee</b>	To Report to EXCO
<b>LLF</b>	As per SALGA Bargaining Council
<b>Audit Committee</b>	Municipal Oversight

#### Appendix C – Third Tier Administrative Structure

<b>Third Tier Structure</b>	
<b>Directorate</b>	<b>Director/Manager (State title and name)</b>
Municipal Manager's Office	Mr. T.P Cele
Financial Services	Mr. K. Audan
Corporate Services	Mr. B.G. Nyuswa
Technical Services	Vacant
Social Development and Community Services	Ms. N Lushaba

## Appendix D – Functions of Municipality / Municipal Entity / Entity functions

<b>Municipal / Entity Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No) *</b>	<b>Function Applicable to Entity (Yes / No)</b>
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	No (District Function)	N/A
Building regulations	Yes	N/A
Child care facilities	Yes	N/A
Electricity and gas reticulation	No (ESKOM Function)	N/A
Firefighting services	Yes	N/A
Local tourism	Yes (Shared Services	N/A
Municipal airports	No (District Function)	N/A
Municipal planning	Yes	N/A
Municipal health services	No	N/A
Municipal public transport	No (District Function)	N/A
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	N/A
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes	N/A
Storm water management systems in built-up areas	Yes	N/A
Trading regulations	Yes	N/A
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No (District Function)	N/A
Beaches and amusement facilities	Yes	N/A
Billboards and the display of advertisements in public places	Yes	N/A
Cemeteries, funeral parlours and crematoria	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	Yes	N/A

<b>Municipal / Entity Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No) *</b>	<b>Function Applicable to Entity (Yes / No)</b>
Facilities for the accommodation, care and burial of animals	Yes	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	No	N/A
Licensing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	Yes (Shared Services)	N/A
Municipal abattoirs	Yes (Shared Services)	N/A
Municipal parks and recreation	Yes	N/A
Municipal roads	Yes	N/A
Noise pollution	Yes	N/A
Pounds	No	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes (Shared Services)	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic and parking	Yes	N/A
<b>* If municipality: indicate (yes or No); * If entity: Provide name of entity</b>		<b>T D</b>

# Appendix E – Ward Reporting

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members		Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
<b>1</b>	<b>Cllr C L Shezi</b>		<b>yes</b>			
	Mbhele	Balindile				
	Khuzwayo	Siqalo				
	Mbhutho	Zikhona				
	Ngwazi	Mvikelwa				
	Cele	Ntombizodwa				
	Cele	Hlengiwe				
	Khuzwayo	Gideon				
	Nkosibonile	Shazi				
	Gumbi	Sihle				
	Cele	Thembeni				
<b>2</b>	<b>Cllr D D B Dlamini</b>		<b>yes</b>			
	Shezi	Slindile				
	Mteshana	Bonanakahle				
	Dlamini	Mathi				
	Mhlungu	Zibonele				
	Ngwazi	Zwelakhe				<i>T E</i>
	Shazi	Tholakele				
	Mbhele	Nomusa				
	Phungula	Thembinkosi				
	Mthimkhulu	Sanelisiwe				
	Mncwabe	Doreen				
<b>3</b>	<b>Cllr Z Sithole</b>		<b>yes</b>			
	Cele	Snegugu				
	Dlamini	Slindile				
	Gumbi	Sbusiso				
	Mjikelwa	Dlulisa				
	Sikhosana	Xolani				
	Dlamini	Khanyisile				
	Cele	Bongi				
	Dlulisa	Hlengiwe				
	Mkhize	Phindile				
	Cele	Nonjabulo				

<b>4</b>	<b>Cllr H Z Ndimande</b>		<b>yes</b>			<b>Nil</b>
	Msomi	Phindile				
	Nxele	Nonkanyiso				
	Mthembu	Buyisile				
	Mthembu	Bhekindawo				
	Dlamini	Lastboy				
	Msomi	Mthokozisi				
	Mqadi	Nomlindelo				
	Ngwazi	Pinky				
	Shabane	Fikelephi				
	Mthembu	Claudia				
	Mgwaba	Qinisela				
<b>5</b>	<b>Cllr S.C.Ngcobo</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Dlamini	Bhekumuzi				
	Gasa	Gerald				
	Hlongwa	Dakaza				
	Khuzwayo	Linda				
	Chiya	Sphamandla				
	Mthethwa	Nonhlanhla				
	Khomo	Ndumiso				
	Nzama	Busisiwe				
	Ngcobo	Sthembiso				
	Chiliza	Mxolisi				
<b>6</b>	<b>Cllr N P Khumalo</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Nkontwana	Gabisile				
	Luthuli	Zakhele				
	Bhengu	Mthokozisi				
	Nkomo	Zibuyile				
	Radebe	Sphumelele				
	Mshengu	Sbusiso				
	Mbeje	Phumelele				
	Peters	Nokwanda				
	Ngongoma	Thembisile				
	Mkhize	Nombuso				
<b>7</b>	<b>Cllr J P Mntambo</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Mvuyane	Dephney				
	Cibane	Thina				
	Chiliza	Thandeka				
	Mkhize	Dumisani				
	Luthuli	Nombuso				
	Khambule	Lindelani				
	Gombela	Syanda				
	Cele	Siphiwe				
	Madiba	Sbonelo				

