



DEVELOPMENT PLANNING UNIT

# UMZUMBE LM FINAL ANNUAL REPORT

2018/2019 FINANCIAL YEAR

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# 1 Chapter 1 Mayor's Foreword and Executive Summary

## Mayors Foreword and Executive Summary



I greet you in the name of service delivery

One will always appreciate to take a stand in accounting for whatever that has been done with the public funds. It well known that every year we review our IDP priorities in order to align them with the needs of our communities. I must though begin by saying that 2018/2019 financial year was not easy for the municipality. Regressing from four consecutive clean audits to unqualified Audit Opinion from the previous financial was a bitter pill to swallow. We have looked at areas of concerns and we will monitor all Auditor General's Action Plan Another challenge was the changes that occurred in our administration leadership because it somehow compromised the implementation of some Council Resolutions. I am pleased to report that the Council moved swiftly and most of those challenges emanated from those changes were addressed.

Furthermore, our continuous engagement with our people has enabled us to deal with service delivery obstacles timeously.

Our ward committee system has effectively gained momentum through rigorous capacity building and training sessions to ward committee members, which were aimed at strengthening public participation and advocacy. Similarly, our interactions with various stakeholders have brought about much needed collaboration in service delivery. If we can intensify our stakeholder engagements through Operation Sukuma Sakhe and ensure that all government departments take part our effort in enhancing Intergovernmental Relations can work better

Once again, this year we have made remarkable progress in keeping with the regulations governing the use of government finances and we remain hopeful that the Auditor General Report will reflect positively. We have essentially maintained to take prudent financial decisions in accordance with the requirements of the law.

As government, we continue to make meaningful progress towards our goal of providing descent shelter to our people. Together, with the Department of Human Settlements we have launched housing projects that will give decent houses in Ward 06 and Ward 07 just to name the few. Our assessments are revealing that housing has become a priority to many of our people, due to the changing weather conditions, which have, in most areas, left many people without a descent roof over their heads. Our Disaster Management Unit, with other stakeholders, has worked tirelessly to provide relief to the areas of need.

In other areas of our municipality we have constructed roads and bridges to allow free movement for our people, but some of those infrastructure projects are being damaged by these brutal weather conditions.

This year we have also prioritized plans to develop local small and medium businesses to enable them to gain skills and knowledge so as to be proficient in management of their businesses. These businesses have been developed through training and mentorship, with a special focus on sectors such as Tourism, Agriculture, Manufacturing and Production.

The continued visit by the Department of Agriculture, Forestry & Fisheries has cultivated an increased interest in this sector, to which we wish to assist accordingly. Through these initiatives, we want to ensure that we create more opportunities for our people to gain access to the mainstream economy thereby assisting us as government to curb the high levels of poverty and unemployment in our municipality.

In responding to the call by the national government to ensure access to education for all children, we have continued with our tertiary education support programme for students that have completed their matric and have applied to further their studies at a tertiary institution but have no financial means to fulfil the registration requirements.

Like in all other years, the road we have travelled this year has not been a smooth ride throughout the year. Whilst we elucidate on our achievements, we also take stock of the challenges we have experienced, which in some instances have drawn us back in our drive to provide services to our people. Amongst notable challenges is the lack of adequate financial resources to fund our programmes, and the drastic changes in weather conditions, which have had a negative effect in our infrastructure projects such as roads and bridges.

In conclusion, we wish to assure all our people that we will continue even in the coming years, to strengthen our relations with community representative structures, in order to ensure that service delivery is in line with the needs of the people

I Thank You

**Her Worship**

**Ms MPL Zungu**

**Acting Mayor Umzumbe Local Municipality**

## 1.1 Municipal Managers Overview

### MUNICIPAL MANAGER'S OVERVIEW 2018/19 FINANCIAL YEAR



It is that time of the year where we have to reflect on activities that the municipality had undertaken in fulfilling the needs as mandated by communities of Umzumbe. The 2018/19 financial year. The municipality begun this financial year with governance challenges which saw unforeseen changes in the administration. The municipal Council has reviewed its IDP on a yearly basis and that made my job easier to implement those decisions as agreed by the predecessors.

Predetermined objectives gave rise to the functioning of the department in implementing what had been planned and budgeted for. The key Performance Areas (KPA's) formed the basis for the different departments to execute service delivery linked to the predetermined objectives. In this financial year, the municipality had set targets that were implemented by the respective departments. In advancing the functioning of the municipality in delivering basic services to our communities, two (2) departments Technical Services and Social and Community Services were the

machinery in fulfilling it. National allocations in the form of Equitable Share, Municipal Infrastructure Grant (MIG), Disaster recovery grant and funds from the internal coffers assisted these departments in the provision of basic services.

Despite challenges I am pleased to see the progress made at Inkanini Indoor Sport Centre. This project is, one of its kind and the second in the district is in the process of being completed with the MIG being instrumental in funding this project in a multi-year approach. I am certain that the community especially the youth will benefit in the coming years.

Our road infrastructure is still a challenge that will take us years to fix because of our budget constraints, however with the approach of Labour-Intensive Construction we are hopeful that most of our access roads will be user-friendly for a longer period of time.

Local Economic Development within our municipality is one of the key pillars in addressing socio-economic issues also uplifting SMMEs and Cooperatives within our municipality. Empowerment of our SMMEs and Cooperatives remained our focal point in the year under review. The rich heritage history of our municipality led the municipality to profile our heritage sites in promoting rural tourism. The only challenge is to improve our relations with local business people and we are working on that matter.

Governance issue is a basis for the stability of a municipality. The committees of the municipality functioned well in the year under review. Ward committees which are structures that are established were inducted to understand how local government functions.

Disaster Management as a cross-cutting issue served a critical role in conducting Risk Assessments within the wards of Umzumbe. Intervention on incidents that occurred they were attended by the unit in bringing relief to the affected families.

Planning and development unit has grown from strength to strength wherein a frame work on Turton development got adopted by the Council. The establishment of Municipal Planning Tribunal was strides towards the implementation of SPLUMA. Scrutinizing of building plans was implemented and continues to be enforced by the unit.

Municipal Transformation served as a support service to all the municipal departments through Corporate Services department. Human Capital Empowerment remained one of the compliance and critical area through the development of a Work Place Skills Plan. The proper functioning of any organization was guided by the development of policies. The municipality managed to review and developed policies, in achieving its mandate.

Challenges of economic crisis that is being experienced, had an impact in us as we saw a reduction in the grants transferred to the municipality. Social ills remain a huge challenge that is facing our communities. High levels of unemployment and poverty is a

growing concern which the municipality is trying to reduce with programs that are implemented.

In conclusion, it will be fair for me thank the Council of Umzumbe for bestowing their trust in me in this short period of time. The road was not an easy one but determination saw us through. Going forward it will be imperative for the municipality to look at all critical matters and address them accordingly so that Umzumbe will re-claim its past glory days.

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**

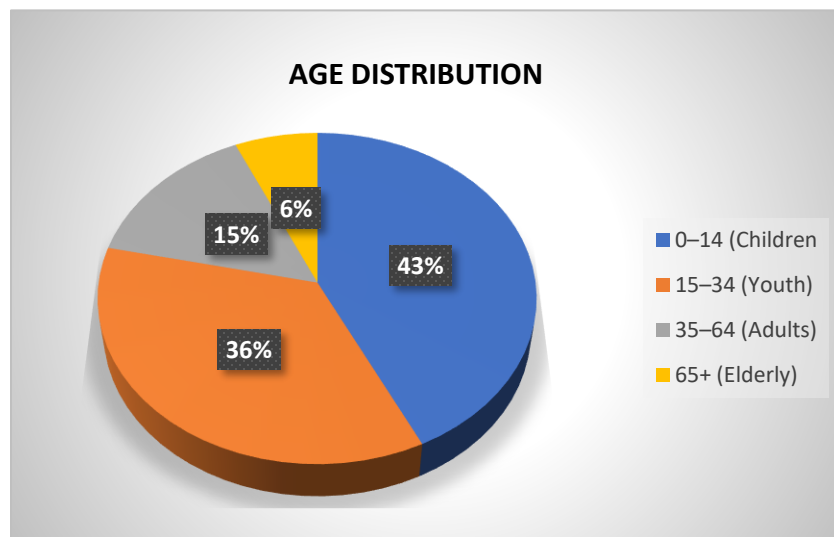
The latest 2016 community survey indicates that Umzumbe municipality's total population is 151676 people, where males account for 47.8% of the population and the female is 52.2%. The most populated ward in the municipality is ward 3 with 10094 people and ward 5 with a total population of 9517 people.

| KZN213: Umzumbe | Male  | Female | Total  |
|-----------------|-------|--------|--------|
|                 | 72501 | 79175  | 151676 |

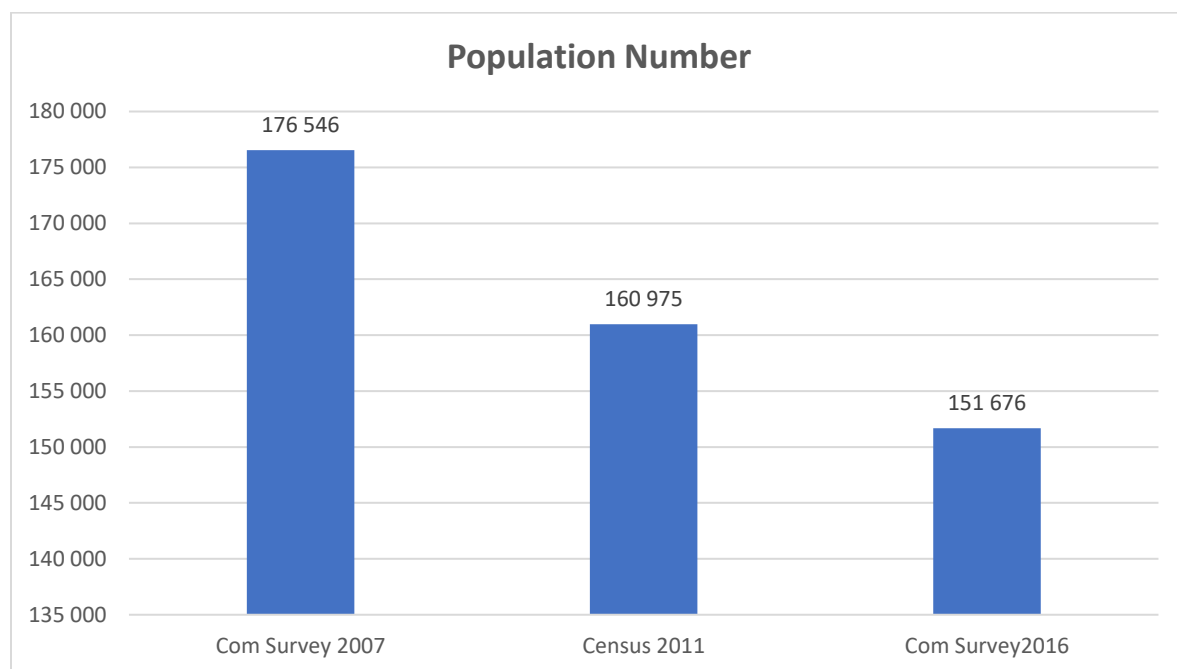
*Source: Stats SA Community Survey 2016*

| 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

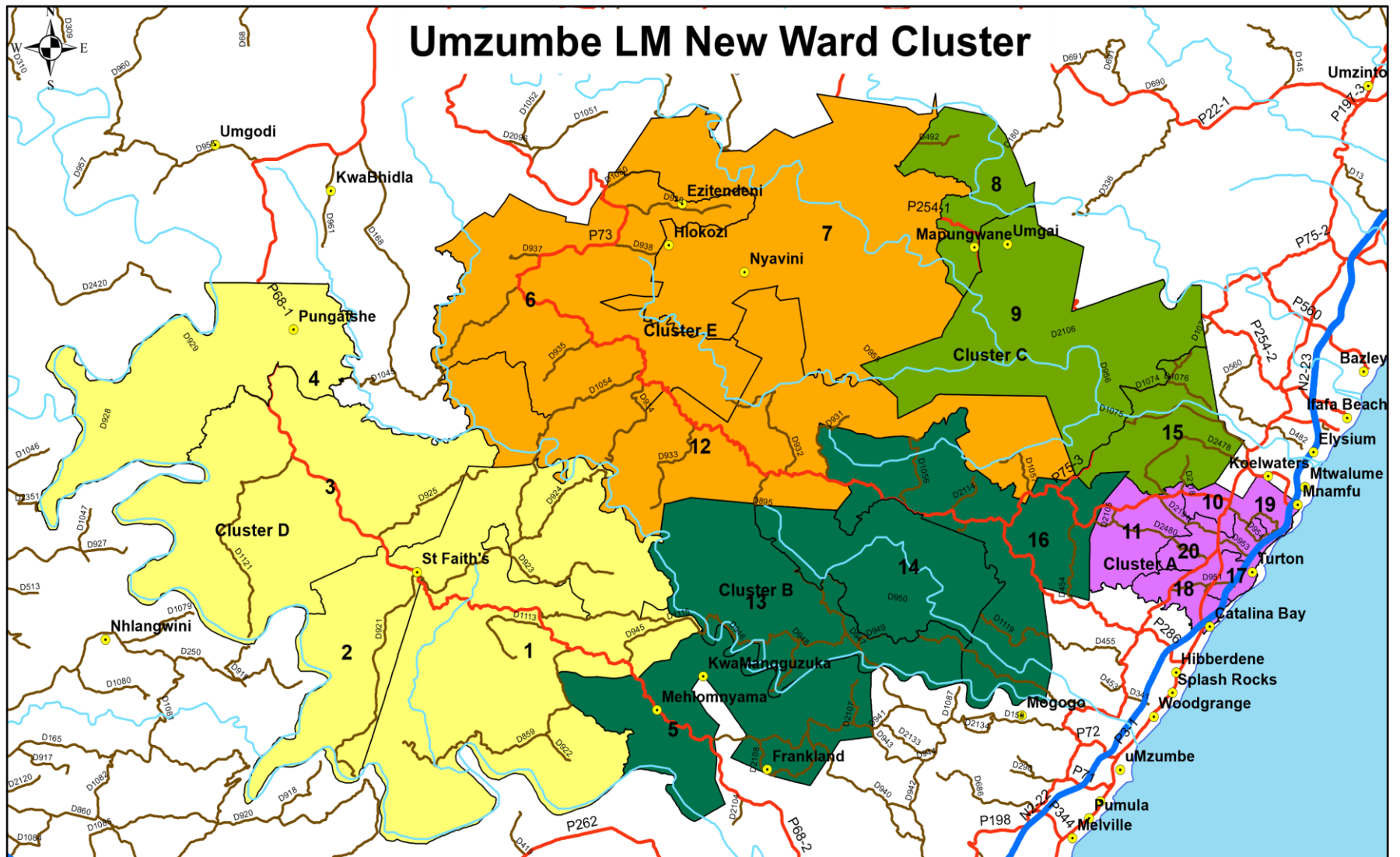


*Source: Stats SA Community Survey 2016*



*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; 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        |
| Mthalehi        | 2        |
| Oshamba         | 2        |
| Wowana          | 2        |
| Dunusa          | 2        |
| Nhlengesihle    | 2        |
| Deyi            | 2        |
| Dunuse          | 2        |
| Phongolo        | 2        |
| Goba            | 2        |
| Thembelihle     | 2        |
| Ngcengesihle    | 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: -

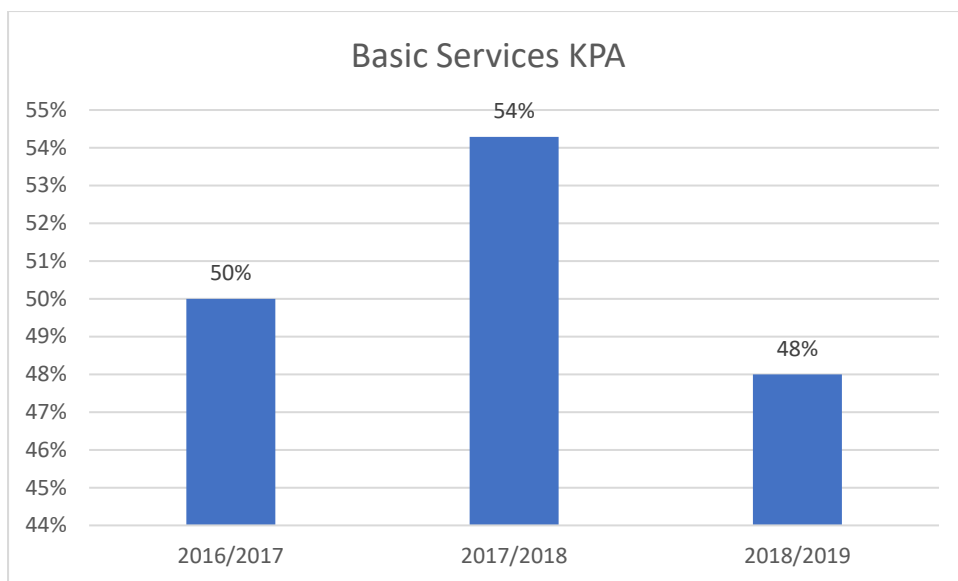
- Integrated Development Planning and Budgeting;
- Performance Management; and
- Working together with local citizens and partners

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 2018/19 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

The diagram indicates the performance of the service delivery KPA during the 2018/19 financial year when compared to the 2017/18 financial year as well as the 2016/17 financial year. The 2018/19 financial year is lower than both the previous financial year performance and indicates a need to improve performance together with recruitment of personnel to head the Technical Services Department.



The municipality 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.

## 1.4 Financial Health Overview

The municipality had a net surplus of R30 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 R181 million from the previous year to R197 million for the current year. Expenditure was monitored and evaluated against budget accordingly. In addition, all conditional grants were cash backed and 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.

### **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 annual financial statements for the financial year 2018/2019 are currently being compiled in terms of Generally Recognized Accounting Practice (GRAP) and is on target to be submitted by the 31 August deadline.

#### **Monthly Financial Reports:**

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

The monthly financial reports were prepared timeously and submitted to the Executive, Finance and MPAC Committee 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 23 January 2019.

**Annual budget:**

The annual budget for the 2019/2020 financial year was successfully compiled and adopted by council in 29 May 2019 as per the MFMA deadline with the 2018/19 Financial year budget adopted 30 May 2018. 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 detail 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 2018/2019 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 regards 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 2018/2019 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 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 transaction 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

## 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  | September - October |
| 10             | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data   |                     |
| 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             |
| <i>T 1.7.1</i> |  |                     |

## 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 Deputy 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 2018/19 financial year, Mr Bheki Dladla's contract came to an end and was replaced by Mr Zweli Zulu.


The Audit Committee comprises of the following members;



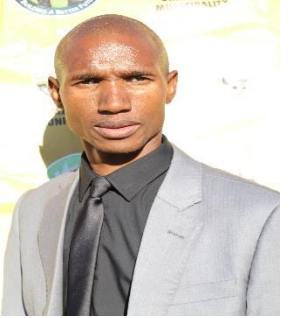
| Name of Member      | Qualifications   | Appointed |
|---------------------|--|-----------|
| Mr. Paul Preston    | <ul style="list-style-type: none"><li>• BA LLB</li><li>• ND: Road Transportation Management</li></ul>  | 2016      |
| Ms. Chantel Elliott | <ul style="list-style-type: none"><li>• B. Com (Hons), CA(SA)</li><li>• BCompt</li><li>• Postgrad Diploma: V.A.T</li><li>• Advanced Certificate: International financial Reporting standards</li></ul> | 2016      |


| Name of Member            | Qualifications   | Appointed |
|---------------------------|--|-----------|
| 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      |
| Mr. Innocent Bheki Dladla | <ul style="list-style-type: none"> <li>• Master's in Business Administration</li> <li>• Hon. Human Resources</li> <li>• B Admin Degree</li> <li>• Graduate Diploma in Mining Engineering</li> </ul>  | 2016      |
| Ms. Bongeka Jojo          | <ul style="list-style-type: none"> <li>• B Com: CA(SA)</li> </ul>  | 2016      |

## Political Governance

|  |  |   |
|--|--|---|
|  | <p><b>POLITICAL STRUCTURE</b></p> <p><b>MAYOR</b></p> <p>Vacant</p> <p>EXCO. Chair and Head<br/>FBCC and Finance<br/>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> <p><b>MFMA S54:</b></p> <ol style="list-style-type: none"> <li>Must provide general political guidance over the fiscal and financial affairs of the municipality;</li> </ol> |
|--|--|---|

|   |  |  |
|---|--|--|
|   |  | <p>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;</p> <p>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;</p> <p>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</p> <p>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.</p> |
|  | <p><b>DEPUTY MAYOR</b></p> <p>Cllr M.P.L. Zungu</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. Shozi</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> <p>a. Presides at meetings of the council.</p>   |

|   |   |   |
|---|---|---|
|    |   | <ul style="list-style-type: none"> <li>b. Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).</li> <li>c. Must ensure that the council meets at least quarterly;</li> <li>d. Must maintain orders during meetings</li> <li>e. Must ensure compliance in the council and council and council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000); and</li> <li>f. Must ensure that the council meetings are conducted in accordance with the rules and orders of the council.</li> </ul> |
|  | <p><b>EXECUTIVE COMMITTEE</b></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>   |

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|--|---|--|
|   | Cllr N.Y. Mweshe<br>Corporate Services<br>Committee portfolio | Member of Exco and Chairperson of Corporate Services Portfolio Committee.  |
|   | Cllr B.B. Luthuli   | Member of Exco and member of the Planning and LED Portfolio Committee.     |
|  | Cllr P. Zamisa Social<br>and Community<br>Services Portfolio  | Member of Exco and Chairperson of Social and Community Services Committee. |

## Council

The Municipal council comprises of 39 Councilors, 19 females and 20 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 Shionga 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.

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|  | <p><b>MUNICIPAL<br/>MANAGER</b><br/><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, 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</p> |
|--|--|--|

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|   |  | <p>interest of special groups and young people within Umzumbe.</p> <ul style="list-style-type: none"> <li>▪ <b>Internal Audit :</b> developing a flexible annual audit schedule and long-term audit plan using an appropriate risk- based methodology, in consultation with Management and for approval by the Audit Committee</li> <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><br/><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</b> and <b>Supply Chain Management</b>.</p>  |

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|   | <p><b>DIRECTOR<br/>SOCIAL<br/>DEVELOPMENT &amp;<br/>COMMUNITY SERVICES</b></p> <p><b>: Mrs ZAN<br/>Lushaba</b></p> | <p>The Department comprises of two units namely, <b>Community Services</b> and <b>Disaster Management</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<br/>CORPORATE SERVICES:</b></p> <p><b>Mr<br/>B G Nyuswa</b></p>                                     | <p>Corporate Services Department is composed of three sections. These are <b>Human Resources, Administrative Support, Legal Services, 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<br/>TECHNICAL<br/>SERVICES:</b></p> <p><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, Project Management Unit and Waste 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 Relations there are structures that have been established that involve different relevant stakeholders 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 affect 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. 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 placed at the following community facilities: Morrison Post, Mehlomanyama Police Station (ward 5), Assisi Clinic (ward 5), Ntimbankulu 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 councilor 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 Madletshe. 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), the accounting office of a municipality is responsible for managing the financial administration of the municipality and for this purpose take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent systems of risk management and internal controls.

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.