	Biyase	Mandlenkosi				
<b>8</b>	<b>Cllr L S Cele</b>		<b>yes</b>			<b>Nil</b>
	Jwara	Lindiwe				
	Dlamini	Lucia				
	Mkhize	Scelo				
	Shezi	Nomusa				
	Mkhize	Bhekohlulwayo				
	Mnguni	Agrippa				
	Hlongwa	Shlonipheni				
	Mnganga	Sandile				
	Mthethwa	Robert				
	Mkhiza	Sisindile				
<b>9</b>	<b>Cllr S Z Zama</b>		<b>yes</b>			<b>Nil</b>
	Ngcobo	Vumani				
	Mkhize	Thumani				
	Shinga	Dudu				
	Mjwara	Nombuso				
	Shezi	Ntombikhona				
	Mngadi	Makhosazana				
	Kunene	Thulile				
	Mngadi	Thandanani				
	Gumede	Mduduzi				
	Nyuswa	Thandazile				
<b>10</b>	<b>Cllr M.M.Mfecane</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Chiliza	Jabu				
	Mkhize	Thokozani				
	Ngcobo	Thobani				
	Shozi	Thembanani				
	Zuma	Thandiwe				
	Doncabe	Patricia				
	Cele	Sbahle				
	Nene	Phumokwakhe				
	Shabalala	Nkosinathi				
	Qalani	Thembelihle				
<b>11</b>	<b>Cllr O J Mbambo</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Chiliza	Bongiwe				
	Sengani	Mfanifikile				
	Cele	Themba				
	Mtambo	Martin				
	Gambushe	Zodwa				
	Dlungele	Hlekisile				
	Msomi	Bongumusa				
	Khuzwayo	Joshua				
	Gumede	Sithembile				

	Nyawo	Thoza				
<b>12</b>	<b>Cllr P Zamisa</b>		<b>yes</b>			<b>Nil</b>
	Mtambo	Bongani				
	Ngcongo	Thulani				
	Ngcobo	Sandile				
	Khomo	Samukelisiwe				
	Mhlungu	Sakhile				
	Gumede	Dolly				
	Nzama	Nivard				
	Shinga	Phumelele				
	Madlala	Beatrice				
	Khuzwayo	Mzamo				
<b>13</b>	<b>Cllr S R Cele</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Duma	Dumsani				
	Mkhungo	Philisiwe				
	Gumede	Ntombifuthi				
	Jeza	Lindiwe				
	Nyuswa	Sfiso				
	Mjoka	Zincenge				
	Mseleku	Constance				
	Mnguni	Ziningi				
	Mnguni	Phumla				
	Doncabe	Khombisile				
<b>14</b>	<b>Cllr M S Mdletshe</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Gumede	Prince				
	Shinga	Beauty				
	Doncabe	Philisiwe				
	Shinga	Sebenzile				
	Bhengu	Meleni				
	Khawula	Mlandelwa				
	Blose	Zodwa				
	Gumede	Sandile				
	Mqadi	Cicelia				
	Shozi	Clemencia				
<b>15</b>	<b>Cllr M P L Zungu</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Mvubu	Nontuthuko				
	Cele	Andile				
	Mbayi	Sibusiso				
	Hlongwa	Sabathile				
	Shabane	Skhumbuzo				
	Khawula	Thoko				
	Gumede	Jabulani				
	Shabalalaa	Ntombifuthi				
	Shabane	Robert				

	Dlungele	Gloria				
<b>16</b>	<b>Cllr B Shabalala Luthuli</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Gumede	Phetheni				
	Ngcobo	Lindiwe				
	Shazi	Nomfundo				
	Ngcobo	Bongani				
	Khambule	Dudu				
	Nkomo	Nkosi				
	Njilo	Nombuso				
	Ngcobo	Mzwenhlanhla				
	Zuma	Goodwill				
	Mlita	Ephraim				
<b>17</b>	<b>Cllr P L Habile</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Dayi	Nkululeko				
	Mzelemu	Thamsaqa				
	Gumbi	Nondumiso				
	Mzobe	Bongumusa				
	Gqada	Ntombentle				
	Mkhungo	Zanele				
	Chiya	Alpheus				
	Zulu	Zakithi				
	Mkhize	Sipho				
<b>18</b>	<b>Cllr D Z Shozi</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Mchunu	Philani				
	Ngcobo	Mxolisi				
	Shebi	Ziningi				
	Mzobe	Bongumusa				
	Ngcobo	Friedah				
	Dlamini	Lindiwe				
	Mahlangu	Simon				
	Yalo	Mavis				
	Luthuli	Avele				
	Luthuli	May				
<b>19</b>	<b>Cllr A E Zindela</b>		<b>yes</b>	<b>10</b>	<b>10</b>	<b>Nil</b>
	Zindela	Thembi				
	Zulu	Bongiwe				
	Ngomane	Themba				
	Gumede	Syanda				
	Duma	Samuel				
	Shabane	Nosipho				
	Vilakazi	Bongiwe				
	Duma	Phumzile				
	Mjweni	Isaac				
	Khomo	Sibonelo				

20	Cllr B T Mfeka					
	Shange	James				
	Phehlukwayo	Khumbulani				
	Ndabeni	Fikile				
	Sengane	Bheki				
	Cele	Slindile				
	Mbambo	Zama				
	Shinga	Nokulunga				
	Mbutho	Sakhile				
	Shazi	Thembeke				
	Ndlovu	Sthembiso				

## 6.2.2 Audit Committee Chairman's Report















### 6.2.3 Appendix F – Recommendations of the Municipal Audit Committee Year 0

DATE OF MEETING	TYPE OF MEETING	REPORT	RESOLUTION
22 August 2019	Audit and Performance Audit Committee	Annual Financial Statements	To recommend to the Accounting Officer that as they dealt with the Annual Financial Statements together with the Performance Report , that these be forwarded to the offices of the Auditor General in Pietermaritzburg no later than the 31 <sup>st</sup> of August 2019 in terms of provision of Sections 122,126,166 of the Municipal Finance Management Act , as well as Section 46 of the Municipal Systems Act , subject to the Audit Committee's receipt of an electronic copy of the Draft Annual Report prior to the submission
27 August 2019	Performance Audit Committee	Annual Performance Report	To recommend to the Accounting Officer that as they dealt with the Annual Performance Report, that these be forwarded to the offices of the Auditor General in Pietermaritzburg no later than the 31 <sup>st</sup> of August 2019 in terms of provision of Sections 122,126,166 of the Municipal Finance Management Act, as well as Section 46 of the Municipal Systems Act, subject to the Audit Committee's receipt of an electronic copy of the Draft Annual Report prior to the submission.
30 October 2019	Audit Committee Meeting	<ul style="list-style-type: none"> <li>• Internal Audit Charter</li> <li>• Audit Committee Charter</li> <li>• Audit Committee Work Plan</li> </ul>	<ul style="list-style-type: none"> <li>• That the Internal Audit Charter be approved</li> <li>• That the Audit Committee Charter be forwarded to the Council for adoption</li> <li>• That the Audit Committee Work Plan be forwarded to the Council for adoption.</li> <li>• That the Information Communication Technology Internal audit report be approved.</li> <li>• Noted the status on the implementation of the Internal Audit Plan.</li> </ul>

DATE OF MEETING	TYPE OF MEETING	REPORT	RESOLUTION
		<ul style="list-style-type: none"> <li>• Information Communication Technology Internal audit report</li> <li>• Implementation of the Internal Audit Plan</li> </ul>	Noted the risk assessment monitoring report.
17 December 2019	Audit Committee	<ul style="list-style-type: none"> <li>• Implementation of the Internal Audit Plan</li> <li>• Internal Audit report</li> </ul>	<ul style="list-style-type: none"> <li>• Noted the status on the implementation of the Internal Audit Plan.</li> <li>• That the Internal Audit report on follow up reviews be approved.</li> </ul> <p>Noted the Section 71 report, Section 36 deviations and the procurement plan</p>
17 December 2019	Performance Audit Committee	<ul style="list-style-type: none"> <li>• Internal Audit report on PMS quarter 1</li> <li>• Quarter 1 Performance Assessment Report</li> <li>• Draft Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>• That the Internal Audit report on PMS quarter 1 be approved.</li> <li>• Noted Quarter 1 Performance Assessment Report.</li> <li>• Noted the Draft Annual Report.</li> </ul>