## 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.<br>b) Integrated Development Plan Forums.<br>c) Portfolio Committee.<br>d) Public Participation Strategy.<br>e) Response Committees.<br>f) Ward Structures. | a) Conduct awareness campaigns to the public.<br>b) Annual review of Integrated Development Plan.   | a) Ongoing<br>b) 30 June 2019                              |
| 2                                      | LED Growth development program                                   | Inadequate economic growth development program.                    | a) Local Economic Development Portfolio Committees and Forums.<br>b) Local Economic Development Strategy.  | a) Review Local Economic Development Strategy<br>b) Monitor and evaluation of projects<br>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.<br>b) Local Economic Development<br>c) Portfolio Committee.<br>d) Local Economic Development Strategy.<br>e) Spatial Development Framework.<br>f) Tourism Plan.                  | a) Review Local Economic Development Strategy<br>b) Develop the Tourism Strategy<br>c) Training of Local Economic Development Portfolio Committee.                          | a) 30 June 2020<br>b) 30 June 2020<br>c) 30 September 2019 |
| 4                                      | Business Support: Communication                                  | Inadequate communication with stakeholders.                        | a) Communication Strategy e.g. loud hailers, newsletters and radio slots.<br>b) Website.   | a) Conduct training on municipal employees on policies.<br>b) Review of Communication Strategy.   | a) Ongoing<br>b) 30 December 2019                          |

| NO                                     | RISK NAME                                   | RISK DISCRIPTION  | CURRENT CONTROLS   | STRATEGIES  | TARGET DATE                                      |
|--|---|---|--|---|--|
| <b>RISK ASSESSMENT MONITORING TOOL</b> |   |   |  |   |  |
| <b>OFFICE OF THE MUNICIPAL MANAGER</b> |   |   |  |   |  |
| 5                                      | Business Process: Public Participation      | Ineffective community participation and consultation.             | a) Communication and Public Participation Strategy.<br><br>b) Integrated Development Plan Forums.<br><br>c) Monthly ward committee meetings. Public meetings by mayor/speaker and deputy mayor.                | a) Acquire public participation vehicle.<br><br>b) Annual review of Participation Strategy.   | a) 30 September 2019<br><br>b) 30 September 2019 |
| 6                                      | Community Development: Development Planning | Uncoordinated developments (Illegal developments).                | a) Awareness campaigns on land use.<br>b) By- laws.<br>c) Geographic Information System (GIS).<br>d) Land use scheme.<br>e) Municipal Planning Tribunal.<br>f) Spatial Development Framework.                  | a) Conduct Land Audit.<br>b) Ongoing campaigns with Amakhosi and community on land development.   | a) 30 June 2020<br>b) Ongoing                    |
| 7                                      | Political Office Bearers: Speakers Office   | Political interference in the administration of the municipality. | a) Councillors Code of Conduct.<br>b) Councillors Training Programs.<br>c) Declaration of interest.<br>d) Municipal Public Accounts Committee.<br>e) Newsletter.   | a) Conduct councillor's training and induction.<br>b) Review Disclosure of Interest Form.<br>c) Conduct councillors training and induction. | a) Ongoing<br>b) 30 June 2019<br>c) Ongoing      |
| 8                                      | Business Support: Compliance                | Non-compliance with legislation.                                  | a) Compliance checklist.<br>b) Internal Audit Unit.<br>c) Oversight structures.<br>d) Regular Updates by Legal Section.<br>e) Reports to Treasury and<br>f) Cooperative of Governance and Traditional Affairs. | a) Regular reporting on compliance.<br>b) Submit compliance checklist quarterly to oversight structures.                                    | a) Ongoing<br>b) 30 September 2019               |

| NO                                     | RISK NAME                                       | RISK DISCRIPTION  | CURRENT CONTROLS  | STRATEGIES   | TARGET DATE   |
|--|---|---|---|--|---|
| <b>RISK ASSESSMENT MONITORING TOOL</b> |   |   |   |  |   |
| <b>OFFICE OF THE MUNICIPAL MANAGER</b> |   |   |   |  |   |
| 9                                      | Business Support: Performance Management System | Inadequate implementation of Performance Management System. | a) Development Planning Portfolio Committee.<br>b) Internal Audit Plan.<br>c) Performance Audit Committee.<br>d) Performance Management System Policy and Regulations.<br>e) Quarterly performance Reviews. | a) Develop Standard Operating Procedure for Performance Management System.<br>b) Review Performance Management System Policy.  | a) 30 June 2019<br><br>b) 30 June 2019                        |
| 10                                     | Business Support: Risk Management               | Ineffective risk management processes.                      | a) Audit Committee.<br>b) Enterprise Risk Management and Fraud Register.<br>c) Enterprise Risk Management Policy.<br>d) Oversight structures  | a) Regular reporting to oversight structure.<br>b) Review and implement the Enterprise Risk Management Policy.<br>c) Review Risk Management Committee with Terms of Reference. | a) Ongoing<br><br>b) 30 June 2020<br><br>c) 30 September 2019 |
| 11                                     | Business Support: Internal Audit                | Ineffective internal audit function.                        | a) Audit Committee Charter.<br>b) Audit Committee.<br>c) Internal Audit Charter.<br>d) Internal Audit Methodology.<br>e) Internal Audit Plan.<br>f) Municipal Public Accounts Committee.                    | a) Collaborate with other municipalities for training of internal audit staff.<br>b) Municipal Manager enforce Consequence Management for non-implementation.                  | a) Ongoing<br><br>b) 30 September 2019                        |

| NO                                     | RISK NAME                                 | RISK DISCRIPTION   | CURRENT CONTROLS   | STRATEGIES  | TARGET DATE   |
|--|---|--|--|---|---|
| <b>RISK ASSESSMENT MONITORING TOOL</b> |   |  |  |   |   |
| <b>COPORATE SERVICES DEPARTMENT</b>    |   |  |  |   |   |
| 1                                      | People:<br>Occupational Health and Safety | Non implementation of Occupational Health and Safety Programs. | a) Health and Safety Committee.<br>b) Human Resource Officer.<br>c) Occupational Health and Safety Plan.<br>d) Occupational Health and Safety Policy.<br>e) Workman's Compensation.  | a) Make budget provision to conduct an Occupation Health Safety Assessment.<br>b) Engage with traditional leadership to obtain authority to erect the fence.<br>c) Review a Health and Safe Plan.<br>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<br>b) Political Office Bearers Vehicle Policy<br>c) Service Plan  | a) Implement Service Level Agreement with mechanics<br>b) Review the fleet management policy to include plant<br>c) Review the political office bearers' vehicles   | a) 31 December 2019<br>b) 31 December 2019<br>c) 31 December 2019       |
| 3                                      | Fleet Management: Maintenance             | Abuse of municipal fleet.                                      | a) Branding of Vehicles.<br>b) Code of Conduct<br>c) Disciplinary Code.<br>d) Driver testing in-house.<br>e) Fleet Management Policy.<br>f) Monthly Fleet Management Reports to Top MANCO.<br>g) Tracking Device.<br>h) Trip Authorisation and Log Books.<br>I) Vehicle Inspection Form.<br>j) Vehicle Inspection Sheet. | a) Conduct awareness on Fleet Management Policy.<br>b) Conduct advance driving training (Political office bearers' staff)<br>c) Review Fleet Management Policy to make sure Consequence Management.<br>d) Implementation of the Fleet Management Policy.                              | a) Ongoing<br>b) Ongoing<br>c) 31 December 2019<br>d) 30 September 2019 |

| NO                                     | RISK NAME                         | RISK DISCRIPTION                                     | CURRENT CONTROLS   | STRATEGIES   | TARGET DATE                             |
|--|-----------------------------------|--|--|--|---|
| <b>RISK ASSESSMENT MONITORING TOOL</b> |                                   |  |  |  |   |
| <b>COPORATE SERVICES DEPARTMENT</b>    |                                   |  |  |  |   |
| 4                                      | Fleet Management: Administration  | Inadequate monitoring of log books and garage cards  | a) Fleet Management Policy<br>b) Monthly Reports to Top MANCO.<br>c) Trip Authorisation and Log Books.<br>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<br><br>b) Skills Retention Policy<br><br>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.<br>b) Audit Trails.<br>c) Human Resource Policy.<br>d) Leave Policy.<br>e) Political support staff.<br>f) Recruitment and selection policy.<br>g) Reference and Qualification Checks.<br>h) Verification of candidates | a) Review and implement the Political Support staff Policy.<br>b) Review and implement the Recruitment and Selection Policy. | a) 30 July 2019<br>b) 30 September 2019 |
| 7                                      | People: Leave Management          | Ineffective management of leave.                     | a) Attendance Register.<br>b) Electronic Leave Management System.<br>c) Human Resource Policy.<br>d) Leave Policy.<br>e) Monthly Leave Reports.<br>f) Pre-approval of leave forms.<br>g) Transponder System.                                     | a) Conduct Leave Audit.  | a) 30 September 2019                    |
| 8                                      | People: Overtime Management       | Abuse of overtime.                                   | a) Human Resource Policy.<br>b) Human Resource Policy.<br>c) Leave Policy.<br>d) Overtime Form   | Management to monitor existing controls  |   |

| NO                                     | RISK NAME                                     | RISK DISCRIPTION  | CURRENT CONTROLS  | STRATEGIES   | TARGET DATE   |
|--|---|---|---|--|---|
| <b>RISK ASSESSMENT MONITORING TOOL</b> |   |   |   |  |   |
| <b>COPORATE SERVICES DEPARTMENT</b>    |   |   |   |  |   |
| 9                                      | Business Support: Training                    | Inadequate training of municipal staff and councillors. | a) 1% Skills Development Leavy by Local Government Sector Education Training.<br>b) Skills Audit Forms.<br>c) Training Committee.<br>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.<br>b) File Plan.<br>c) Filing Cabinets.<br>d) Filing Strong Room.<br>e) Filing Systems.<br>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.<br>b) Registry Plan.  | Management to monitor controls   |   |
| 12                                     | Business Process: Legal Services              | Escalated litigation against the municipality.          | a) Code of Conduct.<br>b) Communication Strategy.<br>c) Litigation Minimisation Strategy.<br>d) Supply Chain Management Policy.   | a) Workshop officials/ councillors on Communication Strategy and Litigation.<br>b) Review the Litigation Minimisation Strategy.<br>c) Review the Communication Strategy. | a) 31 December 2019<br>b) 30 September 2019<br>c) 30 September 2019 |
| 13                                     | Business Support: Insurance                   | Inadequate insurance coverage of assets.                | a) Asset Register<br>b) Asset Register.<br>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 secretariats 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.<br>b) Indigent Policy.<br>c) Indigent Register.<br>d) Ward Committees.  | a) Research on the system that will assist to update the indigent register.<br><br>b) Review of Indigent Register.<br><br>c) Research on the system that will assist to update the indigent register.           | a) Ongoing<br><br>b) 30 September 2019<br><br>c) Ongoing   |
| 2                                      | Community Services: Disaster Management. | Inability to respond in case of fires and accidents | a) Disaster Advisory Forums.<br>b) Disaster Management Act.<br>c) Disaster Management Plan.<br>d) Disaster volunteers.<br>e) Fire Fighting Strategy.<br>f) Fire truck<br>g) Fire truck.<br>h) Incident disaster relief.<br>I) skid unit<br>j) Vehicle Disaster Management | a) acquire full equipped skid unit.<br>b) Review Fire Fighting Strategy.<br>c) Make budget provision to acquire GPS.<br>d) Make budget provision to acquire Global Positioning System.<br>e) Acquire skid unit. | a) 30 September 2019<br>b) 30 September 2019<br>c) 30 March 2020<br><br>d) 30 March 2020<br><br>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.<br>b) Monitoring and Reporting.<br>c) Monthly and Quarterly Reports to Treasury.<br>d) Municipal Information System Reports.   | Management to monitor the risk  |   |
| 2                                      | Infrastructure: Project Implementation          | Delays in implementation of projects.                      | a) Approved Business Plans.<br>b) Bid Committees.<br>c) Energy Master Plan.<br>d) Fixed Contracts.<br>e) Housing Sector Plan.<br>f) Implementation Plan.<br>g) Infrastructure Master Plan.<br>h) Monthly Progress Report.<br>I) Ward Committees.<br>j) Weekly Departmental Programs. | a) Regular meetings with Inter Governmental Relations.<br><br>b) Strengthens consultation processes with traditional authorities.<br><br>c) Local community made aware of projects and policies.<br><br>d) Monthly meetings with Inter Governmental Relations.<br><br>e) Strengthen consultation processes with traditional authorities.<br><br>f) Formulation of roster and a plan for BID committees. | Ongoing<br><br>Ongoing<br><br>Ongoing<br>Monthly<br><br>Ongoing<br><br>31 December 2019 |
| 3                                      | Community Development: Housing Provision        | Unavailability of land for housing development.            | a) Housing Sector Plan.<br>b) Land Use Scheme.<br>c) Valuation Roll.   | a) Engagement with Rural Development in relation to Land rights.<br>b) Conduct Land Audit.  | a) Ongoing<br><br>b) 30 June 2020   |
| 4                                      | Infrastructure: Maintenance.                    | Inadequate maintenance of infrastructure after completion. | a) Maintenance Plan.<br>b) Plant and equipment.<br>c) Reports to Infrastructure Portfolio Committee.   | a) Transfer of roads to Department of Transport.<br>b) Review of Infrastructure Maintenance Plan.   | a) 30 September 2019<br><br>b) 30 September 2019  |

| NO                                     | RISK NAME   | RISK DISCRIPTION                             | CONTROLS DISCRIPTION   | STRATEGIES  | TARGET DATE                                      |
|--|---|--|--|---|--|
| <b>RISK ASSESSMENT MONITORING TOOL</b> |   |  |  |   |  |
| <b>TECHNICAL SERVICES</b>              |   |  |  |   |  |
| 5                                      | Waste Management: Programs                                | Ineffective waste management programs.       | a) Contracted refuse removal personnel.<br>b) Integrated Waste Management Plan.<br>c) Service-Level Agreement (SLA) for Waste Collection.<br>c) Skip bins.   | a) Implement the Integrated Waste Management Plan.<br>b) Make budget provision for skip bins<br>c) Conduct awareness campaigns on Waste Management. | a) Ongoing<br><br>b) 30 March 2020<br>c) Ongoing |
| 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<br>b) Communication Strategy.<br>c) Long outstanding orders are reviewed.<br>d) Procurement Plan<br>e) Supply Chain Management Policy and Procedures (Verification of goods supplied)                 | a) Conduct Supply Chain Management awareness on municipal officials.<br><br>b) Implementation of the 7-day rule (request 7 days before)             | a) 30 September 2019<br><br>b) Ongoing           |
| 2                                      | Financial Management: Supply Chain Management Tenders     | Irregular awarding of tenders.               | a) Fraud Prevention Plan.<br>b) Internal Audit Reports.<br>c) Reports Quarterly to Council on Expenditure.<br>d) Supply Chain Management Policy and Procedures.<br>e) Supply Chain Management Committees<br>f) Whistle Blowing Hot Line. | a) Quarterly report of the implementation of Supply Chain Management Policy.<br><br>b) Irregular expenditure reporting to Audit Committee/MPAC      | a) Ongoing<br><br>b) 30 September 2019           |

| NO                                     | RISK NAME   | RISK DISCRIPTION   | CONTROLS DISCRIPTION  | STRATEGIES   | TARGET DATE                                      |
|--|---|--|---|--|--|
| <b>RISK ASSESSMENT MONITORING TOOL</b> |   |  |   |  |  |
| <b>TECHNICAL SERVICES</b>              |   |  |   |  |  |
| 3                                      | Supply Chain Management: Supplier Database                | Doing business with employees of the state.                    | a) Central Supplier Database.<br>b) Central Supplier Database.<br>c) Declaration of Interest Forms.<br>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.<br>b) Supply Chain Management Policy and Procedures.<br>c) Supply Chain Management Policy and Procedures. | a) Conduct Supply Chain Management awareness.<br>b) Conduct research and monitoring of user specifications.<br>c) Develop and adopt Contract Management Framework. | a) Ongoing<br>b) Ongoing<br>c) 30 September 2019 |
| 5                                      | Supply Chain Management: Quotations/Price List            | Inflating of prices by service providers.                      | a) BID evaluations.<br>b) Price negotiation.<br>c) Supply Chain Management Policy and Procedures.<br>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<br><br>b) Budget Policy<br><br>c) Revenue Generation Strategy  | a) Strictly monitor the SDBIP<br><br>b) Review revenue generation strategy   | a) Ongoing<br><br>b) 30 September 2019           |

| NO                                     | RISK NAME   | RISK DISCRIPTION   | CONTROLS DISCRIPTION  | STRATEGIES   | TARGET DATE                             |
|--|---|--|---|--|---|
| <b>RISK ASSESSMENT MONITORING TOOL</b> |   |  |   |  |   |
| <b>TECHNICAL SERVICES</b>              |   |  |   |  |   |
| 7                                      | Financial Management: Revenue and Debt Management | Inability to collect debts owed to the municipality.                               | a) Inability to collect debts owed to the municipality.<br>b) Credit and Debt Collection Policy.<br>c) Credit Control and Debt Collection Policy.<br>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.<br>b) Reports to Cooperative Governance and Traditional Affairs.  | a) Conduct Land Audit.<br>b) Develop/review Service Level Agreement with Valuers.  | a) 30 June 2020<br>b) 30 September 2019 |
| 9                                      | Financial Management: Asset Management            | Poor safeguarding of municipal assets.   | a) Annual Asset Verification.<br>b) Asset Inventory Sheet.<br>c) Asset Management Policy.<br>d) Asset Register.<br>e) Dedicated Asset Officer.<br>f) Security caretakers locks.         | a) Conduct ongoing awareness on Asset Management Policy.<br>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.<br>b) Code of Conduct.<br>c) Furniture Policy   | a) Review and workshop policies to all municipal officials.<br>b) Implement Consequence Management.                            | a) 30 June 2020<br>b) Ongoing           |
| 11                                     | Financial Management: Salaries                    | Late payments of salaries to employees.  | a) Business Continuity Plan.<br>b) Cut-off dates.<br>c) Human Resource Policy.  | a) Review business continuity plan to incorporate financial system off-site.   | a) 30 September 2019                    |

| NO                                     | RISK NAME   | RISK DISCRPTION                                  | CONTROLS DISCRPTION  | STRATEGIES   | TARGET DATE                                  |
|--|---|--|--|--|--|
| <b>RISK ASSESSMENT MONITORING TOOL</b> |   |  |  |  |  |
| <b>TECHNICAL SERVICES</b>              |   |  |  |  |  |
| 12                                     | Financial Management:<br>Creditors                          | Failure to pay service providers within 30 days. | a) Invoice Register.<br>b) Irregular Expenditure Policy and Register.<br>c) Monthly Reconciliation.<br>d) Procurement Plan.<br>e) Supplier Awareness Campaigns | a) Ensure compliance to the 30-day Policy and regular reporting.<br>b) Review of the Irregular Expenditure Policy. | a) 30 September 2019<br>b) 30 September 2019 |
| 13                                     | Financial Management:<br>Expenditure<br>Management Salaries | Incorrect payment of salaries.                   | a) Monthly Reconciliations.<br>b) Payroll Cut-off Schedule.<br>c) Payroll Reviews.   | a) Ensure compliance with payroll cut-off schedule   | Ongoing                                      |

## 2.7 Anti-Corruption and Fraud , Whistle blowers 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 Risk Register and 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 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 Gazzeted by the municipality with the aim to institutionalize SPLUMA Principles across the entire municipality. There were no bylaws adopted by council during the 2018/19 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      | 1-Apr-2019 & 10-Jun-2019 |
| All current budget-related policies   | Yes      | 10-Jun-19                |
| The previous annual report (Year -1)  | Yes      | 12-Apr-18                |
| The annual report (Year 0) published/to be published  | No       | 24-Jan-19                |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards                 | Yes      | 10-Jul-18                |
| 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

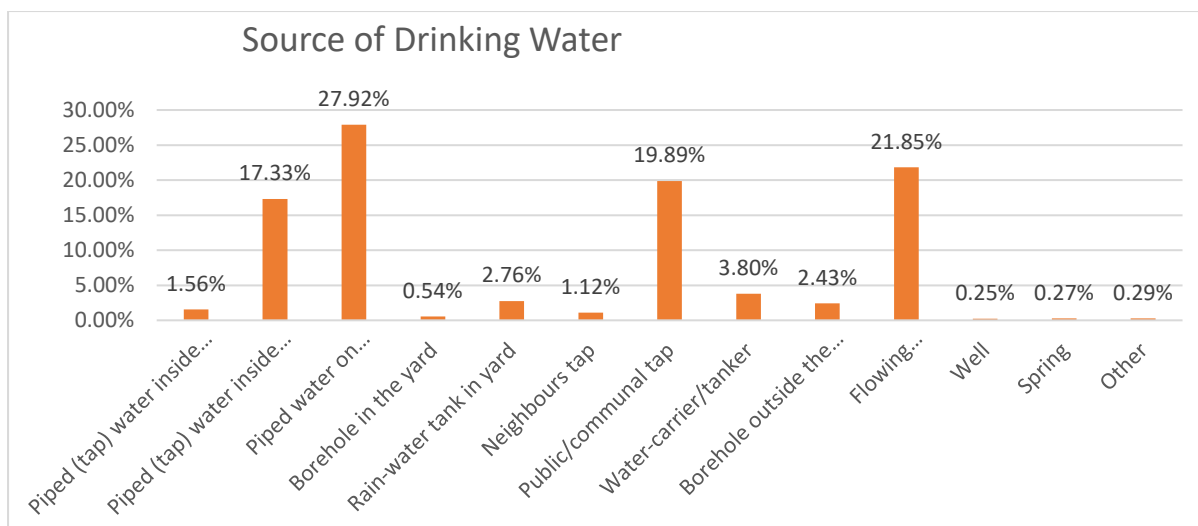
##### 3.1 Water Provision

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%      |



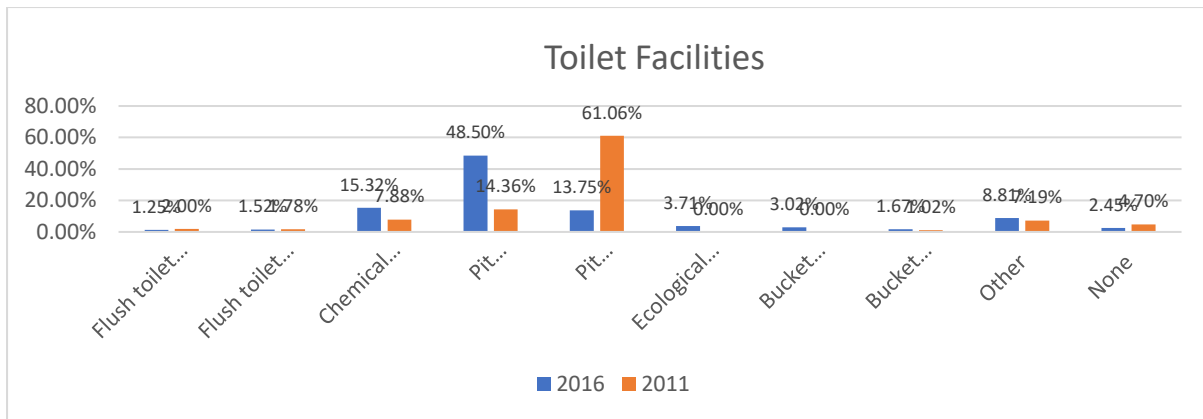
**Source: Stats SA Community Survey 2016**

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 report indicated that 19130 households out of 28132 households are currently serviced with electricity with the backlog currently 9002 households.