DATE OF MEETING	TYPE OF MEETING	REPORT	RESOLUTION
17 December 2019	Audit Committee		<ul style="list-style-type: none"> <li>Recommended to Council to prioritise the appointment of Director Technical Services noting there is risk of losing MIG funding for 2020 if the allocation not taken out due to the vacancy of Director Technical Services.</li> <li>Recommended that the Honourable Mayor and MPAC Chairperson to attend the Audit Committee meetings going forward.</li> </ul>
20 March 2020	Audit Committee	<ul style="list-style-type: none"> <li>Procurement Plan</li> <li>Audit Committee work plan</li> </ul>	<ul style="list-style-type: none"> <li>Audit committee recommended that Procurement Plan be the standing item going forward.</li> <li>Also recommended that due to the high risk of the Director Technical Services position, Municipality should appoint the contract personnel to fill the vacant position while appointment processes are still underway.</li> <li>Recommended that Audit Committee work plan be the standing item going forward.</li> </ul>
20 March 2020	Audit Committee	<ul style="list-style-type: none"> <li>Declaration of Interest</li> </ul>	Recommended that declaration of interest to be signed by all employees including Council and Audit Committee Members of the Municipality before the end of next week: 27/03/2020.
20 March 2020	Audit Committee	Corrective Action Plan	<ul style="list-style-type: none"> <li>Recommended that the Corrective Action Plan should be the standing item on the MANCO and Audit Committee meetings.</li> <li>Recommended that Action plan should go back to Management so that their will filled the gaps e.g., Root causes, progress report and revised action plan that does address the AG findings.</li> <li>Action plan to be revised by relevant officials as it does not address the findings raised by AG.</li> </ul>

DATE OF MEETING	TYPE OF MEETING	REPORT	RESOLUTION
			<ul style="list-style-type: none"> <li>Also recommended that CFO should communicate with Auditor General to obtain their view on the Municipal Corrective Audit Plan.</li> <li>Corrective Action Plan should be assessed and reviewed by Internal Audit before submitted to Audit Committee.</li> </ul>
20 March 2020	Audit Committee	Progress on Corrective Action Plan 2019/2020 Financial Year	That the Audit Committee NOTED the progress on Corrective Action Plan and recommended that on the next meeting Internal Audit should submit a report to confirm the status of corrective action plan.
20 March 2020	Audit Committee	Draft Annual Financial statement 2019/2020 FY	The Audit Committee hereby resolves to recommend: The Municipality Draft Annual Report as provided for in terms of Chapter 12 of the MFMA be forwarded by 31 August 2018 to the Auditor General together with and incorporating the Draft Annual Financial Statements and Performance Information
20 March 2020	Performance Audit Committee	Internal Audit Report: PMS Q2	<ul style="list-style-type: none"> <li>Recommended that the outcome of performance assessment for Section 57 being included in the next audit committee.</li> </ul>
20 March 2020	Performance Audit Committee	Draft Annual Report 2018/2019 Financial Year	<ul style="list-style-type: none"> <li>Recommended that a report on the performance of services providers should be included in the next Audit Committee agenda.</li> <li>Recommended that Audit Committee members should be invited in the oversight committee meetings.</li> </ul>

DATE OF MEETING	TYPE OF MEETING	REPORT	RESOLUTION
24 June 2020	Audit Committee	Audit Committee Resolution Register	<p>The committee recommended that the position of Director Technical Services be considered by Council to be filled by a suitably qualified candidate.</p> <p>If the Council does not succeed to get the suitable candidate, the council should consider getting an acting candidate, share services, services provider, qualified engineer or any warm body while there are still in progress of getting a qualified incumbent.</p>
24 June 2020		Final Service Delivery & Budget Implementation Plan	Recommended that PMS framework and Department Score Card together with the SDBIP be included in the next agenda.

Appendix I - Revenue Collection Performance by Source  
Refer to the Annual Financial Statements

## Appendix J – Conditional Grants Received Including MIG

See attached Annual Financial Statement

## Appendix K – Revenue Collection Performance by Vote and by Source



### UMZUMBE LOCAL MUNICIPALITY ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2020

#### APPENDIX D1

REVENUE	Approved Budget (R)	Adjustments (R)	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Property rates	7 541 301	193 371	7 734 672	7 734 672	0	0.0%	Not required
Interest earned - external investments	13 531 500	-	13 531 500	12 415 453	-1 116 047	-8.2%	Not required
Government grants and subsidies	184 056 000	30 971 669	215 027 669	173 623 004	-41 404 665	-19.3%	Due to the delays experienced during the COVID19 lockdown period, projects and the related expenditure were delayed resulting in less realisation of income from grants than expected.
Other income	583 859	(89 000)	494 859	625 506	130 647	26.4%	The variance can be mainly attributed to the increase in the tender sales documents
<b>Total revenue</b>	<b>205 712 660</b>	<b>31 076 041</b>	<b>236 788 701</b>	<b>194 398 635</b>	<b>-42 390 066</b>	<b>-17.9%</b>	