Table indicating performance for the 2018/19 and 2017/18 financial years

| Electricity Service Policy Objectives Taken From IDP           |   |                         |        |                       |                       |        |
|--|---|-------------------------|--------|-----------------------|-----------------------|--------|
| Service Objectives<br><br><i>Service Indicators</i><br><br>(i) | Outline Service Targets<br><br><br>(ii)         | Year -1                 |        | Year 0                |                       |        |
|  |   | Target                  | Actual | Target                |                       | Actual |
|  |   | *Previous Year<br>(iii) | (iv)   | *Previous Year<br>(v) | *Current Year<br>(vi) | (vii)  |
| Service Objective xxx  |   |                         |        |                       |                       |        |
| Universal Access to Basic Services                             | Electrification of households and Street lights | 400                     | 324    | 324                   | 547                   | 450    |
|  |   |                         |        |                       |                       |        |

Table indicating dedicated personnel responsible for electricity services in the 2018/19 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 2018/19 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  | 5809571 | 13495571          | 12304023           | 53%                           |                     |
| Mthwalume: Phase 1: 150 Households Connected     | 4955000 | 4955000           | 3670237            | -35%                          | 3670237             |
| Magwaza Phase 2: 397 households connected        | 854571  | 8540571           | 8633787            | 90%                           | 8633787             |
|  |         |                   |                    |                               |                     |

### 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 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        | TBC       | Budget constraints                       |
| Waste Management Unit            | TBC       | Consultation phase                       |
| Awareness campaigns              | All Wards | In progress                              |
| Street swiping                   | All Wards | In progress                              |

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 five 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     |

The Unit had an annual target of conducting 200 collections and was able to collect a total of 300 collections during the 2018/19 financial year.

**Table indicating Solid Waste services Delivery Levels during the 2018/19 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 2018/19 financial year

| Waste Management Service Policy Objectives Taken From IDP  |                                     |                         |        |                       |                       |        |
|--|-------------------------------------|-------------------------|--------|-----------------------|-----------------------|--------|
| Service Objectives<br><br><i>Service Indicators</i><br>(i) | Outline Service Targets<br><br>(ii) | Year -1                 |        | Year 0                |                       |        |
|  |                                     | Target                  | Actual | Target                |                       | Actual |
|  |                                     | *Previous Year<br>(iii) | (iv)   | *Previous Year<br>(v) | *Current Year<br>(vi) | (vii)  |
| Universal Access to Basic Services                         | Solid Waste / Refuse removals       | 200                     | 206    | 200                   | 300                   | 300    |
|  |                                     |                         |        |                       |                       |        |

Table indicating Waste Management Employees during the 2018/19 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                                      | 1         | 1      | 0         | 1                                | 100%                              |
| 4 - 6                                      | 1         | 1      | 1         | 0                                | 0%                                |
| 7 - 9                                      | 10        | 10     | 10        | 0                                | 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                                      | 12        | 11     | 11        | 0                                | 0%                                |

**Table indicating Waste Management Expenditure during the 2018/19 financial year**

| <b>Capital Expenditure Year 0: Waste Management 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  | 290000        | 290000                   | 146863                    | -97%                                 |                            |
| Solid Waste Collection                                       | R 290 000.00  | R 290 000.00             | R 146 863.09              | -97%                                 | 146863                     |
|  |               |                          |                           |                                      |                            |

### 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 plan indicates the municipal backlog currently at 10 762 households.

As of year-end 2018/19 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.

The municipality commenced processes towards the construction of Umzumbe Cluster B Phase 2 housing project. The image below indicates the constructed houses under Cluster B (Ward 14, 16, 05) project areas.



**Photo: Umzumbe Cluster B Housing Project**

**Table indicating Percentage of Households in receipt of Housing during the 2018/19 financial year**

| Percentage of households with access to basic housing |  |                                  |   |
|---|--|----------------------------------|---|
| Year end  | Total households<br>(including in formal and informal settlements) | Households in formal settlements | Percentage of HHs in formal settlements |
| Year -3   | 3818   | 3818                             | 100.0%                                  |
| Year -2   | 3000   | 3000                             | 100.0%                                  |
| Year -1   | 2000   | 2000                             | 100.0%                                  |
| Year 0  | 1000   | 1000                             | 100.0%                                  |

Table indicating Strategic objectives and financial year comparisons of the 2018/19 financial year

| Housing Service Policy Objectives Taken From IDP               |  |                         |        |                       |                       |        |
|--|--|-------------------------|--------|-----------------------|-----------------------|--------|
| Service Objectives<br><br><i>Service Indicators</i><br><br>(i) | Outline Service Targets<br><br>(ii)                              | Year 0                  |        | Year 1                |                       |        |
|  |  | Target                  | Actual | Target                |                       | Actual |
|  |  | *Previous Year<br>(iii) | (iv)   | *Previous Year<br>(v) | *Current Year<br>(vi) | (vii)  |
| Service Objective  |  |                         |        |                       |                       |        |
| Universal Access to Basic Services                             | Facilitation and project management of rural housing development | 380                     |        | 380                   | 172                   | 172    |
|  |  |                         |        |                       |                       |        |

Table indicating Human Settlements Unit employees during the 2018/19 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 200 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 2018/19 financial year:

| Strategic Objectives   | Strategies   | Project Name            | Annual Target 2017/18   | Annual Actual 2017/18 | Annual Target 2018/19                              | Annual Actual 2018/19      |
|--|--|-------------------------|---|-----------------------|--|----------------------------|
| 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       | Provide School Uniform to 2400 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       | 200 Households                                     | Target Achieved            |
| Universal Access to Basic Services                             | Provision of Free Basic Electricity                      | Free Electricity Tokens | Provide 4000 indigent households with Electiricty Token (Monthly) | Target not Achieved   | 4 Reports on Tokens Distributed                    | Target Achieved            |
| Improve food security and create employment opportunities      | Support Agricultural and Poverty Alleviation initiatives | Gel Provision           | Provide Gel and Stoves to 200 Households                          | Target Achieved       | Provide Gel & Stoves to 300 Households             | Target Achieved            |
| Improve food security and create employment opportunities      | Support Agricultural and Poverty Alleviation initiatives | Indigent support        | 4 Indigent support reports  | Target Achieved       | Indigent support                                   | 4 Indigent 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 Investment 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.

Plant Acquired during the 2018/19 Financial Year

- Water Tanker

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

| Project Name                     | Annual Target   | Annual Actual       | Expenditure   |
|----------------------------------|---|---------------------|---------------|
| Ncazolo Access Road              | Construct 2,5 kms of subbase layer (Ncazolo Access Road)- Phase1  | Target not Achieved | R9 310 414.86 |
| Mthiniomile Access Road          | Construct 2.9 kms of new access road<br>Mthiniowomile Access Road | Target Achieved     | R2 435 126.83 |
| Mevana Access Road               | Construct 2.1km of new access roads                               | Target not Achieved | R0            |
| Mkhize Access Road               | One new bridge constructed  | Target not Achieved | R0            |
| Mpelazwe Access Road             | One new bride constructed   | Target not Achieved | R163 990.50   |
| Ncapheni Access Road             | Construct 0.75km of new access road                               | Target Achieved     | R2 049 888,50 |
| LLTC                             | 1 Concept Design Developed  | Target not Achieved | R0            |
| Ndumakude Sportfield constructed | Construction  | Target not Achieved | R0            |
| Roads Mainitenece                | 8 Km maintained   | Target Met 14 km    | R2 668 565.10 |



**Photo: Ncazolo Access Road ward 07**

**Table indicating Gravelled Road Infrastructure during the 2018/19 financial year**

| Gravel Road Infrastructure |                    |                              |                              |  |
|----------------------------|--------------------|------------------------------|------------------------------|--|
|                            | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Kilometres<br>Gravel roads graded/maintained |
| Year -2                    | 178                | 8                            |                              | 125  |
| Year -1                    | 185                | 10                           |                              | 164  |
| Year 0                     | 192                | 7                            |                              | 209  |

**Table indicating Tarred Road Infrastructure during the 2018/19 financial year**

| Tarred Road Infrastructure |                    |               |                              |                               |                                    |
|----------------------------|--------------------|---------------|------------------------------|-------------------------------|------------------------------------|
|                            | Total tarred roads | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Kilometres<br>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<br><br><i>Service Indicators</i><br><br>(i) | Outline Service Targets<br><br>(ii)                 | Year -1                 |        | Year 0                |                       |        |
|  |   | Target                  | Actual | Target                |                       | Actual |
|  |   | *Previous Year<br>(iii) | (iv)   | *Previous Year<br>(v) | *Current Year<br>(vi) | (vii)  |
| Service Objective xxx  |   |                         |        |                       |                       |        |
| 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 2018/19 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                    | 2         | 0      | 0         | 0                                | #DIV/0!                           |
| 4 - 6                    | 3         | 1      | 3         | 1                                | 100%                              |
| 7 - 9                    | 1         | 0      | 1         | 0                                | #DIV/0!                           |
| 10 - 12                  | 10        | 2      | 9         | 1                                | 50%                               |
| 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                    | 0         | 0      | 0         | 0                                | #DIV/0!                           |

### 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 |                           |                         |                              | Kilometres                     |
|---------------------------|---------------------------|-------------------------|------------------------------|--------------------------------|
|                           | Total Stormwater measures | New stormwater measures | Stormwater measures upgraded | Stormwater measures maintained |
| Year -2                   | 0                         | 1.0                     | 0.2                          | 0.1                            |
| Year -1                   | 0                         | 0.3                     | 0.3                          | 0.1                            |
| Year 0                    | 20                        | 7.0                     | 5.0                          | 3.0                            |

**Table indicating Stormwater Infrastructure during the 2018/19 financial year**

| Employees: Stormwater 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                          | 1         | 1      | 1         | 0                                | 0%                                |
| 10 - 12                        | 8         | 10     | 8         | 2                                | 20%                               |

|         |   |   |   |   |         |
|---------|---|---|---|---|---------|
| 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   | 0 | 0 | 0 | 0 | #DIV/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.

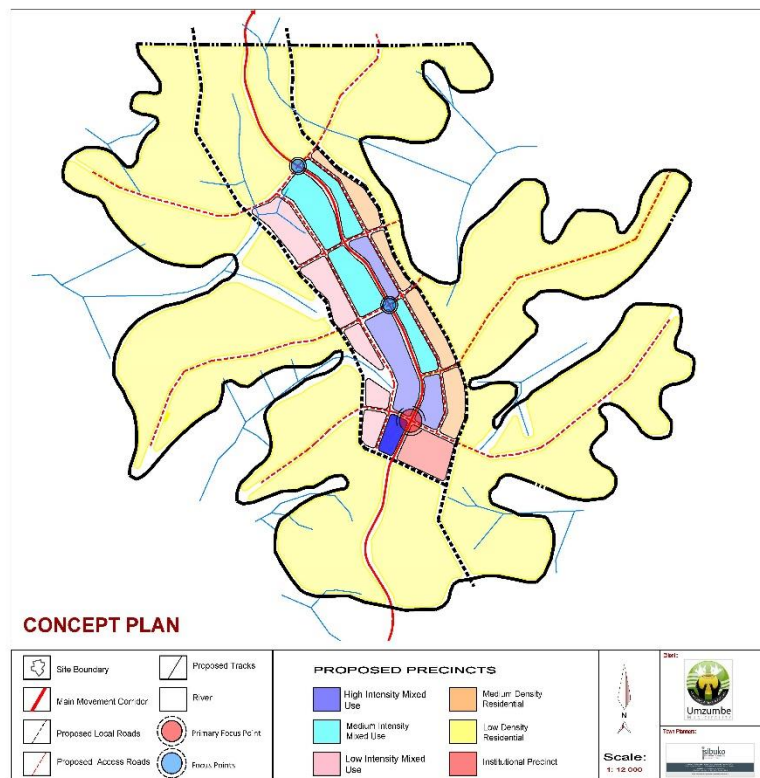
The Umzumbe wall-to-wall scheme will assist the municipality in:

- 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.

The Development Planning Unit with the assistance of Isibuko se Africa Development Planners commenced and completed the KwaPhungashe Local Area Plan. The plan was is identified as secondary node by the municipal SDF as an area which has potential growth and improved service delivery.



### KwaPhungashe Local Area Plan Map

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 to conduct a Land Audit, to assist the municipality in obtaining up-to-date information on land ownership. The scattered settlements and rugged terrain also make it difficult for densification. The high rate of unemployment within the municipality poses a challenge for economic development.

### 3.10 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 2018 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 2018/19 financial year.

A total of five mayoral Izimbizo were held between October and November 2018, within and around the municipality taking a clustered approach in the participation of the community. Councillor S.R Ngcobo gave report backs on completed projects to the community, and on the planned projects from the previous financial year.



**Photo: Community Participation**

The IDP /budget roadshows were conducted between March and April 2019, where the Mayor presented the Annual Budget and planned projects for the 2019/20 financial year.

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 2018/19 financial year**

| Capital Expenditure Year 0: Planning Services |         |                   |                    |                               |                     |
|---|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000  |         |                   |                    |                               |                     |
| Capital Projects                              | Year 0  |                   |                    |                               |                     |
|   | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                     | 2800000 | 2654760           | 587053             | -377%                         |                     |
| Phungashe Local Area                          | 600000  | 554760            | 387493             | -55%                          | 387493              |
| Umzumbe IDP                                   | 200000  | 200000            | 199560             | 0%                            | 199560              |
| Umzumbe Land Audit                            | 2000000 | 1900000           | 0                  | 0%                            | 0                   |

**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<br/>(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><br><b>%</b>         |
| 0 - 3                               | 1                | 1             | 1                | 0  | 0%                                |
| 4 - 6                               | 3                | 3             | 3                | 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                               | 4                | 4             | 4                | 0  | 0%                                |

Table indicating total number of applications received in the 2018/19 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<br><br><i>Service Indicators</i><br><br>(i)                 | Outline Service Targets<br><br><br>(ii)                         | Year -1                 |        | Year 0                |                       |        |
|  |   | Target                  | Actual | Target                |                       | Actual |
|  |   | *Previous Year<br>(iii) | (iv)   | *Previous Year<br>(v) | *Current Year<br>(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.



**Photo: Ntelezi Msane Commemoration Event ward 10**



**Photo: Ntelezi Msane Commemoration Event ward 10**

The other tourism areas within Umzumbe Municipality are the Msikazi Mountain, Sipofu Mountain, Umthwalume Mission Cluster, Sivivane Sika Shaka, Prophet Isaiah Shembe's Mission Centre, Gobela Arts and Crafts Centre, Turton Beach, Itshe la Maria Stone, Source of Umthwalume river, Initiation of Traditional Healers Place, KwaNdelu Landscape, Bhakumesiya (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 2018/19 Financial Year the LED unit was able to achieve its annual target of 5 New SMME's to be placed under the Incubator programme, with all 5 SMME's were provided with inputs. The programme has in the past provided inputs for Steel works, manufacturing, block making and Catering equipment.

### **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 2018/19 Financial year.

### **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 achieved during the 2018/19 financial year.

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 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 5 Community gardens were supplied with inputs and gardens equipment.

### **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 2018/19 financial year target was to host 2 heritage celebration events i.e. Isisivivane sika Shaka and Ntelezi Msane. The events were both conducted in the 4<sup>th</sup> quarter.



**Photo: Isisivivane sika Shaka**

**Table indicating total number of EPWP jobs created in the 2018/19 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                                    | 4                    | 52  |
| Year -1                                    | 3                    | 68  |
| Year 0                                     | 5                    | 100                                       |

Table indicates the Local Economic Development Unit Employee structure for the 2018/19 financial year

| Employees: Local Economic Development Services |           |        |           |                                  |                                   |
|--|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level                                      | Year -1   | Year 0 |           |                                  |                                   |
|  | Employees | Posts  | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|  | No.       | No.    | No.       | No.                              | %                                 |
| 0 - 3  | 1         | 1      | 1         | 0                                | 0%                                |
| 4 - 6  | 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 2018/19 financial year

| Capital Expenditure Year 0: Economic Development Services |         |                   |                    |                               |                     |
|---|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000  |         |                   |                    |                               |                     |
| Capital Projects  | Year 0  |                   |                    |                               |                     |
|   | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All   | 2250000 | 2250000           | 1068130            | -111%                         |                     |
| KwaPhungashe Renovations                                  | 200000  | 200000            | 163350             | -22%                          | 163350              |
| Arts & Crats Development                                  | 350000  | 350000            | 208487             | -68%                          | 208487              |
| SMME Incubation   | 900000  | 900000            | 597793             | -51%                          | 597793              |
| Co-ops Incubation   | 800000  | 800000            | 98500              | -712%                         | 98500               |

## 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.



**Photo: Mnafu Hall ward 19**



**Photo: Rossetenville ward 14**

Table indicating total number of employees under the cemeteries unit during the 2018/19 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                                  | 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%                                |

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

| Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP |   |                          |                 |                          |                       |        |
|---|---|--------------------------|-----------------|--------------------------|-----------------------|--------|
| Service Objectives<br><br><i>Service Indicators</i><br><br>(i)            | Outline Service Targets<br><br><br>(ii) | Year -1                  |                 | Year 0                   |                       |        |
|   |   | Target                   | Actual          | Target                   |                       | Actual |
|   |   | *Previous Year<br>(iii)  | (iv)            | *Previous Year<br>(v)    | *Current Year<br>(vi) | (vii)  |
| Service Objective xxx   |   |                          |                 |                          |                       |        |
| Support and protect the rights of vulnerable groups in the society        | implement Child programmes              | 2400 vulnerable children | 2400            | 2400 vulnerable children | R2 400                |        |
|   | implement Senior Citizens programmes    | Golden Games             | Target Achieved | Golden Games             | Target Achieved       |        |
|   | Roll out HIV/AIDS programmes            | Ward Aids Campaign       | Target Achieved | Ward Aids Campaign       | Target Achieved       |        |
|   | Roll out Disability programmes          | Disability Day           | Target Achieved | Disability Day           | Target Achieved       |        |

## Component E: Environmental Protection

### 3.13 Bio-diversity, landscape (Incl. Open Spaces): and Other (EG Costal 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. The Indigent register is currently being reviewed. 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 2018/19 financial year:

| Project Name                    | Programme Description  | Annual Target   | Annual Actual   |
|---------------------------------|--|---|-----------------|
| Dress a child Campaign          | School campaign to provide uniform for 2400 identified indigent learners | Provide School Uniform to 2400 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 Achieved |
| Cooking gel and stove Provision | Free Alternative Energy  | Provide cooking gel and stove to 300 Households per Quarter   | Target Achieved |
| Indigent support                | 4 indigent support reports were compiled.                                | 4 Indigent support reports  | Target Achieved |

### 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**

Thirteen (13) awareness campaigns were conducted in the 2018/2019 financial year. There were eight (8) fire awareness campaigns conducted by the fire-fighting section that relate for fire issues. These are conducted mainly in schools and meetings of different stakeholders. There also were five (5) 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. Special meeting was convened to discuss the major incident that took place around April where Umzumbe experienced heavy rainfall and had roads and houses affected. This year the section held 4 Stakeholders Advisory Forums. 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.

### **Trainings/Capacity Building**

The training was conducted for the volunteers on disaster management. This covered mainly the work that they perform on daily bases and to understand what the disaster management office does. These are volunteers that receive only just stipend, the only contribution that Umzumbe can have is to capacitate them in the field of their interest (Disaster Management) 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 with the Technical Services Department 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 2017, 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 community protests which lead to disruptions in municipal operation.

The following sporting events were conducted by the Youth Development Unit together with the Sport Confederation Committee during the 2018/19 financial year.

- Mayoral Cup Finals Sunday 16, June 2019 at Gidela Sport fields in Ward 06
- SALGA Games held on 06-09 December 2018 at Harry Gwala Stadium in Pietermaritzburg.

The Community Services unit achieved their annual target by maintaining sports fields through grass cutting of 72 sports fields from the planned 60.

The National Golden Games were held in the Free State Province, with the Provincial Games hosted by the Ugu District. The Image below indicates the Soccer Team as well as Volleyball team which represented Umzumbe LM in the games.



**Photo: Umzumbe Senior Citizens Soccer team**



**Photo: Umzumbe Senior Citizens Volleyball team**

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.



**Photo: Mfundo Lushaba Marathon**

### 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 is one programme assisting pupils from all high schools on career subject selection. The event was held on the 07 February 2019 at the Sibani Community Hall in ward 10. They 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.



**Photo: Career Subject Selection Seminar Sibani Community Hall**

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                           | 0         | 0      | 0         | 0                                | 0%                                |
| 7 - 9                           | 0         | 0      | 0         | 0                                | 0%                                |
| 10 - 12                         | 2         | 2      | 2         | 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<br><br><i>Service Indicators</i><br><br>(i)     | Outline Service Targets<br><br>(ii) | Year -1                 |                 | Year 0                |                       |          |
|  |                                     | Target                  | Actual          | Target                |                       | Actual   |
|  |                                     | *Previous Year<br>(iii) | (iv)            | *Previous Year<br>(v) | *Current Year<br>(vi) | (vii)    |
| Service Objective xxx  |                                     |                         |                 |                       |                       |          |
| Support and protect the rights of vulnerable groups in the society | implementation of Youth Programmes  | Mayoral Cup Games       | Target Achieved | Mayoral Cup Games     | Target Achieved       | Achieved |
|  |                                     | Beach Games             | Target Achieved | Beach Games           | Target Achieved       | Achieved |
|  |                                     | SALGA Games             | Target Achieved | SALGA                 | Target Achieved       | 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 2018/19 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      | 3         | 0                                | 0%                                |
| 4 - 6                         | 13        | 13     | 13        | 0                                | 0%                                |
| 7 - 9                         | 1         | 1      | 1         | 1                                | 100%                              |
| 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                         | 17        | 17     | 17        | 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

**Table Indicating the Vacancy Rate for the 2018/19 financial year**

| <b>Vacancy Rate: Year 0</b>                                       |                              |  |   |
|---|------------------------------|--|---|
| <b>Designations</b>   | <b>*Total Approved Posts</b> | <b>*Vacancies (Total time that vacancies exist using fulltime equivalents)</b> | <b>*Vacancies (as a proportion of total posts in each category)</b> |
|   | <b>No.</b>                   | <b>No.</b>   | <b>%</b>  |
| Municipal Manager   | 1                            | 0  | 0.00  |
| CFO   | 1                            | 0  | 0.00  |
| Other S57 Managers (excluding Finance Posts)                      | 3                            | 3  | 100.00  |
| Other S57 Managers (Finance posts)                                | 0                            | 0  | #DIV/0!   |
| Police officers   | 0                            | 0  | #DIV/0!   |
| Fire fighters   | 2                            | 0  | 0.00  |
| Senior management: Levels 13-15 (excluding Finance Posts)         | 9                            | 0  | 0.00  |
| Senior management: Levels 13-15 (Finance posts)                   | 4                            | 0  | 0.00  |
| Highly skilled supervision: levels 9-12 (excluding Finance posts) | 0                            | 0  | #DIV/0!   |
| Highly skilled supervision: levels 9-12 (Finance posts)           |                              |  | #DIV/0!   |
| <b>Total</b>  | <b>20</b>                    | <b>3</b>   | <b>15.00</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 must 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.

We have virtualised our servers and a new server was procured for replication in order to ensure that the backups are done efficiently and effectively and the restore is done with minimum disruption of the services. The Replication server will be hosted at the Ugu DM's Server Room

The network has been upgraded on all the Offices from CAT5 to CAT6 and all the switches are now POE's. We have also increased the number of Wireless Access Points for more availability of WiFi.

In the next Financial Year, we shall be finished with the Youth Centre installation at the Eluphepheni Education Centre.

- 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.

Table Indicating total employees within the IT Unit during the 2018/19 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                   | 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 total cost on Financial Performance during the 2018/19 financial year

| Financial Performance Year 0: ICT Services |          |                 |                   |        |                    |
|--|----------|-----------------|-------------------|--------|--------------------|
| R'000                                      |          |                 |                   |        |                    |
| Details                                    | Year - 1 | Year 0          |                   |        |                    |
|  | Actual   | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| <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 2018/19 financial year**

| Capital Expenditure Year 0: ICT Services |        |                   |                    |                               |                     |
|--|--------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                         | Year 0 |                   |                    |                               |                     |
|  | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                | 900    | 900               | 680                | -32%                          |                     |
| Computer Equipment and Software          | 900    | 900               | 680                | -32%                          | 900                 |
|  |        |                   |                    |                               |                     |
|  |        |                   |                    |                               |                     |

Component K: Organizational Performance Scorecard

| 2018/2019 FINANCIAL YEAR                               |                               |  |   |  |                          |                                 |  |  |  |        |                               |   |  |                                  |  |  |  |                         |
|--|-------------------------------|--|---|--|--------------------------|---------------------------------|--|--|--|--------|-------------------------------|---|--|----------------------------------|--|--|--|-------------------------|
| UMZUMBE ANNUAL PERFORMANCE REPORT                      |                               |  |   |  |                          |                                 |  |  |  |        |                               |   |  |                                  |  |  |  |                         |
| IDP Ref  | NATIONAL KEY PERFORMANCE AREA | OBJECTIVE                              | STRATEGY  | PROJECT  | WARD                     | BASELINE / STATUS QUO           | KPI MEASURE  | PREVIOUS AND CURRENT YEAR COMPARISON                                       |  |        |                               |   |  | Status (Achieved / Not Achieved) | Reasons for deviation  | Measures taken to improve performance  | PORTFOLIO OF EVIDENCE  | RESPONSIBLE DEPT & UNIT |
|  |                               |  |   |  |                          |                                 |  | CURRENT YEAR   |  |        |                               |   |  |                                  |  |  |  |                         |
|  |                               |  |   |  |                          |                                 |  | 2017/18 (Target)   | 2017/18 (ACTUAL)   | DEMAND | BACKLOG                       | 2018/19 (TARGET)  | 2018/19 (ACTUAL)   |                                  |  |  |  |                         |
| Municipal Transformation and Institutional Development |                               |  |   |  |                          |                                 |  |  |  |        |                               |   |  |                                  |  |  |  |                         |
|  |                               | Effective and Efficient Human Resource | Review of the Organogram                                  | Organogram   | Internal                 | Adopted Organogram              | Date Adopted Organogram                                      | Review and Adopt Organogram 30 June 2018                                   | Target Not Achieved.   | 1      | 1                             | Review and Adopt Organogram 30 June 2019  | Target not met: Draft reviewed Organogram and has been recommended to Council by LLF.  | Not Achieved                     | Organogram finalised early June but there was no Council meeting in June.  | Organogram to be adopted by end of Q1 19/20 FY   | Council Resolution & Organogram  | Corporate Services      |
|  |                               |  |   |  |                          |                                 |  | N/A  | N/A  |        |                               | N/A   | N/A  |                                  |  |  |  |                         |
|  |                               |  | Staff recruitment and selection (filling of vacant posts) | Recruitment and Selection                          | Internal                 | 15 posts filled                 | Number of vacant posts filled                                | Fill Vacant Posts: 13  | Target Met: 22 employees appointed   | 4      | 0                             | Fill Vacant Posts: 04   | Target Met: 16 Employees appointed   | Achieved                         | N/A  | N/A  | Q1-Q4: Appointment Letters   | Corporate Services      |
|  |                               |  |   | 10 positions for Unemployed Graduates              | Internal                 | 10                              | Number   | 10 positions for Unemployed Graduates                                      | Target Met: 10 unemployed graduates appointed  | 10     | 10                            | 10 positions for Unemployed Graduates   | Target not achieved  | Not Achieved                     | Households visit could not be done by end of June because of other business commitments the pannel was faced with. | Appointment to be done by 31 July 2019   | Appointment Letters  | Corporate Services      |
|  |                               |  |   |  |                          |                                 |  |  | N/A  |        |                               |   | N/A  |                                  |  |  |  |                         |
|  |                               |  | Capacity Building and Training of Workforce               | Workplace skills plan                              | Internal                 | 20                              | Number of Employees trained                                  | Employee Training: 31  | Target Met: 68 employees trained   | 33     | 0                             | Employee Training: 33   | Target Met: 49 employees trained   | Not Achieved                     | N/A  | N/A  | Proof of Registration, Attendance register, Invoices, and Certificates | Corporate Services      |
|  |                               |  |   |  |                          |                                 |  | R550 000   | R 0.00   |        |                               | R360 000  | R700 198   |                                  |  |  |  |                         |
|  |                               |  |   | Internal   | Adopted WSP              | Date Adopted WSP                | Workplace Skills Plan  | Target Met: WSP was adopted and sent to LGSeta                             | 1  | 0      | 2019/20 Workplace Skills Plan | Target Met: WSP adopted and submitted to LGSets on 30 April 2019                      | Achieved   | N/A                              | N/A  | Q1: Report, Q2: Topmanco Resolution, Q3: Report Q4-Council Resolution & Letter of Acknowledgement of receipt | Corporate Services   |                         |
|  |                               |  |   |  |                          |                                 |  | N/A  |  |        |                               | N/A   |  |                                  |  |  |  |                         |
|  |                               |  | Skills Development (Councillors and staff)                | Internal   | 34                       | Number of Councillors trained   | 39 ward Councillors trained                                  | 39 Councillors trained   | 39   | 29     | 39 ward Councillors trained   | Target Not Met: 10 Councillors trained  | Not Achieved   | N/A                              | N/A  | Proof of Payment & Attendance Registers  | Corporate Services   |                         |
|  |                               |  |   |  |                          |                                 | R 0.00   |  |  |        | R 360 500.00                  | R28 000   |  |                                  |  |  |  |                         |
|  |                               |  | Capacity Building and Training of Councillors             | Induction  | Internal                 | 3 report for inducted employees | Number of new staff inducted within 2 weeks of assuming duty | Staff induction (Induct 11 new employees )                                 | Target Met: 31 employees inducted. Target over achieved due to induction of posts from resigned employees  | 4      | 0                             | Staff induction (Induct 4 new employees )   | Target Met: 6 Employees inducted   | Achieved                         | N/A  | N/A  | Q1-Q4: Attendance Registers  | Corporate Services      |
|  |                               |  |   |  |                          |                                 |  |  | N/A  |        |                               |   | N/A  |                                  |  |  |  |                         |
|  |                               |  | Employment Equity Reports                                 | Internal   | Employment Equity Report | Number                          | Employment Equity Reports                                    | Target Met: Employment Equity report developed and sent to Dept of Labour. | 1  | 0      | Employment Equity Reports     | Target Met: Employment Equity Report submitted to Dept of Labour on 15th January 2019 | Achieved   | N/A                              | N/A  | Letter of acknowledgement & EXCO Resolution  | Corporate Services   |                         |
|  |                               |  | Review of Policies  | Employee Transfer Policy by 31 March 2019          | Internal                 | New Policy                      | Date   | N/A  | N/A  | 1      | 1                             | Employee Transfer Policy by 31 March 2019   | Target not met: Draft Policy Developed but awaiting Council adoption                   | Not Achieved                     | Development of Policy finalised when Councillors were on recess  | Adoption by Council to happen by end of Q1 of 19/20 FY   | Q2-Topmanco Resolution and Q3-Council Resolution                       | Corporate Services      |
|  |                               |  |   | Reviewed Records Management Policy by 30 June 2018 | Internal                 | 2013/2014 Policy                | Date   | Reviewed Records Management Policy by 30 June 2018                         | Target not Met: Draft Records Management Policy was finalised at the beginning of Q4 and sent to Dept of Arts & Culture (Archives section) for inputs. | 1      | 1                             | Reviewed Records Management Policy by 30 June 2019                                    | Target not met: Draft Records Management Policy reviewed but awaiting Council adoption | Not Achieved                     | Development of Policy finalised when Councillors were on recess  | Adoption by Council to happen by end of Q1 of 19/20 FY   | Q3-Topmanco Resolution and Q4-Council Resolution                       | Corporate Services      |
|  |                               |  |   | Adopted PMS Policy by 30 June 2019                 | Internal                 | New Policy                      | Date   | N/A  | N/A  | 1      | 1                             | Adopted PMS Policy by 30 June 2019  | Target not achieved  | Not Achieved                     | Could not find Service provider who meets suitably relevant requirement as a result.                               | Policy to be developed in 19/20 FY   | Q3-Topmanco Resolution and Q4-Council Resolution                       | Corporate Services      |
|  |                               |  |   |  |                          |                                 |  |  |  |        |                               | R 50 000.00   | R 0.00   |                                  |  |  |  |                         |
|  |                               |  | Formulating and review of policies and plans              | ICT Strategy                                       | Internal                 | ICT Governance Framework 2016   | Date Developed ICT Strategy Adopted                          | Review of ICT Strategy by 30 June 2018                                     | Target Met: ICT Strategy adopted   | 1      | 1                             | Review of ICT Strategy by 30 June 2019  | Target not met: Draft ICT Strategy reviewed awaiting Council adoption                  | Not Achieved                     | Reviewal of Policy concluded when Councillors were on recess   | Adoption by Council to happen by end of Q1 of 19/20 FY   | Q3-Topmanco Resolution and Q4-Council Resolution                       | Corporate Services      |
|  |                               |  |   |  |                          |                                 |  | N/A  | N/A  |        |                               | N/A   | N/A  |                                  |  |  |  |                         |

| 2018/2019 FINANCIAL YEAR          |  |   |  |   |  |   |  |  |  |  |   |  |   |  |   |  |   |                             |                    |
|-----------------------------------|--|---|--|---|--|---|--|--|--|--|---|--|---|--|---|--|---|-----------------------------|--------------------|
| UMZUMBE ANNUAL PERFORMANCE REPORT |  |   |  |   |  |   |  |  |  |  |   |  |   |  |   |  |   |                             |                    |
| IDP Ref                           | NATIONAL KEY PERFORMANCE AREA                        | OBJECTIVE   | STRATEGY   | PROJECT   | WARD   | BASELINE / STATUS QUO   | KPI MEASURE  | PREVIOUS AND CURRENT YEAR COMPARISON   |  |  |   |  |   | Status (Achieved / Not Achieved)                               | Reasons for deviation                                       | Measures taken to improve performance                  | PORTFOLIO OF EVIDENCE   | RESPONSIBLE DEPT & UNIT     |                    |
|                                   |  |   |  |   |  |   |  | CURRENT YEAR   |  |  |   |  |   |  |   |  |   |                             |                    |
|                                   |  |   |  |   |  |   |  | 2017/18 (Target)   | 2017/18 (ACTUAL)                         | DEMAND   | BACKLOG   | 2018/19 (TARGET)   | 2018/19 (ACTUAL)  |  |   |  |   |                             |                    |
| 1                                 | Municipal Transformation & Institutional Development | Improved Information and Communication Technology | Formulating and review of policies and plans       | Review of ICT Policy                              | Internal   | 2018 Policy   | Date   | Review of ICT Policy   | Target Met: ICT Policy adopted           | 1  | 1   | Review of ICT Policy by 31 March 2019  | Target not met: ICT Policy reviewed awaiting Council adoption   | Not Achieved   | Reviewal of Policy concluded when Councilors were on recess | Adoption by Council to happen by end of Q1 of 19/20 FY | Q1-Topmanco Resolution and Q3- Council Resolution                                 | Corporate Services          |                    |
|                                   |  |   |  | Computer software licensing                       | Internal   | 6 licenses  | Number of Licenses acquired  | Software Licensing (10 Licenses)   | Target Met: 13 software licences renewed | 14   | 0   | Software Licensing (12 Licenses)   | Target Met: 14 Software licences renewed (An amount of R 452 970.15 was paid for Sage Evolution and Caseware from MSIG) | Achieved   | N/A   | N/A  | Q1-Q4 Purchase Order and ICT Asset Register                                       | Corporate Services          |                    |
|                                   |  |   | R 350 000.00                                       |   |  |   |  | R 399 391.57   | R 450 000.00                             | R 1 106 953.48   |   |  |   |  |   |  |   |                             |                    |
|                                   |  |   | Municipal website                                  | All   | New website published  | Number of updates for website content                         | Website Upgrade 31 December 2017   | Target not met: Service provider appointed and website upgrade has been discussed at TOPMANCO but further inputs were needed | 1  | 0  | Website Maintenance 30 June 2019  | Target Met: Website maintained in December 2019  | Achieved  | N/A  | N/A   | GRN  | Office of the Municipal Manager / Communications Mayorality and Youth Development |                             |                    |
|                                   |  |   |  |   |  |   | R 75 000.00  | R 65 000.00  |  |  |   |  |   |  |   |  |   |                             |                    |
|                                   |  |   | 2016 Upgrade                                       | Internal  | 2016 Upgrade   | Date  | Outlook Upgrade  | Target Met: Outlook upgraded   | 1  | 0  | Outlook Upgrade   | Target Met: Outlook Upgrade done in September 2018 and in February 2019 (It was split because of the budget) | Achieved  | N/A  | N/A   | GRN  | Corporate Services  |                             |                    |
|                                   |  |   |  |   |  |   | R 100 000.00   | R 144 528.00   | R 100 000.00                             | R 160 087.66   |   |  |   |  |   |  |   |                             |                    |
|                                   |  |   | Network Infrastructure Upgrade by 31 December 2017 | Internal  | New Project  | Date  | Network Infrastructure Upgrade by 31 December 2017                             | Target Met: Network infrastructure upgraded  | 1  | 0  | Network Infrastructure Upgrade by 31 December 2018  | Target not Met: Network Infrastructure Upgraded in Dec 2018  | Not Achieved  | Appointment of service provider delayed                        | Procurement to be done in 19/20FY                           | GRN  | Corporate Services  |                             |                    |
|                                   |  |   |  |   |  |   | R 150 000.00   | R 140 300.00   | R 700 000.00                             | R00  |   |  |   |  |   |  |   |                             |                    |
|                                   |  |   | Internet Installation (Youth Centres)              | 2 Wards   | New Project  | Number of Youth Centres installed with internet               | Youth Centres ( Install 1 x Youth Centre)                                      | Target not Met: Identification of site done and MOU has been signed.   | 1  | 1  | Youth Centres ( Install 1 x Youth Centre)   | Target not Met:  | Not Achieved  | Appointment of service provider delayed                        | Procurement to be done in 19/20FY                           | GRN  | Corporate Services/IT Section   |                             |                    |
|                                   |  |   |  |   |  |   | R 100 000  | N/A  | R 50 000                                 | R 0.00   |   |  |   |  |   |  |   |                             |                    |
|                                   |  |   | Computer Equipment Maintenance                     | Internal  | On-going   | Number  | Computer Equipment Maintenance   | Target Met: 15 computers maintained  | 4  | 0  | 4 Reports on Computer Equipment Maintenance   | Target Met: 4 reports on Computer Equipment Maintenance compiled   | Achieved  | N/A  | N/A   | Q1-Q4: Maintenance Contract and GRN                    | Corporate Services  |                             |                    |
|                                   |  | R 105 000.00                                      |  |   |  |   | R 28 277.14  | R 103 500.00   | R 58 567.90                              |  |   |  |   |  |   |  |   |                             |                    |
|                                   |  | Computer equipment acquisition                    | Internal   | 21 Desktops, 52 Laptops, 55 Printers              | Number of Laptops, Desktops and other computer related equipment's | Procurement of computer equipment (laptops/desktops/printers) | Target Met: 55 laptops, 12 printers Overhead projector and 8 desktops procured | 1  | 0  | Procurement of computer equipment (laptops/desktops/printer s) | Target Met: 1 X Projector, 1 x Network Switch, 8 x Laptops, 13 x Desktops, 11 x Printers and 2 x D-Link Switches procured | Achieved   | N/A   | N/A  | Q1-Q2: GRN  | Corporate Services                                     |   |                             |                    |
|                                   |  |   |  |   |  | R 453 000.00  | R 352 930.62   | R 550 000.00   | R 518 500.82                             |  |   |  |   |  |   |  |   |                             |                    |
|                                   |  | Backup Generator                                  | Internal   | New Project                                       | Date   | N/A   | N/A  | 1  | 1  | Backup Generator   | Target not met: Development of document done but procurement not yet finalised.   | Not Achieved   | Procurement processes delayed to be concluded   | Procurement to be done in 19/20FY                              | Appointment Letter and GRN                                  | Corporate Services                                     |   |                             |                    |
|                                   |  |   |  |   |  | N/A   | N/A  | R 800 000.00   | N/A                                      |  |   |  |   |  |   |  |   |                             |                    |
|                                   |  | Backup Generator's Shelter                        | Internal   | New Project                                       | Number   | N/A   | N/A  | 1  | 0  | Backup Generator's Shelter                                     | Target not met: Development of document done but procurement not yet finalised.   | Not Achieved   | Procurement processes delayed to be concluded   | Procurement to be done in 19/20FY                              | GRN   | Corporate Services                                     |   |                             |                    |
|                                   |  |   |  |   |  | N/A   | N/A  | R 100 000.00   | N/A                                      |  |   |  |   |  |   |  |   |                             |                    |
|                                   |  | Administration and General Management             |  | Construction and Maintenance of Municipal Offices | 4 Monitor Security reports   | Internal  | 4 Reports  | number   | N/A                                      | N/A  | 4   | 0  | 4 Monitor Security reports  | Target Met: 4 reports on security monitoring compiled          | Achieved  | N/A  | N/A   | Q1-Q4: TopManco Resolution  | Corporate Services |
|                                   |  |   |  |   |  |   |  |  | N/A                                      | N/A  |   |  |   |  |   |  |   |                             |                    |
|                                   |  |   |  |   | Office Building Maintenance: 2 (Reports)                           | 10  | 2  | Number   | Office Building Maintenance: 2           | Target met: Two Municipal offices maintained                   | 2   | 0  | Office Building Maintenance: 2 (Reports)  | Target Met: 4 reports on building maintenance compiled         | Achieved  | N/A  | N/A   | Q1 - Q4: GRN                | Corporate Services |
|                                   |  |   |  |   |  |   |  |  | R 200 000.00                             | N/A  | R 300 000.00  | R46 165  |   |  |   |  |   |                             |                    |
|                                   |  |   |  |   | Office Building Maintenance: 2                                     | 10  | New project  | Date   | N/A                                      | N/A  | 2   | 0  | Office Building Maintenance: 2  | Target Met: Tiling of offices done                             | Achieved  | N/A  | N/A   | Q1-Q4: Top MANCO Resolution | Corporate Services |
| N/A                               | N/A  |   |  |   |  |   |  |  | R 200 000.00                             | R 103 000  |   |  |   |  |   |  |   |                             |                    |
| Acquisition of Fleet: Vehicles    | Procurement of Municipal Fleet                       |   |  | Internal  | 4 vehicle  | Number of vehicles procured                                   | Fleet Procurement: 1 Tractor   | Target Met: 2 tractors maintained  | 1  | 1  | Fleet Procurement: 1 Tractor  | Target not met   | Not Achieved  | Development of document done but procurement not get finalised | To be done 2019/20 FY                                       | Q2: 4 Log Books, Q3: 2 Log Books                       | Corporate Services  |                             |                    |
|                                   |  |   |  |   |  |   | R 850 000  | R 619 822.00   | R 450 000                                | R 0.00   |   |  |   |  |   |  |   |                             |                    |

| 2018/2019 FINANCIAL YEAR          |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|-----------------------------------|-------------------------------|------------------|---------------------------------|-------------------------------|----------|-----------------------|-----------------------------|--------------------------------------|-------------------------------------|--------------|---------|-------------------------------|---|----------------------------------|-------------------------------|---|---|-------------------------|--|
| UMZUMBE ANNUAL PERFORMANCE REPORT |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
| IDP Ref                           | NATIONAL KEY PERFORMANCE AREA | OBJECTIVE        | STRATEGY                        | PROJECT                       | WARD     | BASELINE / STATUS QUO | KPI MEASURE                 | PREVIOUS AND CURRENT YEAR COMPARISON |                                     |              |         |                               |   | Status (Achieved / Not Achieved) | Reasons for deviation         | Measures taken to improve performance           | PORTFOLIO OF EVIDENCE                   | RESPONSIBLE DEPT & UNIT |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     | CURRENT YEAR |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             | 2017/18 (Target)                     | 2017/18 (ACTUAL)                    | DEMAND       | BACKLOG | 2018/19 (TARGET)              | 2018/19 (ACTUAL)  |                                  |                               |   |   |                         |  |
|                                   |                               | Fleet management | Maintenance of Municipal Assets | Fleet Procurement: 5 Vehicles | Internal | 14                    | Number of vehicles procured | Fleet Procurement: 5 Vehicles        | Target not Met: 3 vehicles procured | 5            | 5       | Fleet Procurement: 5 Vehicles | Target not met: 1 Vehicle procured through trade in. Development of document for other vehicles done but procurement not yet finalised. | Not Achieved                     | Procurement processes delayed | Procurement to be done by end of Q1 in 19/20 FY | Q1: Appointment letter<br>Q2: Log books | Corporate Services      |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
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|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
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|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
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|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
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|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
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|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |
|                                   |                               |                  |                                 |                               |          |                       |                             |                                      |                                     |              |         |                               |   |                                  |                               |   |   |                         |  |