## Appendix L Conditional Grants Received: Excluding MIG

Conditional grants have been received in accordance with DORA and Provincial Allocations



### UMZUMBE MUNICIPALITY GRANTS REGISTER FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

#### APPENDIX E

GRANT NAME	BALANCE UNSPENT BEGINNING OF PERIOD 1 JULY 2019	RECEIPTS FOR THE YEAR	EXPENDITURE/ TRANSFERS FOR THE YEAR	BALANCE UNSPENT END OF PERIOD 30 JUNE 2020
Project consolidate Grant	99 885		99 885	-
Financial Management Grant	-	1 900 000	1 900 000	-
Municipal Infrastructure Grant	6 100 011	34 077 000	28 556 464	11 620 547
Expanded Public Work Grant	-	1 564 000	1 418 079	145 921
Disaster Management Grant	-	13 828 669	-	13 828 669
National Electrification Grant	-	15 000 000	8 561 089	6 438 911
Massification Grant	-	10 000 000	1 510 714	8 489 286
KZN Sports Grant	50 000			50 000
Fire Fighting Grant	614 121		239 343	374 778
Disaster Relief Grant - Covid 19	-	1 043 000	322 315	720 685
	<b>6 864 017</b>	<b>77 412 669</b>	<b>42 607 889</b>	<b>41 668 797</b>

## Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes



### UMZUMBE LOCAL MUNICIPALITY

#### ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2020

#### APPENDIX A

	2020				2019		
	Cost	Accumulated depreciation/ Impairment	Carrying value		Cost	Accumulated depreciation/ Impairment	Carrying value
Machinery Equipment	19 972 781.26	-8 498 757.06	11 474 024.20		18 703 816.19	-6 926 810.61	11 777 005.58
Furniture and Office Equipment	4 449 991.97	-3 290 677.74	1 159 314.23		4 606 762.51	-3 123 094.39	1 483 668.12
Transport Assets	14 461 875.73	-5 312 947.21	9 148 928.52		13 012 493.35	-3 964 435.34	9 048 058.01
Computer Equipment	4 172 612.85	-2 097 715.27	2 074 897.58		2 995 420.94	-1 633 243.72	1 362 177.22
Solid Waste Disposal	223 352.79	-129 917.33	93 435.46		253 543.73	-139 614.36	113 929.37
Dwellings	1 062 025.79	-811 437.16	250 588.63		1 018 175.78	-731 425.96	286 749.82
Non Residential Dwellings	53 560 947.14	-26 028 002.50	27 532 944.64		53 352 947.14	-23 818 817.16	29 534 129.98
Roads	261 511 300.09	-120 591 159.72	140 920 140.37		250 661 390.67	-104 324 361.50	146 337 029.17
Assets under construction - Land and Buildings	149 819 641.31	-	149 819 641.31		115 289 652.31	-	115 289 652.31
Assets under construction - Roads	59 498 911.96	-	59 498 911.96		48 467 126.60	-	48 467 126.60
Computer Software	1 904 547.72	-1 344 653.69	559 894.03		1 934 250.89	-1 098 956.41	835 294.48
	570 637 988.61	-168 105 267.68	402 532 720.93		510 295 580.11	-145 760 759.45	364 534 820.66



### UMZUMBE LOCAL MUNICIPALITY

#### ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2020

#### APPENDIX D (2)

	Total actual additions	Approved budget	Adjustments	Final Budget	Variance	Variance	Explanation of Significant Variances greater than 10%
	R	R	R	R	R	%	
<b>MOVABLE ASSETS</b> (Machinery, furniture, computer software, transport & equipment)	4 289 211	6 776 000	4 871 247	11 647 247	-7 358 036	-63.17%	Projects were delayed due to COVID19 lockdown restrictions which impacted procurement of movable assets such as vehicles. As a result, the expenditure incurred was less than planned expenditure.
<b>IMMOVABLE ASSETS</b> (Roads & other infrastructure)	56 640 684	88 497 727	29 496 641	117 994 367	-61 353 684	-52.00%	Projects were delayed due to COVID19 lockdown restrictions which impacted onsite work. As a result, the expenditure incurred was less than planned expenditure.
<b>TOTAL</b>	60 929 895	95 273 727	34 367 888	129 641 614	-68 711 720	-53.00%	