| 2018/2019 FINANCIAL YEAR                   |                               |                                      |  |  |   |                                     |   |  |  |              |         |   |   |   |   |   |  |   |
|--|-------------------------------|--------------------------------------|--|--|---|-------------------------------------|---|--|--|--------------|---------|---|---|---|---|---|--|---|
| UMZUMBE ANNUAL PERFORMANCE REPORT          |                               |                                      |  |  |   |                                     |   |  |  |              |         |   |   |   |   |   |  |   |
| IDP Ref                                    | NATIONAL KEY PERFORMANCE AREA | OBJECTIVE                            | STRATEGY   | PROJECT  | WARD  | BASELINE / STATUS QUO               | KPI MEASURE   | PREVIOUS AND CURRENT YEAR COMPARISON             |  |              |         |   |   | Status (Achieved / Not Achieved)  | Reasons for deviation   | Measures taken to improve performance   | PORTFOLIO OF EVIDENCE  | RESPONSIBLE DEPT & UNIT   |
|  |                               |                                      |  |  |   |                                     |   |  |  | CURRENT YEAR |         |   |   |   |   |   |  |   |
|  |                               |                                      |  |  |   |                                     |   | 2017/18 (Target)                                 | 2017/18 (ACTUAL)   | DEMAND       | BACKLOG | 2018/19 (TARGET)                              | 2018/19 (ACTUAL)  |   |   |   |  |   |
|  |                               | Legal Compliance and Risk Management | Legal compliance and management                      | Discipline at workplace: Work Reports            | Internal  | Number                              | Number  | Discipline at workplace: Work Reports            | Target Met: 4 Discipline at workplace reports adopted by Manco | 4            | 0       | Discipline at workplace: Work Reports         | Target met: 4 reports on discipline at workplace compiled                         | Achieved  | N/A   | N/A   | Q1-Q4: TOP MANCO Resolution  | Corporate Services  |
|  |                               |                                      |  |  |   |                                     |   | N/A  | N/A  |              |         | N/A   | N/A   |   |   |   |  |   |
|  |                               |                                      |  | Compliance Checklist Reports: 4                  | Internal  | 2016/2017 Compliance Checklist      | Number  | Compliance Checklist Reports: 4                  | Target achieved: 4 reports submitted to TOP MANCO              | 4            | 2       | Compliance Checklist Reports: 4               | Target not Achieved: 2 out of 4 Reports done                                      | Not Achieved  | TOPMANCO didn't not sit as arranged   | Project moved to Legal Services   | Q1-Q4: Top Resolutions   | Office of the Municipal Manager   |
|  |                               |                                      |  |  |   |                                     |   | N/A  | N/A  |              |         | N/A   |   |   |   |   |  |   |
|  |                               |                                      |  | Risk Management Policy Review by 30 June 2019    | Internal  | New Policy                          | Date  | N/A  | N/A  | 1            | 1       | Risk Management Policy Review by 30 June 2019 | Target not met: The policy was reviewed but was not taken to council for adoption | Not Achieved  | Staff shortage within the unit.   | The policy will be submitted in the next sitting of the council.  | Council Resolution   | Office of the Municipal Manager/ Internal Audit                                       |
|  |                               |                                      |  |  |   |                                     |   | N/A  | N/A  |              |         | N/A   |   |   |   |   |  |   |
|  |                               |                                      |  | 4 Risk Management monitoring reports             | Internal  | New                                 | Number  | N/A  | N/A  | 4            | 4       | 4 Risk Management monitoring reports          | Target not met  | Not Achieved  | a) The internal audit unit is understaffed and there is staff turnover rate.<br>b) There is also no functioning risk management committee in place    | a) The risk management committee to be appointed.<br>b) FMG intern be assigned to the IA unit.                                | Council Resolution   | Office of the Municipal Manager/ Internal Audit                                       |
|  |                               |                                      |  |  |   |                                     |   | N/A  | N/A  |              |         | N/A   | N/A   |   |   |   |  |   |
|  |                               |                                      |  | Risk Register by 30 September 2017               | Internal  | 2016/2017 Register                  | Date  | Risk Register by 30 September 2017               | Target Achieved: Risk Register adopted by council              | 1            | 1       | Risk Register by 30 September 2018            | Target not Met  | Not Achieved  |   |   | Q1: Council Resolution   | Office of the Municipal Manager/ Internal Audit                                       |
|  |                               |                                      |  |  |   |                                     |   | N/A  | N/A  |              |         | N/A   | N/A   |   |   |   |  |   |
|  |                               |                                      |  | PMS Framework Policy                             | Internal  | 2015/2016 PMS Policy                | Date  | PMS Framework Policy                             | Target achieved. PMS Policy                                    | 1            | 0       | PMS Framework Policy 30 June 2019             | Target met  | Achieved  | N/A   | N/A   | Q3-Q4: Council Resolution  | Office of the Municipal Manager / Development Planning and Local Economic Development |
|  |                               |                                      |  |  |   |                                     |   | N/A  | N/A  |              |         | N/A   | N/A   |   |   |   |  |   |
|  |                               |                                      |  | Quarterly reviews                                | All   | 4 quarterly reviews                 | Number of quarterly reviews conducted                                 | 4 QUARTERLY REVIEWS                              | Target Met: 4 Quarterly Reviews conducted                      | 4            | 0       | 4 QUARTERLY REVIEWS                           | Target Met  | Achieved  | N/A   | N/A   | Q1-Q4: Attendance Register and Minutes   | Office of the Municipal Manager / Development Planning and Local Economic Development |
|  |                               |                                      |  |  |   |                                     |   | R80 000  | R 37 145.00  |              |         | R88 400                                       | R 106 550.00  |   |   |   |  |   |
|  |                               |                                      |  | Annual Performance Report 2013/2014              | N/A   | Annual Performance Report 2013/2014 | Date Completed Annual Performance Report submitted to Auditor General | 2016/2017 APR                                    | Target Met : 2016/17 APR adopted and submitted to COGTA & AG   | 1            | 0       | 2017/2018 APR                                 | Target Met  | Achieved  | N/A   | N/A   | Council Resolution , APR and Acknowledgement of Receipt  | Office of the Municipal Manager / Development Planning and Local Economic Development |
|  |                               |                                      |  |  |   |                                     |   | N/A  | N/A  |              |         | N/A   | N/A   |   |   |   |  |   |
| 2014/2015 Annual Report                    | All wards(1-19)               | 2013/2014 Annual Report              | Annual Report Adoption date                          | Adopted 2016/2017 Annual Report                  | Target met: Adopted 2016/2017 Annual Report 28 March 2018       | 1                                   | 0   | Adopted 2017/2018 Annual Report by 31 March 2019 | Target Met   | Achieved     | N/A     | N/A   | Council Resolution and Annual Report  | Office of the Municipal Manager / Development Planning and Local Economic Development |   |   |  |   |
|  |                               |                                      |  | R 300 000.00                                     | R 166 000.00  |                                     |   | R 200 000.00                                     | R 175 000.00   |              |         |   |   |   |   |   |  |   |
| Implementation of Back to Basics Programme | Back to Basics                | N/A                                  | 4  | Number of Reports                                | Target Met: 4 Reports adopted by council and submitted to COGTA | 4                                   | 0   | 4 Back to Basics Reports                         | Target Met. 4 Back to Basics Reports submitted to Council      | Achieved     | N/A     | N/A   | Q1-Q4: Back to Basics Reports   | Office of the Municipal Manager / Development Planning and Local Economic Development |   |   |  |   |
|  |                               |                                      |  | N/A  | N/A   |                                     |   | N/A  |  |              |         |   |   |   |   |   |  |   |
| BASIC SERVICE DELIVERY AND INFRASTRUCTURE  |                               |                                      |  |  |   |                                     |   |  |  |              |         |   |   |   |   |   |  |   |
|  |                               |                                      | Construction and Maintenance of Community Facilities | LLTC 1 Concept Design Developed                  | 17  | New Project                         | Date  | N/A  | N/A  | 1            | 0       | LLTC 1 Concept Design Developed               | Target not met: 1 Concept design development not achieved                         | Not Achieved  | Delay on Department of Transport issuing specification guide for design concept   | The municipality to identify and secure a new site to accommodate the recommendation to do a full DLTC by end of 2019/20 year | Q1: Progress Report, Q2: Progress Report, Q3: Progress Report, Q4: Concept Design Adopted by Council | Umzumbe Municipality- Technical Services  |
|  |                               |                                      |  |  |   |                                     |   | N/A  | N/A  |              |         | R 1 000 000.00                                | R 0.00  |   |   |   |  |   |
|  |                               |                                      |  | Construction and Maintenance of sport facilities | Ndumakude Sportfield constructed                                | 13                                  | New Project   | Number of Sports fields constructed              | N/A  | 1            | 1       | Ndumakude Sportfield constructed              | Target not met  | Not Achieved  | 1.) The Tender was non responsive and had to re-advertise.<br>2.) Service provider appointed this quarter 24th July 2019, to revise the project plan. |   | Q4: Appointment Letter   | Umzumbe Municipality- Technical Services  |
|  |                               |                                      |  |  |   |                                     |   | N/A  | N/A  |              |         | R 4 069 818.34                                | R0.00   |   |   |   |  |   |

| 2018/2019 FINANCIAL YEAR          |  |  |  |  |      |                       |                                   |  |  |              |       |  |   |                       |   |   |   |  |
|-----------------------------------|--|--|--|--|------|-----------------------|-----------------------------------|--|--|--------------|-------|--|---|-----------------------|---|---|---|--|
| UMZUMBE ANNUAL PERFORMANCE REPORT |  |  |  |  |      |                       |                                   |  |  |              |       |  |   |                       |   |   |   |  |
| IDP Ref                           | NATIONAL KEY PERFORMANCE AREA                              | OBJECTIVE  | STRATEGY   | PROJECT  | WARD | BASELINE / STATUS QUO | KPI MEASURE                       | PREVIOUS AND CURRENT YEAR COMPARISON                             |  |              |       |  | Status (Achieved / Not Achieved)  | Reasons for deviation | Measures taken to improve performance   | PORTFOLIO OF EVIDENCE   | RESPONSIBLE DEPT & UNIT                                     |  |
|                                   |  |  |  |  |      |                       |                                   | 2017/18 (Target)   | 2017/18 (ACTUAL)   | CURRENT YEAR |       | 2018/19 (TARGET)   |   |                       |   |   |   | 2018/19 (ACTUAL)                         |
| 3                                 | Efficient and integrated infrastructure and basic services | 3.1 To ensure universal access to basic services | To construct and maintain community access roads | Construct 2.9 kms of new access road Mhiniwomile Access Road     | 11   | New Project           | Km of new access road constructed | Regravelling of 4.3 km of Mhiniwomile Access Road                | Target Achieved: Contractor Appointed 18 April 2018  | 2.9km        | 2.9km | Construct 2.9 kms of new access road Mhiniwomile Access Road     | Target met: 2.9kms constructed  | Achieved              | N/A   | N/A   | Q3- Appointment Letter, Q4 Practical completion Certificate | Umzumbe Municipality- Technical Services |
|                                   |  |  |  |  |      |                       |                                   | R 500 000.00   | R0   |              |       | R 2 856 762.46   | R 2 435 126.83  |                       |   |   |   |  |
|                                   |  |  |  | Construct 2kms of new access road Ncapheni Access Road           | 7    | 7.2 km                | Km of new access road constructed | N/A  | N/A  | 2km          | 2km   | Construct 2kms of new access road Ncapheni Access Road           | Target not met (The project was re-advertised on the 29th of March 2019, it is on the procurement stage)  | Not Achieved          | The project went through all the tender process and the recommendation from the bid adjudication was not approved by the accounting officer as a result the project was re-advertise. | Project has been re-advertised and is on procurement processes, the project was re-advertised on 28 March 2019, the project appointment to be on Q2 of 2019/20 YR | Q4: Appointment Letter                                      | Umzumbe Municipality- Technical Services |
|                                   |  |  |  |  |      |                       |                                   | N/A  | N/A  |              |       | R2 131 435.32  | R 0.00  |                       |   |   |   |  |
|                                   |  |  |  | Construct 2.5 kms of subbase layer (Ncazolo Access Road)- Phase1 | 2    | New Project           | Km of new access road constructed | Construct 2.5 kms of subbase layer (Ncazolo Access Road)- Phase1 | Target not achieved: Site Establishment completed, contractor is busy with clearing and grubbing. Overall progress is 8% | 2.5km        | 2.5km | Construct 2.5 kms of subbase layer (Ncazolo Access Road)- Phase1 | Target Not Met (Site Establishment:100%; Setting out:100%; Clearing and grubbing of the road:65%; Earthworks:41%; Excavation to road bed:44%; Subsoil section G7: 100%; Dumprock processing:80%; Selected layer :0%; Subbase layer :0%; Subbase layer:0 |                       |   |   |   |  |

| 2018/2019 FINANCIAL YEAR          |                               |  |                              |   |                 |   |  |   |  |              |                                |   |   |                                  |  |  |  |  |     |     |
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| UMZUMBE ANNUAL PERFORMANCE REPORT |                               |  |                              |   |                 |   |  |   |  |              |                                |   |   |                                  |  |  |  |  |     |     |
| IDP Ref                           | NATIONAL KEY PERFORMANCE AREA | OBJECTIVE  | STRATEGY                     | PROJECT   | WARD            | BASELINE / STATUS QUO                     | KPI MEASURE  | PREVIOUS AND CURRENT YEAR COMPARISON  |  |              |                                |   |   | Status (Achieved / Not Achieved) | Reasons for deviation  | Measures taken to improve performance  | PORTFOLIO OF EVIDENCE  | RESPONSIBLE DEPT & UNIT                                      |     |     |
|                                   |                               |  |                              |   |                 |   |  |   |  | CURRENT YEAR |                                |   |   |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              |   |                 |   |  | 2017/18 (Target)  | 2017/18 (ACTUAL)   | DEMAND       | BACKLOG                        | 2018/19 (TARGET)  | 2018/19 (ACTUAL)  |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Repairs of Community facilities   | All Wards       | 5 Community Halls                         | Number   | N/A   | N/A  | 8            | 0                              | Repairs of Community facilities   | Target met: Reports are submitted (8 Facilities were repaired. Service provider is still working on the 9th hall (Sbanini))   | Achieved                         | N/A  | N/A  | Q3: Invoice and GRN  | Umzumbe Municipality-Social and Community Services           |     |     |
|                                   |                               |  |                              |   |                 |   |  | N/A   | N/A  |              |                                | R 400 000.00  | R245 851.00   |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Acquisition of Furniture  | All             | 5   | Number of Community Facilities provided with Chairs and tables | Furniture provided to 5 Community Halls   | Target not met: 0 out of 5 Halls furnished   | 4            | 0                              | Purchased 1200 chairs and 60 tables for 4 community halls.  | Target met  | Achieved                         | N/A  | N/A  | Q1-Q3: Report and GRN  | Umzumbe Municipality-Social and Community Services           |     |     |
|                                   |                               |  |                              |   |                 |   |  | R 304 000.00  | N/A  |              |                                | R 400 000.00  | R176 975.00   |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Nomakhazana Sportfield: 1 sportfield fenced and grassed   | 15              | 1 Sportfield Upgraded                     | Number of sportfields upgraded                                 | Nomakhazana Sportfield: 1 sportfield fenced and grassed   | Target not Achieved: Fencing is completed, overall construction progress is 90%  | 1            | 0                              | Nomakhazana Sportfield: 1 sportfield fenced and grassed at Nomakhazana  | Target Achieved: 1 sportfield fenced and grassed at Nomakhazana   | Achieved                         | N/A  | N/A  | Q4: Practical Completion certificate   | Umzumbe Municipality-Technical Services                      |     |     |
|                                   |                               |  |                              |   |                 |   |  | R 800 000.00  | R 704 265.75   |              |                                | R150 000.00   | R338 576.02   |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Inkanini Indoor Sports Centre Phase 2: Complete 100 % Building finishes and external work, Electricity and Wet Services connected | 18              | Building walls and roof                   | Percentage Completion  | Inkanini Indoor Sports Centre Phase 2: Complete 100 % Building finishes and external work, Electricity and Wet Services connected | Target not Achieved: First Floor Brickwork 90%, Plastering 88%, First floor Slab 20%, Plumbing 55%, Stormwater drainage, 90%, Roof 35%, Septic Tank 90%. | 1            | 1                              | Inkanini Indoor Sports Centre Phase 2: Complete 100 % Building finishes and external work, Electricity and Wet Services connected   | Target not met (works was suspended due to business forums in May 2019, Site Establishment: 100%; Boundary fencing: 100%; Clearing and grubbing: 100%; Earthworks: 100%; Ground floor beams: 40%; Ground floor columns: 100%; First floor | Not Achieved                     | Interruption by Umzumbe Business Forum.  | Court interdict was issued to the Umzumbe Business Forum to remedy the interruptions                                   | Q3: Appointment Letter Q4: Practical completion certificate                      | Umzumbe Municipality-Technical Services                      |     |     |
|                                   |                               |  |                              |   |                 |   |  | R 5 500 000.00  | R 3 703 384.86   |              |                                | R 2 444 558.80  | R 4 893 708.69  |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Construct Outdoor Sport Pitch: Inkanini Sport Ground  | 18              | New Project                               | Number   | Construct Outdoor Sport Pitch: Inkanini Sport Ground  | Target not Achieved: Tender advertised could not find successful bidder tender re advertised and closed: 22/06/2018                                      | 1            | 1                              | Construct Outdoor Sport Pitch: Inkanini Sport Ground  | Target not Met:   | Not Achieved                     | During the procurement process after tender, the Municipality was experiencing delays due to unfavourable conditions caused by protest started from when the former MM Ms Mgijima. Further delays were due to change in hand on Acting Municipal | Service Provider appointed on the 03 June 2019   | Q2: Appointment Letter, Q3: Progress Report Q4: Practical completion certificate | Umzumbe Municipality-Technical Services                      |     |     |
|                                   |                               |  |                              |   |                 |   |  | R 14 000 000.00   | R 0.00   |              |                                | R 9 254 340.77  | R 0.00  |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              |   |                 |   |  |   |  |              |                                |   |   |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              |   |                 |   |  | Mithwalume Phase 1: 150 households connected  | 8  | New project  | Number of households connected | N/A   | N/A   | 150                              | 0  | Mithwalume Phase 1: 150 households connected   | Target met: Mithwalume Phase 1: 150 Households connected                         | Achieved   | N/A | N/A |
|                                   |                               |  |                              |   |                 |   |  | N/A   | N/A  |              |                                | R 4 955 000.00  | R 3 670 236.76  |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Magwaza Phase 2: 397 households connected   | 8               | New Project                               | Number of households connected                                 | Magwaza Phase 1: 116 households connected   | Target Achieved: 116 households connected  | 116          | 0                              | Magwaza Phase 2: 397 households connected but not yet envisaged, a total of 397 household to be connected and envisaged on the next | Target met: 397 households connected but not yet envisaged, a total of 397 household to be connected and envisaged on the next  | Not Achieved                     | Unfavourable site conditions, very hilly with a lot of big trees which make it difficult to transport material with vehicle and also hard rock.  | Contractor to work long hours to connect the remaining 97 household, the project will be completed by 31st August 2019 | Q4: Completion certificates  | Technical Services   |     |     |
|                                   |                               |  |                              |   |                 |   |  | R 2 900 000.00  | R 2 687 045.42   |              |                                | R 8 540 570.67  | R 8 633 786.73  |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Number of Reports on Tokens Distributed   | All wards       | 3300 Households                           | Number   | Electricity Tokens Provided to 3300 HH per month  | Target not met: 38164 out of 39600HH   | 4            | 0                              | 4 Reports on Tokens Distributed   | Target met: 4 claims reports are submitted.   | Achieved                         | N/A  | N/A  | Q1-Q4: Monthly Invoices and claims report  | Umzumbe Municipality-Social and Community Services           |     |     |
|                                   |                               |  |                              |   |                 |   |  | R 2 700 000.00  | R 2 133 658.33   |              |                                | R 2 650 000.00  | R1 955 320.20   |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Gel Provision   | 11 & 12         | 206 Households benefited per quarter      | Number of Households   | Gel and Stoves Provision: 300 HH and 300 Stoves   | Target Not Achieved: 296 Gel and 296 Stoves provided to the community  | 600          | 0                              | Gel and Stoves Provision: 300 HH and 300 Stoves   | Target met 300 households benefited quarterly.  | Achieved                         | N/A  | N/A  | Q2-Q4: Distribution Register, GRN  | Umzumbe Municipality-Social and Community Services           |     |     |
|                                   |                               |  |                              |   |                 |   |  | R450 000.00   | R 366 898.96   |              |                                | R 400 000.00  | R427 700.00   |                                  |  |  |  |  |     |     |
|                                   |                               | 6.3 Ensure Environmental protection and sustainability | Solid Waste / Refuse removal | Refuse removal  | 3,6,10, 16 & 19 | Waste collected in Wards 3,6,10,16 and 19 | Number of collections twice a month                            | Target Waste Collection: 200 collections  | Target Achieved: 206 collections achieved  | 200          | 0                              | Solid Waste Collection: 200 collections   | Target met 300 solid waste collections achieved   | Achieved                         | N/A  | N/A  | (Q1-Q4): Collection register   | Technical Services   |     |     |
|                                   |                               |  |                              |   |                 |   |  | R 2 850 000.00  | R1,915,129.00  |              |                                | R 290 000.00  | R 146 863.09  |                                  |  |  |  |  |     |     |
| LOCAL ECONOMIC DEVELOPMENT        |                               |  |                              |   |                 |   |  |   |  |              |                                |   |   |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Ntsezi Msane Heritage Centre  | 10              | N/A                                       | Percentage Construction of Information Centre                  | Ntsezi Msane commemoration by 31 March 2018   | Target Not Met: 0/1 not done   | 1            | 1                              | Ntsezi Msane commemoration by 31 March 2019   | Target Met  | Achieved                         | N/A  | N/A  | Q3: Programme of the day and Concept document                                    | Technical Services   |     |     |
|                                   |                               |  |                              |   |                 |   |  | R500 000  | N/A  |              |                                | R339 000  | R288,095.00   |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Commemoration of Heritage Sites   | 10 & 15         | 2 Events                                  | Number of Events conducted                                     | Isivivane Senkosi uShaka a heritage event by 30 June 2018   | Target met : Event held on 19 May 2018   | 1            | 0                              | Isivivane Senkosi uShaka a heritage event by 30 June 2019   | Target Achieved   | Achieved                         | N/A  | N/A  | Q3 and Q4 Programme of the Day with Concept document                             | Office of the Municipal Manager / Local Economic Development |     |     |
|                                   |                               |  |                              |   |                 |   |  | R 400 000.00  | R 365 369.55   |              |                                | R 429 000.00  | R244,214.05   |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Service Level Agreements  | N/A             | New project                               | by Date  | SLA SCT and USGDA by 31 March 2018  | Target achieved : Signed SLA between SCT and USGDA done  | 1            | 0                              | SLA SCT and USGDA by 31 March 2019  | Target Achieved   | Achieved                         | N/A  | N/A  | Signed SLA   | Office of the Municipal Manager / Local Economic Development |     |     |
|                                   |                               |  |                              |   |                 |   |  | R 1 100 000.00  | R 1 114 692.00   |              |                                | R 1 130 000.00  | R 1,099,567.70  |                                  |  |  |  |  |     |     |
|                                   |                               |  |                              | Summer Beach Festival   | N/A             | New Project                               | Date Summer Beach Hosted                                       | Turton Beach Festival by 31 December 2017   | Target Not achieved  | 1            | 0                              | Turton Beach Festival by 31 December 2018   | Target Achieved   | Achieved                         | N/A  | N/A  | Q2: Concept document and programme of the day                                    | Office of the Municipal Manager / Local Economic Development |     |     |
|                                   |                               |  |                              |   |                 |   |  | R 600 000.00  | N/A  |              |                                | R 335 000.00  | R417,000  |                                  |  |  |  |  |     |     |

| 2018/2019 FINANCIAL YEAR                 |   |  |  |   |                                   |   |   |   |  |            |  |   |                  |   |  |   |  |  |
|--|---|--|--|---|-----------------------------------|---|---|---|--|------------|--|---|------------------|---|--|---|--|--|
| UMZUMBE ANNUAL PERFORMANCE REPORT        |   |  |  |   |                                   |   |   |   |  |            |  |   |                  |   |  |   |  |  |
| IDP Ref                                  | NATIONAL KEY PERFORMANCE AREA                                   | OBJECTIVE                                | STRATEGY   | PROJECT                                 | WARD                              | BASELINE / STATUS QUO   | KPI MEASURE   | PREVIOUS AND CURRENT YEAR COMPARISON                    |  |            |  |   |                  | Status (Achieved / Not Achieved)  | Reasons for deviation  | Measures taken to improve performance   | PORTFOLIO OF EVIDENCE  | RESPONSIBLE DEPT & UNIT                                      |
|  |   |  |  |   |                                   |   |   | CURRENT YEAR  |  |            |  |   |                  |   |  |   |  |  |
|  |   |  |  |   |                                   |   |   | 2017/18 (Target)  | 2017/18 (ACTUAL)                                     | DEMAND     | BACKLOG                                | 2018/19 (TARGET)                                      | 2018/19 (ACTUAL) |   |  |   |  |  |
| 4  | Local Economic Development                                      |  | Development and Review of Policies, and Convention of Forums | LED Forum Quarterly Meetings            | All                               | 4 LED Forum meetings held   | Number of LED Forum Meetings held   | 4 LED Forums  | Target not achieved: 3/4 LED Forums                  | 4          | 3                                      | 3 LED Forums  | Target not met   | Achieved  | Meeting not Quorum   | N/A   | Q1-Q4Minutes & attendance Registers                            | Office of the Municipal Manager/ Local Economic Development  |
|  |   |  |  |   |                                   |   |   | N/A   | N/A  |            |  |   |                  | N/A   | N/A  |   |  |  |
|  |   |  | Renovations  | 4                                       | New Project                       | Date  | N/A   | N/A   | 1  | 0          | Renovations                            | Target Met  | Achieved         | N/A   | N/A  | Q1 Assessment and Pictures & Q3 Completion report and Picture.                            | Umzumbe Municipality-Office of the Municipal Manager/ LED Unit |  |
|  |   |  |  |   |                                   |   |   | N/A   | N/A  |            |  | R 200 000.00  | R169,350.00      |   |  |   |  |  |
|  |   |  | Development & Support of Arts and Craft                      | Isicathamiya music festival             | 19                                | New project   | Date of the Event   | Isicathamiya by 30 June 2018                            | Target achieved: event held on 15 June 2018, ward 19 | 1          | 0                                      | Isicathamiya by 30 June 2019                          | Target met.      | Achieved  | N/A  | N/A   | Programme concept document                                     | Office of the Municipal Manager / Local Economic Development |
|  |   |  |  |   |                                   |   |   | R 800 000.00  | R 802 775.00   |            |  | R 600 000.00  | R603,000.00      |   |  |   |  |  |
|  |   |  | Arts and Craft Development                                   | N/A                                     | 4                                 | Number of crafters provided with inputs                               | Arts and Craft Development: 4   | Target met : 4/4 Crafters developed                     | 4  | 0          | Arts and Craft Development: 4          | Target Met  | Achieved         | N/A   | N/A  | Q2&Q4: distribution list and GRN  | Office of the Municipal Manager / Local Economic Development   |  |
|  |   |  |  |   |                                   |   |   | R 200 000.00  | R 292 933.10   |            |  | R 350 000.00  | R208,486.80      |   |  |   |  |  |
|  |   |  | 4 Business Forums  | All                                     | New project                       | Number  | N/A   | N/A   | 4  | 0          | 4 Business Forums                      | Target Met  | Achieved         | N/A   | N/A  | Attendance Register, and Minutes  | Umzumbe Municipality-Office of the Municipal Manager/ LED Unit |  |
|  |   |  |  |   |                                   |   |   | N/A   | N/A  |            |  | N/A   | N/A              |   |  |   |  |  |
|  |   |  | SMME Incubation  | N/A                                     | 40                                | Number of SMME's Incubation Programme.                                | SMME Incubation Project: 5 SMME's   | Target met: 5/6 Artist were incubated during 2017/18 FY | 5  | 0          | SMME Incubation Project: 5 SMME's      | Target Met  | Achieved         | N/A   | N/A  | Q1 assessment report and Q2 Attendance reg & programme of the day & Q4: Distribution list | Office of the Municipal Manager / Local Economic Development   |  |
|  |   |  |  |   |                                   |   |   | R 1 000 000.00  | R 811 489.06   |            |  | R 900 000.00  | R597,793.00      |   |  |   |  |  |
| Development and Support of Co-Operatives | Cooperatives development incubator programme                    | 13,14,16,17                              | 6  | Number of corporatives receiving inputs | Support of 5 Co-ops               | Target met: 5/5 Co-ops supported                                      | 4   | 0   | Support of 4 Co-ops                                  | Target Met | Achieved                               | N/A   | N/A              | Q1 needs assesment report and Q2 attendance register Q:3&4 distribution lists | Office of the Municipal Manager / Local Economic Development |   |  |  |
|  |   |  |  |   | R 1 000 000.00                    | R 488 310.00  |   |   | R 800 000.00   | R98 500.00 |  |   |                  |   |  |   |  |  |
| 4.1.b                                    | 4.1 Improving the quality of life and reducing absolute poverty | Implement poverty alleviation programmes | One home one garden  | All wards                               | 95 (5 HH per Ward)                | Number of Household distributed with one home one garden starter Pack | One-Home-One-Garden: 200 HH (Watering can, wheelbarrow, spade, fork, hoe, seed pack and manure) | Target met: 200HH provided with equipment and material. | 200  | 0          | Distribution of seeds and Garden tools | Target Met  | Achieved         | N/A   | N/A  | Q1-Q4: GRN and distribution list  | Umzumbe Municipality-Office of the Municipal Manager/ LED Unit |  |
|  |   |  |  |   |                                   |   |   |   |  |            | R344 000.00                            | R 344 000.00  |                  |   | R 200 000.00   | R 200 000.00  |  |  |
|  |   |  | Seed distribution  | All wards                               | 700 (the number of beneficiaries) | Number of beneficiaries benefited from the seed packs distribution    | Seeds Support: 800 HH   | Target met: 800HH provided with Seed Support            | 800  | 0          | Seeds Support: 600 HH                  | Target is not met: 905 seed packs were distributed    | Not Achieved     | N/A   | N/A  | Q1-Q4: Distribution List and Purchase Order   | Social and Community Services                                  |  |
|  |   |  |  |   |                                   |   |   |   |  |            | R 157 500.00                           | R 102 382.00  |                  |   | R 165 000.00   | R100 004.00   |  |  |
|  |   |  | Indigent support   | All wards                               | 80                                | Number of indigent families supported                                 | Indigent Relief: 4 Reports  | Target met: 4/4 reports done                            | 4  | 0          | Indigent Relief: 4 Reports             | Target met: 4 reports on reported casesare submitted. | Achieved         | N/A   | N/A  | Q1-Q4: Reports and Distribution List  | Social and Community Services                                  |  |
|  |   |  |  |   |                                   |   |   |   |  |            | R 600 000.00                           | R 200 597.49  |                  |   | R 400 000.00   | R336 756.69   |  |  |

| 2018/2019 FINANCIAL YEAR                     |                                |  |  |  |   |                                     |   |   |  |  |   |  |   |  |  |  |   |  |  |  |
|--|--------------------------------|--|--|--|---|-------------------------------------|---|---|--|--|---|--|---|--|--|--|---|--|--|--|
| UMZUMBE ANNUAL PERFORMANCE REPORT            |                                |  |  |  |   |                                     |   |   |  |  |   |  |   |  |  |  |   |  |  |  |
| IDP Ref                                      | NATIONAL KEY PERFORMANC E AREA | OBJECTIVE  | STRATEGY   | PROJECT  | WARD  | BASELINE / STATUS QU0               | KPI MEASURE   | PREVIOUS AND CURRENT YEAR COMPARISON  |  |  |   |  |   | Status (Achieved / Not Achieved)                           | Reasons for deviation  | Measures taken to improve performance                                      | PORTFOLIO OF EVIDENCE   | RESPONSIBLE DEPT & UNIT  |  |  |
|  |                                |  |  |  |   |                                     |   |   |  | CURRENT YEAR   |   |  |   |  |  |  |   |  |  |  |
|  |                                |  |  |  |   |                                     |   | 2017/18 (Target)  | 2017/18 (ACTUAL)   | DEMAND   | BACKKLO G   | 2018/19 (TARGET)                         | 2018/19 (ACTUAL)  |  |  |  |   |  |  |  |
|  |                                |  |  | Review Indigent Register by 30 June 2019   | All Wards   | 2015                                | Date of Adoption  | N/A   | N/A  | 1  | 1   | Review Indigent Register by 30 June 2019 | Target not met  | Not Achieved   | Policy had to be developed that would guide the process of reviewing theregister | Policy was adopted and currently verification of applicants are being done | Council Resolution  | Social and Community Services  |  |  |
|  |                                | 4.3 Increased security food  | Agricultural support and development                     | 10 Community Gardens cultivated  | 2 per cluster   | 6 community gardens were cultivated | Number of Community Gardens Supported                       | Assistance of 5 community Gardens   | Target met: 5/5 community gardens assisted   | 5  | 0   | Assistance of 5 community Gardens        | Target Met  | Achieved   | N/A  | N/A  | Q1: Needs Assessment Report, Q3: Distribution list & Purchase Order | Office of the Municipal Manager / Local Economic Development   |  |  |
|  |                                | 4.3 Improve Food Security and Create employment opportunities  | Support agricultural and poverty alleviation initiatives | 12 EPWP Reports  | All wards   | 12                                  | Number  | 12 EPWP Reports   | Target Achieved: 12/12 EPWP Reports submitted done                                       | 12   | 0   | Employment of 54 EPWP personnel          | Target met: 61 EPWP personnel employed  | Achieved   | N/A  | N/A  | Q1-Q4: Reports  | Technical Services Department  |  |  |
|  |                                |  |  |  |   |                                     |   | 1,291,000.00  | 1,291,000.00   |  |   | N/A                                      | R 1 526 000.00  |  |  |  |   |  |  |  |
| MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT |                                |  |  |  |   |                                     |   |   |  |  |   |  |   |  |  |  |   |  |  |  |
| 2.1.a  | Local Viability and Management | 2.1 To improve the overall financial management in the Municipality by developing and implementing appropriate financial management policies, procedures and systems | Recording all transactions accurately and completely     | Preparation of Annual Budget   | Approved 2019/2020 Annual Budget by 31 May 2019                                   | N/A                                 | Adopted by 31 May   | Date 2016/2017 Annual Budget approved   | Approved 2017/2018 Annual Budget by 31 May 2018  | Target achieved: Adopted by Council on the 30 May 2018             | 1   | 0  | Approved 2019/2020 Annual Budget by 31 May 2019                                   | Target achieved. Adopted by Council on the 29 May 2019     | Achieved   | N/A  | N/A   | Q1: Council Resolution and IDP/Budget/PMS Process Plan, Q3: Council Resolution and Draft Budget, Q4: Final Budget and Council Resolution | Finance Department / Budget, Revenue & Treasury unit |  |
|  |                                |  |  |  |   |                                     |   |   |  | N/A  | N/A   |  |   | N/A  | N/A  |  |   |  |  |  |
| 2.1.i  |                                |  |  | Conduct Mid- year Budget/ SDBIP Performance Review   | Approve 2018/2019 performance assessment and adjustment budget by 25 January 2019 | N/A                                 | 2017/2018 Adjusted Budget & Mid Year performance assessment | Date 2015/2016 performance assessment and adjustment budget Approved                        | Approve 2017/2018 performance assessment and adjustment budget by 25 January 2018        | Target achieved:Adopted by Council on the 24th January 2018        | 1   | 0  | Approve 2018/2019 performance assessment and adjustment budget by 25 January 2019 | Target achieved. Adopted by Council on the 23 January 2019 | Achieved   | N/A  | N/A   | Council Resolution and Budget Adjustment and Assessment Report   | Finance Department / Budget, Revenue & Treasury unit |  |
|  |                                |  |  |  |   |                                     |   |   |  | N/A  | N/A   |  |   | N/A  | N/A  |  |   |  |  |  |
| 2.1.c  |                                |  |  | Preparation of monthly budget statements in terms of section 71 of the MFMA  | 12 Monthly Financial reports submitted to the EXCO                                | N/A                                 | 12  | No of Monthly Financial Reports Submitted to the Accounting Officer and Provincial Treasury | 12 Monthly Financial reports submitted to the Accounting Officer and Provincial Treasury | Target achieved: 12/12 Monthly financial reports submitted to EXCO | 12  | 0  | 12 Monthly Financial reports submitted to the EXCO                                | Target achieved, 12 were submitted                         | Achieved   | N/A  | N/A   | Monthly reports and EXCO Resolution (Q1-Q4)  | Finance Department / Budget, Revenue & Treasury unit |  |
|  |                                |  |  |  |   |                                     |   |   |  | N/A  | N/A   |  |   | N/A  | N/A  |  |   |  |  |  |
| 2.1.d  |                                |  |  | Preparation of GRAP compliant annual financial statements  | Annual Financial Statements for 2017/2018 submitted by 31 August 2018             | N/A                                 | 2016/2017 AFS   | Date of submission  | Annual Financial Statements for 2016/2017 submitted by 31 August 2017                    | Target achieved: AFS done  | 1   | 0  | Annual Financial Statements for 2017/2018 submitted by 31 August 2018             | Target Achieved  | Achieved   | N/A  | N/A   | Q1: Acknowledgement of Receipt and copy of AFS 2014/2015   | Finance Department / Budget, Revenue & Treasury unit |  |
|  |                                |  |  |  |   |                                     |   |   |  | N/A  | N/A   |  |   | N/A  | R 182 537.00   |  |   |  |  |  |
| 2.1.j  |                                |  |  | Addressing corrective measures from AG   | Corrective Action Plan  | N/A                                 | 2016/2017 Audit Report                                      | Date of Submission  | Submit Audit Report and Corrective measures to Council by 31 January 2018                | Target achieved: AR and Corrective Measures submitted              | 1   | 0  | Submit Audit Report and Corrective measures to Council by 31 January 2019         | Target achieved. Tabled in Council on the 23 January 2019  | Achieved   | N/A  | N/A   | Council Resolution, Audit Report and Corrective Action Plan  | Finance Department / Budget, Revenue & Treasury unit |  |
|  |                                |  |  |  |   |                                     |   |   |  | N/A  | N/A   |  |   | N/A  | N/A  |  |   |  |  |  |
| 2.1.f  |                                |  |  | 2.1.f To improve the overall financial management in the Municipality by developing and implementing appropriate financial management policies, procedures and systems | Recording all transactions accurately and completely                              | Cashbooks                           | N/A   | 12  | Number of cash books   | 12 Updated cash books  | Target achieved: 12 cash books prepared           | 12                                       | 0   | 12 Updated cash books                                      | Target achieved, 12 were done.   | Achieved   | N/A   | N/A  | Cash book (Q1-4)                                     | Finance Department / Expenditure & Assets unit |
|  |                                |  |  |  |   |                                     |   |   |  | N/A  | N/A   |  |   | N/A  | N/A  |  |   |  |  |  |
|  |                                |  |  |  |   | General Ledger                      | N/A   | 12  | Number of updated General Ledger   | 12 Updated General Ledger  | Target achieved: 12 General Ledgers updated       | 12                                       | 0   | 12 Updated General Ledger                                  | Target achieved, 12 were done.   | Achieved   | N/A   | N/A  | General Ledger (Q1-4)                                | Finance Department / Expenditure & Assets unit |
|  |                                |  |  |  |   |                                     |   |   |  | N/A  | N/A   |  |   | N/A  | N/A  |  |   |  |  |  |
|  |                                |  |  |  |   | Bank Reconciliations                | N/A   | 12  | Number of Bank reconciliations   | 12 Bank reconciliations  | Target achieved: 12 Bank reconciliations prepared | 12                                       | 0   | 12 Bank reconciliations                                    | Target achieved, 12 were done.   | Achieved   | N/A   | N/A  | Bank Reconciliation (Q1-4)                           | Finance Department / Expenditure & Assets unit |
|  |                                |  |  |  |   |                                     |   |   |  | N/A  | N/A   |  |   | N/A  | N/A  |  |   |  |  |  |
|  |                                |  |  |  |   | Creditors Reconciliations           | N/A   | 12  | Number of Creditors Reconciliations  | 12 Creditors reconciliations                                       | Target achieved: 12 creditors recons prepared     | 12                                       | 0   | 12 Creditors reconciliations                               | Target achieved, 12 were done.   | Achieved   | N/A   | N/A  | Creditors Reconciliation (Q1-4)                      | Finance Department / Expenditure & Assets unit |
|  |                                |  |  |  |   |                                     |   |   |  | N/A  | N/A   |  |   | N/A  | N/A  |  |   |  |  |  |

| 2018/2019 FINANCIAL YEAR                 |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|--|--|---|---|--|---|--|--|--|--|-----------------|---|--|---|---|--|---|--|--|--|--|--|--|
| UMZUMBE ANNUAL PERFORMANCE REPORT        |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
| IDP Ref                                  | NATIONAL KEY PERFORMANCE AREA                                  | OBJECTIVE   | STRATEGY  | PROJECT  | WARD  | BASELINE / STATUS QUO  | KPI MEASURE  | PREVIOUS AND CURRENT YEAR COMPARISON                                   |  |                 |   |  |   | Status (Achieved / Not Achieved)            | Reasons for deviation  | Measures taken to improve performance   | PORTFOLIO OF EVIDENCE  | RESPONSIBLE DEPT & UNIT  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   | CURRENT YEAR   |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  | 2017/18 (Target)   | 2017/18 (ACTUAL)   | DEMAND          | BACKLOG   | 2018/19 (TARGET)   | 2018/19 (ACTUAL)  |   |  |   |  |  |  |  |  |  |
|  | Municipal Finance  |   |   | Debtors Reconciliations                                      | N/A   | 12   | Number of Debtors Reconciliations  | 12 Debtors reconciliations   | Target achieved: 12 Debtors reconciliations prepared         | 12              | 0   | 12 Debtors reconciliations   | Target achieved, 12 were done.  | Achieved                                    | N/A  | N/A   | Debtors Reconciliation (Q1-4)                                | Finance Department / Expenditure & Assets unit                                   |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
| 2.1.k                                    |  |   |   | VAT Compliance   | N/A   | Submitted VAT returns  | Number of VAT 201 returns submitted  | Submission of 12 VAT 201 returns to SARS                               | Target achieved:12 VAT returns submitted                     | 12              | 0   | Submission of 12 VAT 201 returns to SARS                               | Target achieved   | Achieved                                    | N/A  | N/A   | VAT Returns and SARS Confirmation (Q1-4)                     | Finance Department / Expenditure & Assets unit                                   |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   | Implementation of Supply Chain Management Policy                        | 100% Adjudication of Projects within 90 days of closing date | N/A   | 2017/2018 Bid Committee Reports                                | Number of Bid committee reports  | 100% Adjudication of Projects within 90 days of closing date           | Target achieved: 12 bid committee reports prepared           | 100%            | 0%  | 100% Adjudication of Projects within 90 days of closing date           | Target Achieved   | Achieved                                    | N/A  | N/A   | Q1-Q4: 3 bid committee meetings Reports                      | Finance Department / Supply Chain Management unit                                |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   | Adopt Reviewed SCM Policy by 31 of March 2019                           | N/A  | Adopted SCM Policy  | Date of adoption of Reviewed SCM Policy                        | Adopt Reviewed SCM Policy by 31 of March 2019                                | Target achieved: SCM Policy adopted                                    | 1  | 0               | Adopt Reviewed SCM Policy by 31 of March 2019             | Target Achieved  | Achieved  | N/A   | N/A  | Council Resolution and SCM Policy   | Finance Department / Supply Chain Management unit            |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   | 4 Quarterly UIFW expenditure registers submitted to COGTA               | N/A  | Register of UIFW expenditure (Unauthorised, Irregular,Fruitless & Wasteful expenditure) | No. of quarterly UIFW expenditure registers submitted to COGTA | 4 Quarterly UIFW expenditure registers submitted to COGTA                    | Target achieved: 4 registers submitted to COGTA                        | 4  | 0               | 4 Quarterly UIFW expenditure registers submitted to COGTA | Target achieved, 4 were submitted                                      | Achieved  | N/A   | N/A  | Acknowledgement etter   | Finance Department / Supply Chain Management unit            |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
| 2.1.g                                    |  |   | Development of Annual Procurement Plan                                  | Approved Procurement Plan by 30 June 2019                    | N/A   | 2017/2018 Procurement Plan                                     | Date of approval of Procurement Plan   | Approved Procurement Plan by 30 June 2018                              | Target achieved, Adopted on 25th June 2018 at TOPMANCO       | 1               | 0   | Approved Procurement Plan by 30 June 2019                              | Target Achieved   | Achieved                                    | N/A  | N/A   | Procurement plan and Topmanco Resolution                     | Finance Department / Supply Chain Management unit                                |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
| 2.1.h                                    |  |   | Timeous payment of service providers upon receipt of invoices (30 days) | Payment of Service providers upon receipt of invoice         | N/A   | Payments made within 30 days                                   | Percentage payment of service providers within 30 days on receipt of invoice | 100% payment of service providers within 30 days on receipt of invoice | Target not achieved:   | 100%            | 10%   | 100% payment of service providers within 30 days on receipt of invoice | Target not achieved overall   | Not Achieved                                | Minor delays in submission of documents such as bank account confirmations | Suppliers were requested to provide updated banking details and supplier statements; register in place to track documents. This was done within an immediate turnaround time. | Q1-Q4: Payment vouchers report                               | Finance Department / Expenditure & Assets unit                                   |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
| 2.2.a                                    | 2.2 To ensure accurate billing and improved revenue collection | Maintain valuation roll   | Maintenance of rates billing system                                     | N/A  | Rates billed and approved valuation roll  | Number of post billing reports and valuation rolls             | 4 post billing reports and 1 approved General valuation roll                 | Target achieved  | 4 post billing reports and 1 approved General valuation roll | Target Achieved | Achieved  | N/A  | N/A   | Q1 : Valuation roll Q2- Q3: Billing reports | Finance Department / Budget, Revenue & Treasury unit                       |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
| 2.3.a                                    | 2.3 To improve asset management and investments                | Update GRAP compliant assets register corresponding to the general ledger | Updated GRAP compliant assets register                                  | N/A  | Updated GRAP compliant assets register  | Date of finalization of GRAP compliant asset register          | GRAP compliant asset register by 31 August 2017                              | Target achieved: 1 register prepared                                   | GRAP compliant asset register by 31 August 2018              | Target Achieved | Achieved  | N/A  | N/A   | Assets Register                             | Finance Department / Assets & Expenditure                                  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
| Good Governance and Public Participation |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
| 3  |  |   | Implementation of Communication and Public Participation Strategy       | Radio slots and print advertisement                          | All wards (1- 20)   | 12 radio slots with Gagasi and 12 with RSS                     | Number of radio slots  | Radio Slots  | Target met   | 36              | 0   | Radio Slots  | Target Met: 36 were aired at Ikgagasi FM, Radio Sunny and Ugu Youth Radio | Achieved                                    | N/A  | N/A   | Q1-Q4: Invoice, GRN, Clips, Printed adverts                  | Office of the Municipal Manager / Communications Mayoralty and Youth Development |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   | Mayoral Imbizo   | All wards (1- 20)   | 5  | Number   | 5 Mayoral Imbizo   | Target met   | 5               | 0   | 5 Mayoral Imbizo   | Target Met  | Achieved                                    | N/A  | N/A   | Q2 : 5 Attendance Registers, Photographs, Videos and Program | Office of the Municipal Manager / Communications Mayoralty and Youth Development |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   | IDP Roadshows  | All wards (1- 20)   | 5  | Date   | 5 IDP / Budget Roadshows   | Target met   | 5               | 0   | 5 IDP / Budget Roadshows   | Annual Target was met   | Achieved                                    | N/A  | N/A   | Q3: 5 Attendance Registers, Photographs, Videos and Program  | Office of the Municipal Manager / Communications Mayoralty and Youth Development |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |
|  |  |   |   | Nelson Mandela Day Celebration                               | All wards (1- 20)   | 1 Nelson Mandela Day Celebration                               | Date Nelson Mandela Day Celebration hosted                                   | Nelson Mandela Day Event   | Target met   | 1               | 0   | Nelson Mandela Day Event   | Target Met  | Achieved                                    | N/A  | N/A   | Q3: 5 Attendance Registers, Photographs, Videos and Program  | Office of the Municipal Manager / Communications Mayoralty and Youth Development |  |  |  |  |
|  |  |   |   |  |   |  |  |  |  |                 |   |  |   |   |  |   |  |  |  |  |  |  |

| 2018/2019 FINANCIAL YEAR          |                               |           |          |                                  |                  |   |   |   |                                     |              |         |   |   |                                  |  |  |   |   |
|-----------------------------------|-------------------------------|-----------|----------|----------------------------------|------------------|---|---|---|-------------------------------------|--------------|---------|---|---|----------------------------------|--|--|---|---|
| UMZUMBE ANNUAL PERFORMANCE REPORT |                               |           |          |                                  |                  |   |   |   |                                     |              |         |   |   |                                  |  |  |   |   |
| IDP Ref                           | NATIONAL KEY PERFORMANCE AREA | OBJECTIVE | STRATEGY | PROJECT                          | WARD             | BASELINE / STATUS QUO   | KPI MEASURE   | PREVIOUS AND CURRENT YEAR COMPARISON      |                                     |              |         |   |   | Status (Achieved / Not Achieved) | Reasons for deviation  | Measures taken to improve performance  | PORTFOLIO OF EVIDENCE                               | RESPONSIBLE DEPT & UNIT   |
|                                   |                               |           |          |                                  |                  |   |   |   |                                     | CURRENT YEAR |         |   |   |                                  |  |  |   |   |
|                                   |                               |           |          |                                  |                  |   |   | 2017/18 (Target)                          | 2017/18 (ACTUAL)                    | DEMAND       | BACKLOG | 2018/19 (TARGET)                          | 2018/19 (ACTUAL)  |                                  |  |  |   |   |
|                                   |                               |           |          | Hand Over                        | All wards (1-20) | 10  | Number of Projects  | 4 Handovers                               | Target achieved: 4/4 Handovers done | 4            | 4       | 4 Handovers                               | Target was not met :  | Not Achieved                     | There were no completed projects from Technical Services   | In future this projects should be removed from Communications SDBIP because its implementation is beyond our Unit  | Q1-4: Program, Photos                               | Office of the Municipal Manager / Communications Mayorality and Youth Development |
|                                   |                               |           |          |                                  |                  |   |   | R 700 000.00                              | R380,742.00                         |              |         | R 682 000.00                              | R 321 940.60  |                                  |  |  |   |   |
|                                   |                               |           |          | Youth Council                    | N/A              | Quarterly meetings  | Number of Youth Council meetings  | 4 Youth Council Meetings                  | Target Achieved: 4/4 Meetings       | 4            | 0       | 10 Youth Council Meetings                 | Target not Met  | Not Achieved                     | Quorum was not met   | The unit have already discussed the concerns with the chairperson. The meetings will be held in Quarter 1 of 19/20 FY and the TOR will be implemented to those members who keeps on missing meetings | (Q1-Q4): Attendance Registers and Minutes           | Office of the Municipal Manager/ Youth Development                                |
|                                   |                               |           |          |                                  |                  |   |   | R 30 000.00                               | R 5 800.00                          |              |         | R 30 000.00                               | R 4 400.00  |                                  |  |  |   |   |
|                                   |                               |           |          | Young women empowerment seminar  | All wards (1-20) | Annual 2 day Seminar held with 80 young women participants            | Date of adoption  | Young Women Empowerment Seminar           | Target Met                          | 1            | 1       | Young Women Empowerment Seminar           | Target not met  | Not Achieved                     | The project was removed from youth section to Women Commission under SPU. For Q3 there were no targets for this projects | The Women Commission Chairperson and the Office has met to discuss specific programmes to be put in the SDBIP as from Q3   | Attendance Register, concept document and Programme | Office of the Municipal Manager/ Youth Development                                |
|                                   |                               |           |          |                                  |                  |   |   | R 150 000.00                              | R 174 500.00                        |              |         | R 127 000.00                              | R 0.00  |                                  |  |  |   |   |
|                                   |                               |           |          | Career Guidance and Expo         | All wards (1-20) | Annual Career Guidance and Expo conducted for Grade 12 from all wards | Date of adoption  | Career Exhibition & Expo                  | Target Met                          | 1            | 0       | Career Exhibition & Expo                  | Target Met on the 7th February 2019 at Isibanini Hall   | Achieved                         | N/A  | N/A  | Attendance Register, Concept document and Programme | Office of the Municipal Manager/ Youth Development                                |
|                                   |                               |           |          |                                  |                  |   |   | R 250 000.00                              | R 215 449.00                        |              |         | R 240 000.00                              | R 208 950.00  |                                  |  |  |   |   |
|                                   |                               |           |          | Career Subject selection seminar | All wards (1-20) | Conduct Career Subject Selection Seminar for Grade 9                  | Date of adoption  | Career Subject Selection Seminar          | Target Met                          | 1            | 0       | Career Subject Selection Seminar          | Target Met  | Achieved                         | N/A  | N/A  | Attendance Register and Program                     | Office of the Municipal Manager/ Youth Development                                |
|                                   |                               |           |          |                                  |                  |   |   | R 70 000.00                               | R 5 500.00                          |              |         | R 43 000.00                               | R 27 999.00   |                                  |  |  |   |   |
|                                   |                               |           |          | Youth Special General Meeting    | N/A              | One meeting conducted by Q1   | Date of adoption  | Special General Meeting                   | Target Achieved: 1/1                | 1            | 0       | Special General Meeting                   | Annual Target Met. Expenditure  | Achieved                         | N/A  | N/A  | Q1: Attendance Registers and Minutes                | Office of the Municipal Manager/ Youth Development                                |
|                                   |                               |           |          |                                  |                  |   |   | R 50 000.00                               | R 34 000.00                         |              |         | R 40 000.00                               | R 38 000.00   |                                  |  |  |   |   |
|                                   |                               |           |          | Exam Prayers                     | All wards (1-20) | Annual exam prayers conducted per cluster                             | Date of adoption  | Umzumbe Grade 12 Exam Prayers Sessions: 5 | Target Met                          | 12           | 0       | Umzumbe Grade 12 Exam Prayers Sessions: 5 | Target Met: Umzumbe Grade 12 Exam Prayer was held at Bhakameva Sport ground on 11 October 2018.   | Achieved                         | N/A  | N/A  | Attendance Register, concept document and Programme | Office of the Municipal Manager/ Youth Development                                |
|                                   |                               |           |          |                                  |                  |   |   | R 50 000.00                               | R 157 000.00                        |              |         | R 200 000.00                              | R 207 689.00  |                                  |  |  |   |   |
|                                   |                               |           |          | SALGA GAMES Tournament           | All wards (1-20) | SALGA Games conducted annually  | Date SALGA Games conducted through Tournaments on different sport Codes | SALGA Games                               | Target Met                          | 1            | 0       | SALGA Games                               | Target was met. Salga games were held at Umgungundlovu from the 7th to the 10th of December 2018. | Achieved                         | N/A  | N/A  | Attendance Register and Report                      | Office of the Municipal Manager/ Youth Development                                |
|                                   |                               |           |          |                                  |                  |   |   | R 500 000.00                              | R 325 000.00                        |              |         | R 385 000.00                              | R 353 105.08  |                                  |  |  |   |   |

| 2018/2019 FINANCIAL YEAR          |                               |           |  |                                      |                  |   |  |  |  |              |                              |  |  |                                  |   |   |   |  |
|-----------------------------------|-------------------------------|-----------|--|--------------------------------------|------------------|---|--|--|--|--------------|------------------------------|--|--|----------------------------------|---|---|---|--|
| UMZUMBE ANNUAL PERFORMANCE REPORT |                               |           |  |                                      |                  |   |  |  |  |              |                              |  |  |                                  |   |   |   |  |
| IDP Ref                           | NATIONAL KEY PERFORMANCE AREA | OBJECTIVE | STRATEGY                                       | PROJECT                              | WARD             | BASELINE / STATUS QUO   | KPI MEASURE  | PREVIOUS AND CURRENT YEAR COMPARISON                           |  |              |                              |  |  | Status (Achieved / Not Achieved) | Reasons for deviation   | Measures taken to improve performance   | PORTFOLIO OF EVIDENCE                               | RESPONSIBLE DEPT & UNIT                                  |
|                                   |                               |           |  |                                      |                  |   |  |  |  | CURRENT YEAR |                              |  |  |                                  |   |   |   |  |
|                                   |                               |           |  |                                      |                  |   |  | 2017/18 (Target)   | 2017/18 (ACTUAL)                           | DEMAND       | BACKLOG                      | 2018/19 (TARGET)   | 2018/19 (ACTUAL)   |                                  |   |   |   |  |
|                                   |                               |           | Implementation of Youth Development Programmes | Full Bursery: 10 Students            | All wards (1-20) | Full Bursery: 02 Students   | Date   | Full Bursery: 10 Students                                      | N/A  | 2            | 2                            | Full Bursery: 02 Students                                      | Target not Met   | Not Achieved                     | Full Bursary Project was converted to Registration Fee Assistance Project and budget was moved during budget adjustment | Project will be implemented in Q3 of 19/20 FY   | Q3: Contract, and Proof of Payment                  | Office of the Municipal Manager/ Youth Development       |
|                                   |                               |           |  |                                      |                  |   |  | R 600 000.00   | N/A  |              |                              | R 200 000.00   | R 0.00   |                                  |   |   |   |  |
|                                   |                               |           |  | Umzumbe Beach Games                  | All              | Annual Beach Games conducted per annum  | Date Umzumbe Beach Games Conducted                 | Umzumbe Beach Games  | Target Met                                 | 1            | 1                            | Umzumbe Beach Games  | The unit was not reporting on this target  | Not Achieved                     | The project was removed from youth section to LED Unit  | LED have to implement this project  | Q3: Attendance Register and Programme               | Office of the Municipal Manager/ Youth Development       |
|                                   |                               |           |  |                                      |                  |   |  | R 400 000.00   | R 293 886.58                               |              |                              | R 100 000.00   | R 0.00   |                                  |   |   |   |  |
|                                   |                               |           |  | Umzumbe Matric High Achievers Awards | All              | Umzumbe Top 10 Matriculants awarded based on their performance in NSC examination results | Date Matriculate Ceremony held                     | Umzumbe Matric High Achievers                                  | Target Met                                 | 1            | 0                            | Umzumbe Matric High Achievers                                  | Target Achieved: Matric Awards was held on 01 February 2019 at St. Faiths Hall, Ward 02          | Achieved                         | N/A   | N/A   | Attendance Register, Programme and Concept Document | Office of the Municipal Manager/ Youth Development       |
|                                   |                               |           |  |                                      |                  |   |  | R 150 000.00   | R 86 240.80                                |              |                              | R 94 500.00  | R 90 659.68  |                                  |   |   |   |  |
|                                   |                               |           |  | Annual Youth Development Summit      | All              | Annual 3 day Youth Development Summit held per annum                                      | Date   | Umzumbe Youth Development Summit                               | Target Met                                 | 1            | 0                            | Umzumbe Youth Development Summit                               | Target Achieved: Umzumbe Youth Development Summit was held on 16 March 2019 at Blue Marlin Hotel | Achieved                         | N/A   | N/A   | Attendance Register, Concept document and Programme | Office of the Municipal Manager/ Youth Development       |
|                                   |                               |           |  |                                      |                  |   |  | R 250 000.00   | R 218 450.00                               |              |                              | R 73 000.00  | R 73 000.00  |                                  |   |   |   |  |
|                                   |                               |           |  | Mayoral Cup Games                    | All              | Mayoral cup games conducted annually  | Date   | Mayoral Cup Games  | Target Met                                 | 1            | 0                            | Mayoral Cup Games  | Annual Target was met  | Achieved                         | N/A   | N/A   | Attendance Register, Concept document and Programme | Office of the Municipal Manager/ Youth Development       |
|                                   |                               |           |  |                                      |                  |   |  | R 500 000.00   | R 535 657.83                               |              |                              | R 387 000.00   | R 420 170.00   |                                  |   |   |   |  |
|                                   |                               |           |  | Youth Day Commemoration              | All              | Annual Youth Day Commemoration  | Date   | Youth Day Commemoration /Youth Month Programme by 30 June 2018 | Target Met                                 | 1            | 0                            | Youth Day Commemoration /Youth Month Programme by 30 June 2019 | Annual Target was met  | Achieved                         | N/A   | N/A   | Attendance Register, Concept document and Programme | Office of the Municipal Manager/ Youth Development       |
|                                   |                               |           |  |                                      |                  |   |  | R 345 000.00   | R 315 413.55                               |              |                              | R 322 500.00   | R 286 550.00   |                                  |   |   |   |  |
|                                   |                               |           |  | Umzumbe Marathon                     | All              | New Project   | Date   | N/A  | N/A  | 1            | 0                            | Umzumbe Marathon   | Target Achieved: Umzumbe Marathon was held on 24 March at Mpsane Sport Ground in Ward 19         | Achieved                         | N/A   | N/A   | Participants List , Photos, Programmes              | Office of the Municipal Manager/ Youth Development       |
|                                   |                               |           |  |                                      |                  |   |  | N/A  | N/A  |              |                              | R 130 000.00   | R 104 480.00   |                                  |   |   |   |  |
|                                   |                               |           |  | Umzumbe Local Sport Confederation    | N/A              | Monthly meetings  | Number Local Sports Confederation                  | 10 Umzumbe Sport Confederation Meetings                        | Target not Achieved: 6/10 meeting achieved | 10           | 10                           | 10 Umzumbe Sport Confederation Meetings                        | Target not Met   | Not Achieved                     | quorum was not met  | The unit have already discussed the concerns with the chairperson. The meetings will be held in Quarter 1 of 19/20 FY | Q1-Q4: Attendance Register and Minutes              | Office of the Municipal Manager/ Youth Development       |
|                                   |                               |           |  |                                      |                  |   |  | R 30 000.00  | R 7 000.00                                 |              |                              | R 30 000.00  | R 6 400.00   |                                  |   |   |   |  |
|                                   |                               |           |  | Youth Dialogue                       | All              | New Project   | Date   | N/A  | N/A  | 1            | 0                            | Youth Dialogue   | Annual Target was met  | Achieved                         | N/A   | N/A   | Q1: Attendance Register and Programme               | Office of the Municipal Manager/ Youth Development       |
|                                   |                               |           |  |                                      |                  |   |  | N/A  | N/A  |              |                              | R 87 000.00  | R 23 500.00  |                                  |   |   |   |  |
|                                   |                               |           |  | Mayoral Tertiary Registration Fess   | All              | 148 learners assisted with Tertiary registration fees in 2013/2014 financial year         | Number of learners assisted with registration fees | Tertiary Registration Assistance: 100 Students                 | Target Met                                 | 48           | 0                            | Tertiary Registration Assistance: 48 Students                  | Target met   | Achieved                         | N/A   | N/A   | Q3: Contract, and Proof of Payment                  | Office of the Municipal Manager/ Youth Development       |
|                                   |                               |           |  |                                      |                  |   |  | R 400 000.00   | R 646 168.00                               |              |                              | R 400 000.00   | R 164 240.00   |                                  |   |   |   |  |
|                                   |                               |           | Addressing Social Ills                         | Moral Re-Generation Campaign         | 1                | Number of campaigns conducted   | Moral Re-Generation Campaign                       | N/A  | 1  | 0            | Moral Re-Generation Campaign | Target met: campaign was conducted                             | Achieved   | N/A                              | N/A   | Q3: Attendance Register and Programme   | Social and Community Services                       |  |
|                                   |                               |           |  |                                      |                  |   | R 550 000.00                                       | N/A  |  |              | R 120 000.00                 | R86 700.00   |  |                                  |   |   |   |  |
|                                   |                               |           | Roll out Disability programmes                 | 4 Disability Forum Meetings          | All              | 4   | Date   | 4 Disability Forum Meetings                                    | Target Met                                 | 4            | 0                            | 4 Disability Forum Meetings                                    | Target met   | Achieved                         | N/A   | N/A   | Concept Document, Programme and Attendance Register | Office of the Municipal Manager/ Special Programmes      |
|                                   |                               |           |  |                                      |                  |   |  | R 60 000.00  | R 110 000.00                               |              |                              | R 30 000.00  | R 19 131.00  |                                  |   |   |   |  |
|                                   |                               |           |  | Disability Sports Day                | Ugu              | 1   | Date   | N/A  | N/A  | 1            | 0                            | Disability Sports Day  | Target was met at Mpsane Sportground on 19 June 2019.  | Achieved                         | N/A   | N/A   | Q1: Programme and Attendance Register               | Office of the Municipal Manager/ Special Programmes Unit |
|                                   |                               |           |  |                                      |                  |   |  | N/A  | N/A  |              |                              | R 135 000.00   | R 69 900.00  |                                  |   |   |   |  |
|                                   |                               |           |  | Disability Day & Awareness           | All              | Disability day place take place every December 03   | Date   | Disability Day & Awareness                                     | Target Met                                 | 1            | 0                            | Disability Day & Awareness                                     | Target met   | Achieved                         | N/A   | N/A   | Concept Document, Programme, Attendance Register    | Office of the Municipal Manager/ Special Programmes      |
|                                   |                               |           |  |                                      |                  |   |  | R 200 000.00   | R 140 000.00                               |              |                              | R 40 000.00  | R 108 600.00   |                                  |   |   |   |  |

| 2018/2019 FINANCIAL YEAR                 |  |   |   |   |   |   |   |  |                  |                       |  |   |                  |   |   |  |  |                         |
|--|--|---|---|---|---|---|---|--|------------------|-----------------------|--|---|------------------|---|---|--|--|-------------------------|
| UMZUMBE ANNUAL PERFORMANCE REPORT        |  |   |   |   |   |   |   |  |                  |                       |  |   |                  |   |   |  |  |                         |
| IDP Ref                                  | NATIONAL KEY PERFORMANCE AREA                              | OBJECTIVE                               | STRATEGY  | PROJECT   | WARD  | BASELINE / STATUS QUO                       | KPI MEASURE   | PREVIOUS AND CURRENT YEAR COMPARISON     |                  |                       |  |   |                  | Status (Achieved / Not Achieved)                      | Reasons for deviation   | Measures taken to improve performance                    | PORTFOLIO OF EVIDENCE                                    | RESPONSIBLE DEPT & UNIT |
|  |  |   |   |   |   |   |   |  |                  | CURRENT YEAR          |  |   |                  |   |   |  |  |                         |
|  |  |   |   |   |   |   |   | 2017/18 (Target)                         | 2017/18 (ACTUAL) | DEMAND                | BACKLOG  | 2018/19 (TARGET)  | 2018/19 (ACTUAL) |   |   |  |  |                         |
| Good Governance and Public Participation | Deepens Public Participation in all sectors of the society | Roll out HIV/AIDS programme             | LAC Meetings  | All   | LAC meetings take place 4 times in a year               | Number of LAC Meetings held                 | 4 LAC Meetings  | Target not met : 2/4 meetings held       | 4                | 0                     | 4 LAC Meetings   | Target not met 3 meetings held  | Achieved         | Meetings were suspended due to elections              | Meeting to be conducted in Q1 of 19/20 FY   | Q1-Q4: Attendance Register and Minutes                   | Office of the Municipal Manager / Special Programmes     |                         |
|  |  |   |   |   |   |   | R 40 000.00   | R 18 500.00                              |                  |                       | N/A  | N/A   |                  |   |   |  |  |                         |
|  |  |   | Assist WAC campaigns                                    | All   | New Project   | Date  | Launching and Induction of WAC ( Ward AIDS Campaigns and Awareness) | Target met                               | 1                | 0                     | Launching and Induction of WAC ( Ward AIDS Campaigns and Awareness)by 31 December 2018 | Target Met, Expenditure was R16 312.00  | Achieved         | N/A   | N/A   | Q2: Attendance Register and Programmes                   | Office of the Municipal Manager / Special Programmes     |                         |
|  |  |   |   |   |   |   | R 100 000.00  | R 34 000.00                              |                  |                       | R 100 000.00   | R 16 312.00   |                  |   |   |  |  |                         |
|  |  |   | World Aids Day  | All   | Word Aids Day takes place in November every year        | Date  | World AIDS day  | Target not Met                           | 1                | 0                     | World AIDS day   | Target Met on 29 November 2018 at Nogoduka Sportground.                       | Achieved         | N/A   | N/A   | Concept Document, Programme, Attendance Register         | Office of the Municipal Manager / Special Programmes     |                         |
|  |  |   |   |   |   |   | R 80 000.00   | R 0.00                                   |                  |                       | R 16 600.00  | R 121 000.00  |                  |   |   |  |  |                         |
|  |  |   | 4 Forum on traditional healers (HIV/AIDS)               | All   | 4   | Number                                      | Forum on traditional healers (HIV/AIDS)                             | Target met: Meeting                      | 4                | 1                     | Forum on traditional healers (HIV/AIDS)  | Target not only 3 meetings set  | Not Achieved     | The quorum did not met.                               | The forum was advised to arrange with SPU if there is a change of plans from the members. The meeting will be held in Quarter 2 of 19/20 FY         | 4 Meetings of Traditional Healers Forum in all quarters  | Office of the Municipal Manager / Special Programmes     |                         |
|  |  |   |   |   |   |   | R 40 000.00   | R 12 000.00                              |                  |                       | R 40 000.00  |   |                  |   |   |  |  |                         |
|  |  |   | 5 HIV & AIDS Awareness Campaigns                        | All   | New project   | Date  | 5 HIV & AIDS Awareness Campaigns                                    | Target Met                               | 5                | 0                     | 5 HIV & AIDS Awareness Campaigns by 31 March 2019                                      | Target met 7/5 held   | Achieved         | N/A   | N/A   | Concept Document, Programme and Attendance Register      | Office of the Municipal Manager / Special Programmes     |                         |
|  |  |   |   |   |   |   | R 60 000.00   | R 40 000.00                              |                  |                       | N/A  | N/A   |                  |   |   |  |  |                         |
|  |  | Implementing Gender Programmes          | Umzumbe Inter-faith Forum and Induction                 | All   | Umzumbe Inter-faith Forum                               | Date  | Umzumbe Inter-faith Forum and Induction                             | N/A                                      | 1                | 0                     | Umzumbe Inter-faith Forum and Induction by 30 September 2018                           | Target met  | Achieved         | N/A   | N/A   | Q1 & Q4: Program, Attendance Register                    | Office of the Municipal Manager / Special Programmes     |                         |
|  |  |   |   |   |   |   | R 60 000.00   | N/A                                      |                  |                       | R 60 000.00  |   |                  |   |   |  |  |                         |
|  |  |   | Induction and Men's Forum by 31 July 2017               | All   | 2014 Structure  | Date  | Induction and Men's Forum by 31 July 2017                           | N/A                                      | 1                | 0                     | Induction and Men's Forum  | Target met: sitted on 24 May 2019 at the main boardroom                       | Achieved         | N/A   | N/A   | Concept Document, Program, Attendance Register           | Office of the Municipal Manager / Special Programmes     |                         |
|  |  |   |   |   |   |   | R 60 000.00   | N/A                                      |                  |                       | R 60 000.00  |   |                  | N/A   | N/A   |  |  |                         |
|  |  |   | Women Commision   | All   | New project   | Date  | N/A   | N/A                                      | 1                | 0                     | Women Commission by 30 September 2018  | Annual Target was met   | Achieved         | N/A   | N/A   | Q3: Program, Attendance Register                         | Office of the Municipal Manager/ Special Programmes Unit |                         |
|  |  |   |   |   |   |   | N/A   | N/A                                      |                  |                       | R 307 000.00   | R 276 107.00  |                  | N/A   | N/A   |  |  |                         |
|  |  |   | Boys to Men by 31 December 2018                         | All   | New Project   | Date  | N/A   | N/A                                      | 1                | 0                     | Boys to Men by 31 December 2018  | Annual Target was met   | Achieved         | N/A   | N/A   | Attendance Register, concept document and Photos         | Office of the Municipal Manager/ Special Programmes Unit |                         |
|  |  |   |   |   |   |   | N/A   | N/A                                      |                  |                       | R 160 000.00   | R 149 233.00  |                  | N/A   | N/A   |  |  |                         |
|  |  |   | Isithangama Samadoda                                    | All   | New Project   | Date  | N/A   | N/A                                      | 1                | 0                     | Isithangama Samadoda   | Annual Target was met   | Achieved         | N/A   | N/A   | Attendance Register, concept document and Photos         | Office of the Municipal Manager/ Special Programmes Unit |                         |
|  |  |   |   |   |   |   | N/A   | N/A                                      |                  |                       | R 70 000.00  | R 67 892.00   |                  | N/A   | N/A   |  |  |                         |
|  |  |   | 16 Days of Activism                                     | All   | Takes place December of every year                      | Date  | 16 Days of Activism   | Target Met                               | 1                | 0                     | 16 Days of Activism  | Annual Target was met   | Achieved         | N/A   | N/A   | Concept Document, Programme, Attendance Register         | Office of the Municipal Manager / Special Programmes     |                         |
|  |  |   |   |   |   |   | R 100 000.00  | R 105 000.00                             |                  |                       | R 100 000.00   | R 87 893.00   |                  | N/A   | N/A   |  |  |                         |
|  |  |   | Gender Meetings   | All   | 4   | Number of gender meetings held              | 4 Gender Forum Meetings   | Target Not Met: Only 3 meetings were met | 4                | 4                     | 4 Gender Forum Meetings  | Target not met  | Not Achieved     | The members didn't pitch up on the day of the meeting | Members were advised to adhere to the set dates and will be given to them by SPU. The first meeting for quarter 01 is on the 17th of September 2019 | Attendance Register and Minutes (Q1-Q4)                  | Office of the Municipal Manager / Special Programmes     |                         |
|  |  |   |   |   |   |   | R 40 000.00   | R 10 721.00                              |                  |                       | R 40 000.00  | R 0.00  |                  |   |   |  |  |                         |
|  |  | Implementing Senior Citizens Programmes | National Golden Games                                   | All   | District, Provincial and National games every Q1-Q2     | Date  | National Golden Games   | Target Met                               | 1                | 0                     | National Golden Games  | Target met  | Achieved         | N/A   | N/A   | Q1-Q4 Attendance Register                                | Office of the Municipal Manager / Special Programmes     |                         |
|  |  |   |   |   |   |   | R 100 000.00  | R 208 000.00                             |                  |                       | R 25 000.00  | R 25 000.00   |                  |   |   |  |  |                         |
|  |  |   | Selections and Trainings of Senior Citizens in Clusters | All   | 2017/2018 Selections and Trainings Sessions             | Date  | Selections and Trainings of Senior Citizens in Clusters             | N/A                                      | 1                | 0                     | Selections and Trainings of Senior Citizens in Clusters                                | Target was met  | Achieved         | N/A   | N/A   | Q1-Q4 Attendance Register                                | Office of the Municipal Manager/ Special Programmes Unit |                         |
|  |  |   |   |   |   |   | R 100 000.00  | N/A                                      |                  |                       | R 70 000.00  | R 61 243.00   |                  |   |   |  |  |                         |
|  |  |   | Final Selections  | All   | 2016/2017 Selections                                    | Date  | Final Selections  | N/A                                      | 1                | 0                     | Final Selections   | Target met: Final selections held at Mantyaneni sports ground on 12 June 2019 | Achieved         | N/A   | N/A   | Q1-Q4 Attendance Register                                | Office of the Municipal Manager/ Special Programmes Unit |                         |
|  |  |   |   |   |   |   | R 100 000.00  | N/A                                      |                  |                       | R 95 000.00  |   |                  |   |   |  |  |                         |
|  |  |   | Provincial Golden Games by 31 December 2018             | All   | Local, District and Provincial Golden Games every Q1-Q2 | Date  | N/A   | N/A                                      | 1                | 0                     | Provincial Golden Games by 31 December 2018  | Target met and expenditure  | Achieved         | N/A   | N/A   | Q2: Attendance Register                                  | Office of the Municipal Manager/ Special Programmes Unit |                         |
|  |  |   |   |   |   |   | N/A   | N/A                                      |                  |                       | R 68 700.00  | R 66 181.02   |                  |   |   |  |  |                         |
|  |  | District Golden Games                   | All   | Local, District and Provincial Golden Games every Q1-Q2 | Number  | Local, District and Provincial Golden Games | N/A   | 1  | 0                | District Golden Games | Target was met   | Achieved  | N/A              | N/A   | Q1-Q4 Attendance Register   | Office of the Municipal Manager/ Special Programmes Unit |  |                         |

| 2018/2019 FINANCIAL YEAR          |                               |           |          |   |           |   |  |   |  |              |         |   |   |                                  |  |  |  |  |
|-----------------------------------|-------------------------------|-----------|----------|---|-----------|---|--|---|--|--------------|---------|---|---|----------------------------------|--|--|--|--|
| UMZUMBE ANNUAL PERFORMANCE REPORT |                               |           |          |   |           |   |  |   |  |              |         |   |   |                                  |  |  |  |  |
| IDP Ref                           | NATIONAL KEY PERFORMANCE AREA | OBJECTIVE | STRATEGY | PROJECT   | WARD      | BASELINE / STATUS QUO                               | KPI MEASURE  | PREVIOUS AND CURRENT YEAR COMPARISON                              |  |              |         |   |   | Status (Achieved / Not Achieved) | Reasons for deviation  | Measures taken to improve performance  | PORTFOLIO OF EVIDENCE  | RESPONSIBLE DEPT & UNIT                                  |
|                                   |                               |           |          |   |           |   |  |   |  | CURRENT YEAR |         |   |   |                                  |  |  |  |  |
|                                   |                               |           |          |   |           |   |  | 2017/18 (Target)  | 2017/18 (ACTUAL)                         | DEMAND       | BACKLOG | 2018/19 (TARGET)  | 2018/19 (ACTUAL)  |                                  |  |  |  |  |
|                                   |                               |           |          | 4 Senior Citizens Forum Meetings                      | All       | 4   | Date Awareness campaign citizens campaign for senior citizens held | 4 Senior Citizens Forum Meetings                                  | Target Met                               | 4            | 4       | 4 Senior Citizens Forum Meetings                                  | Target met: The meeting held on 5 June 2019 at Umzumbe Municipality | Achieved                         | Not budgeted for   | To be done 2018/19 FY  | Q1-Q4: Program, Attendance Register  | Office of the Municipal Manager / Special Programmes     |
|                                   |                               |           |          | Back to school and Sanitary dignity campaign          | All       | 2   | Date   | Back to School Campaign by 28 February 2018                       | Target Met                               | 1            | 0       | Back to School Campaign by 28 February 2018                       | Target Met: Back to School Campaign held on 13 March 2019           | Achieved                         | N/A  | N/A  | Concept Document, Program and Attendance Register                            | Office of the Municipal Manager / Special Programmes     |
|                                   |                               |           |          | 4 Rights of a Child Forum Meetings                    | All       | 4   | Number   | N/A   | N/A                                      |              |         | 4 Rights of a Child Forum Meetings                                | Target not met  | Not Achieved                     | The meeting was postponed due to a clash with other Council events | The SPU and the Office of the Speaker will sort out the clashes on the events calendar | Q1-Q4: Attendance Register and minutes                                       | Office of the Municipal Manager/ Special Programmes Unit |
|                                   |                               |           |          | Mini umkhosi womhlanga                                | All       |   | Takes place before umkhosi womhlanga at Nyonkani                   | Date Mini umkhosi womhlanga held                                  | Mini Umkhosi Womhlanga & Memorial Prayer | Target met   | 1       | 0   | N/A   | N/A                              | N/A  | N/A  | Concept Document, Program and Attendance Register                            | Office of the Municipal Manager / Special Programmes     |
|                                   |                               |           |          | Umkhosi womhlanga (Eryokeni)                          | All       |   | Takes place every year in September                                | Date Umkhosi womhlanga held                                       | Umkhosi Womhlanga by 30 September 2017   | Target met:  | 1       | 0   | Umkhosi Womhlanga by 30 September 2018                              | Target met                       | N/A  | N/A  | Concept Document, Programme and Attendance Register                          | Office of the Municipal Manager / Special Programmes     |
|                                   |                               |           |          | Dress a child   | All wards | 2400 School Children                                | Number of vulnerable children benefitted from (school uniform)     | Dress a Child: Provide school uniform to 2400 vulnerable children | Target met                               | 2400         | 0       | Dress a Child: Provide school uniform to 2400 vulnerable children | Target met: 2400 school children benefitted.                        | Achieved                         | N/A  | N/A  | Q2: Appointment Letter, Q3 Beneficiary Report, Q4: Distribution List and GRN | Social Development & Community Services                  |
|                                   |                               |           |          | Support Ward Committee and Organised Local Structures | All       | 100% ward committees paid stipend per seating       | Percentage of stipends paid to ward committees                     | 100% Payment ward committees paid stipend                         | Target achieved                          | 100%         | 0%      | 100% Payment ward committees paid stipend                         | Target was met  | Achieved                         | N/A  | N/A  | Q1-Q4: Schedule of payment,  | Office of the Municipal Manager / Speakers office        |
|                                   |                               |           |          | Training of Ward Committees                           | All       | Ward Committees trained o modules 1-6               | Date Ward Committee training sessions held                         | Training of Ward Committees by 31 December 2017                   | 220 Ward Committee members trained       | 5            | 0       | Training of Ward Committees by 31 December 2018                   | Target Met  | Achieved                         | N/A  | N/A  | Attendance Register and Training manual                                      | Office of the Municipal Manager / Speakers office        |
|                                   |                               |           |          | Ward committee meetings                               | All       | All ward committee meetings seating as per schedule | Number of ward committee meetings held                             | 240 ward committee meetings                                       | Target Not Achieved: 120 Meetings held   | 240          | 0       | 240 ward committee meetings                                       | Target met 240/240  | Achieved                         | N/A  | N/A  | Q1-Q4: Attendance Register and Minutes                                       | Office of the Municipal Manager / Speakers office        |
|                                   |                               |           |          | Community meetings                                    | All       | 61 meetings held                                    | Number of community meetings                                       | 80 Community meetings (one meeting per ward per quarter)          | Target Not Achieved: 40/80 Meetings held | 80           | 0       | 80 Community meetings (one meeting per ward per quarter)          | Target was met 80/80 meetings held                                  | Achieved                         | N/A  | N/A  | Q1-Q4: Minutes and Attendance Register                                       | Office of the Municipal Manager / Speakers office        |

| 2018/2019 FINANCIAL YEAR          |                               |           |   |   |           |   |   |   |   |              |         |   |  |                                  |  |  |  |   |
|-----------------------------------|-------------------------------|-----------|---|---|-----------|---|---|---|---|--------------|---------|---|--|----------------------------------|--|--|--|---|
| UMZUMBE ANNUAL PERFORMANCE REPORT |                               |           |   |   |           |   |   |   |   |              |         |   |  |                                  |  |  |  |   |
| IDP Ref                           | NATIONAL KEY PERFORMANCE AREA | OBJECTIVE | STRATEGY  | PROJECT                                   | WARD      | BASELINE / STATUS QUO                           | KPI MEASURE   | PREVIOUS AND CURRENT YEAR COMPARISON                  |   |              |         |   |  | Status (Achieved / Not Achieved) | Reasons for deviation  | Measures taken to improve performance  | PORTFOLIO OF EVIDENCE  | RESPONSIBLE DEPT & UNIT                                       |
|                                   |                               |           |   |   |           |   |   |   |   | CURRENT YEAR |         |   |  |                                  |  |  |  |   |
|                                   |                               |           |   |   |           |   |   | 2017/18 (Target)                                      | 2017/18 (ACTUAL)  | DEMAND       | BACKLOG | 2018/19 (TARGET)  | 2018/19 (ACTUAL)   |                                  |  |  |  |   |
|                                   |                               |           |   |   |           |   |   | N/A   | N/A   |              |         | N/A   |  |                                  |  |  |  |   |
|                                   |                               |           | Support Ward Committee structures   | Table of ward committee report to Council | All       | Minutes of Ward Committees submitted to Council | Number of ward committees reports submitted to Council      | 4 Ward Committee Meetings Report                      | Target Not Achieved: 1/4 Reports  | 4            | 0       | 4 Ward Committee Meetings Report  | Target was met 4/4 Reports adopted                                 | Achieved                         | N/A  | N/A  | Q1-Q4: Council Resolution  | Office of the Municipal Manager / Speakers office             |
|                                   |                               |           |   |   |           |   |   | N/A   | N/A   |              |         | N/A   |  |                                  |  |  |  |   |
|                                   |                               |           | Review and implement community-based plans                                  | Review of ward plans                      | All       | 19 ward plans developed                         | Number of ward plans reviewed                               | Review 20 Ward Plans                                  | Target achieved: 20 Ward plans developed & tabled to Council meeting held on 30 March 2017. | 20           | 0       | Review 20 Ward Plans  | Target met: 20/20 Plans reviewed                                   | Achieved                         | N/A  | N/A  | Q1-Q2: Council Resolution and Ward Plans   | Office of the Municipal Manager / Speakers office             |
|                                   |                               |           |   |   |           |   |   | R 105 000.00  | R 105 000.00  |              |         | R 90 000.00   | R 93 000.00  |                                  |  |  |  |   |
|                                   |                               |           | Hosting Public participation events   | NGO's/NPO's Incubator Programme           | 9 Wards   | 10 NGOs   | Number of NGO's supported                                   | 10 NGOs/NPOs  | Target met  | 9            | 0       | 09 NGOs/NPOs  | Target met: 9 centres received material support                    | Achieved                         | N/A  | N/A  | Q1: Needs Identification Report, Q2-Q4: Purchase order and Distribution register | Social Development and Community Services /Community Services |
|                                   |                               |           |   |   |           |   |   | R 450 000.00  | R447 814.00   |              |         | R 400 000.00  | R412 158.60  |                                  |  |  |  |   |
|                                   |                               |           | 4 NGO Forum Meetings  |   | all       | New project                                     | Number  | N/A   | N/A   | 4            | 1       | 4 NGO Forum Meetings  | Target not met: 3 NGO Forum were held                              | Achieved                         | Meeting could not sit in Q2 due to protests.   | The meeting will be held in the next quarter.  | Program, Attendance Register, Minutes and GRN                                    | Social Development & Community Services                       |
|                                   |                               |           |   |   |           |   |   | N/A   | N/A   |              |         | R 21 000.00   | R 0.00   |                                  |  |  |  |   |
|                                   |                               |           | Capacity Building: 10 NGOs/NPOs   |   | 10        | 10 NGOs/NPOs                                    | Number of NGOs/NPOs capacitated                             | Capacity Building: 10 NGOs/NPOs                       | Target Achieved: 10 NGOs Trained  | 10           | 8       | Capacity Building: 10 NGOs/NPOs   | Target not met:  | Not Achieved                     | Sekusile, Dado and Bhakizizwe Creche did not attend the training.  | To refer these ECDs to NEG, Save the Children SA for intervention to resolve challenges in these ECDs  | Q1: Identification Report, Q3: Close Out Report and Attendance Register          | Social Development and Community Services /Community Services |
|                                   |                               |           |   |   |           |   |   | R 120 000.00  | R98 460.00  |              |         | R 110 000.00  | R109 900.00  |                                  |  |  |  |   |
|                                   |                               |           | 4 Reports: Operation Sukuma Sakhe LTT Meetings                              |   | All       | 4   | Number of campaigns conducted                               | 4 Reports: Operation Sukuma Sakhe LTT Meetings        | N/A   | 4            | 4       | 4 Reports: Operation Sukuma Sakhe LTT Meetings                              | Target not met:  | Not Achieved                     | OSS meetings are held monthly according to roster. Poor attendance, suspension of all meetings/committees resulted in non sitting of OSS   | To ensure meetings are held as scheduled according to roster   | Q1-Q4: Minutes and Attendance Registers  | Social Development and Community Services /Community Services |
|                                   |                               |           |   |   |           |   |   | N/A   | N/A   |              |         | N/A   | 0  |                                  |  |  |  |   |
|                                   |                               |           | Social Crime Prevention campaign  |   | All wards | 2 events  | Number of campaigns conducted                               | Social Crime Prevention campaign                      | Target met  | 1            | 0       | Social Crime Prevention campaign  | Target Met   | Achieved                         | N/A  | N/A  | Q1-Q2:Program and Attendance Register  | Social Development and Community Services /Community Services |
|                                   |                               |           |   |   |           |   |   | R 315 000.00  | R361 008.80   |              |         | R 100 000.00  | R84 590.00   |                                  |  |  |  |   |
|                                   |                               |           | Service Delivery Events   |   | Cluster D | 2   | Date  | Service Delivery Events: 2                            | Target met  | 2            | 0       | Service Delivery Events: 2  | Target met: Event held on the 26 September.                        | Achieved                         | N/A  | N/A  | Q2&Q4: Attendance Register   | Social Development & Community Services                       |
|                                   |                               |           |   |   |           |   |   | R 220 000.00  | R147 499.00   |              |         | R 60 000.00   | R58 100.00   |                                  |  |  |  |   |
|                                   |                               |           | Appointment of Audit Committee  | Audit Committee Meetings                  | N/A       | 5   | Date of Internal Audit plan Approved by the Audit Committee | 4 Audit Committee meetings                            | Target Achieved   | 4            | 0       | 4 Audit Committee meetings  | Target Met: 5 Audit Committee meetings were held in the 2018/19 FY | Achieved                         | N/A  | N/A  | Audit Committee Minutes and the Internal Audit Plan                              | Office of the Municipal Manager / Internal Audit              |
|                                   |                               |           |   |   |           |   |   | N/A   | N/A   |              |         | N/A   |  |                                  |  |  |  |   |
|                                   |                               |           | Internal Audit Plan   |   | N/A       | N/A   | Date Internal Audit Charter approved by the Audit Committee | Approved Internal Audit Charter by 30 September 2017  | Target Achieved   | 1            | 0       | Approved Internal Audit Plan by 30 September 2018                           | Target met   | Achieved                         | N/A  | N/A  | Audit Committee Minutes and Audit Charter  | Office of the Municipal Manager / Internal Audit              |
|                                   |                               |           |   |   |           |   |   | N/A   | N/A   |              |         | N/A   |  |                                  |  |  |  |   |
|                                   |                               |           | 4 Monitoring reports on the implementation of recommendations by management |   | Internal  | 1   | Number  | N/A   | N/A   | 4            | 4       | 4 Monitoring reports on the implementation of recommendations by management | Target not met: Follow-ups were note conducted in all 4 quarters.  | Not Achieved                     | The following are the contributing factors to the non-completion of the IA plan:<br>a) Disruptions that took place in the municipality.<br>B) Staff shortage within the unit.<br>C) Management delays in providing requested information | a) The 2019/2020 IA Plan has been approved to include the assignments that were not completed. Follow-up will be conducted in the 2019/2020.<br>B) HR unit to appoint an IA Officer. | Q1-Q4 Audit Committee Reports and Minutes of the Audit Committee                 | Office of the Municipal Manager/ Internal Audit               |
|                                   |                               |           |   |   |           |   |   | N/A   | N/A   |              |         | N/A   |  |                                  |  |  |  |   |
|                                   |                               |           | 2 Fraud Prevention awareness campaigns                                      |   | Internal  | 4   | Number  | N/A   | N/A   | 2            | 2       | 2 Fraud Prevention awareness campaigns                                      | Target not met   | Not Achieved                     | The following are the contributing factors:<br>a) Disruptions that took place in the municipality.<br>B) Staff shortage within the unit.   | This project to be conducted in the 2019/2020 FY   | Q2: Attendance Register and manual   | Office of the Municipal Manager/ Internal Audit               |
|                                   |                               |           |   |   |           |   |   | N/A   | N/A   |              |         | N/A   |  |                                  |  |  |  |   |
|                                   |                               |           | Approved Audit Committee Charter by 30 September 2018                       |   | N/A       | 2016/2017 Audit Committee Charter               | Date  | Approved Audit Committee Charter by 30 September 2017 | N/A   | 1            | 0       | Approved Audit Committee Charter by 30 September 2018                       | Target met   | Achieved                         | N/A  | N/A  | Audit Committee Minutes and Audit Charter  | Office of the Municipal Manager/ Internal Audit               |
|                                   |                               |           |   |   |           |   |   | N/A   | N/A   |              |         | N/A   |  |                                  |  |  |  |   |
|                                   |                               |           | Approved Internal Audit Charter by 30 September 2018                        |   | N/A       | 2016/2017 Internal Audit Charter                | Date  | Approved Internal Audit Charter by 30 September 2017  | N/A   | 1            | 0       | Approved Internal Audit Charter by 30 September 2018                        | Target met   | Achieved                         | N/A  | N/A  | Q3: Reports and TopManco Resolutions   | Office of the Municipal Manager/ Internal Audit               |
|                                   |                               |           |   |   |           |   |   | N/A   | N/A   |              |         | N/A   |  |                                  |  |  |  |   |
|                                   |                               |           | 100% Completion of Internal Audit plan as approved by the Audit committee   |   | N/A       | New project                                     | Percentage  | N/A   | N/A   | 100%         | 49%     | 100% Completion of Internal Audit plan as approved by the Audit committee   | Target not met: 61% of the IA plan was completed.                  | Not Achieved                     | The following are the contributing factors to the non-completion of the IA plan:<br>a) Disruptions that took place in the municipality.<br>B) Staff shortage within the unit.  | a) The 2019/2020 IA Plan has been approved to include the assignments that were not completed.<br>B) HR unit to appoint an IA Officer.   | Audit Committee Minutes and Plan   | Office of the Municipal Manager/ Internal Audit               |

| 2018/2019 FINANCIAL YEAR          |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
|-----------------------------------|-------------------------------|-----------|--|--|----------|--|--|--|--|--------------|---------|---|---|----------------------------------|--|--|--|---|--|--|
| UMZUMBE ANNUAL PERFORMANCE REPORT |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
| IDP Ref                           | NATIONAL KEY PERFORMANCE AREA | OBJECTIVE | STRATEGY   | PROJECT  | WARD     | BASELINE / STATUS QUO                                    | KPI MEASURE  | PREVIOUS AND CURRENT YEAR COMPARISON                     |  |              |         |   |   | Status (Achieved / Not Achieved) | Reasons for deviation  | Measures taken to improve performance  | PORTFOLIO OF EVIDENCE  | RESPONSIBLE DEPT & UNIT   |  |  |
|                                   |                               |           |  |  |          |  |  |  |  | CURRENT YEAR |         |   |   |                                  |  |  |  |   |  |  |
|                                   |                               |           |  |  |          |  |  | 2017/18 (Target)   | 2017/18 (ACTUAL)                             | DEMAND       | BACKLOG | 2018/19 (TARGET)  | 2018/19 (ACTUAL)  |                                  |  |  |  |   |  |  |
| 3.1.a                             |                               |           | Reporting fraud and corruption                                 | 4 Audit Committee reports submitted to council           | N/A      | 4  | Number   | N/A  | N/A  | 4            | 3       | 4 Audit Committee reports submitted to council            | Target Not Met: 1 report were submitted to Council by the Audit Committee in January. | Not Achieved                     | C) Management delays in providing requested                                    | Chairperson of AG is to submit required to council as per legislation                          | Audit Committee Minutes and the Internal Audit Plan  | Office of the Municipal Manager / Internal Audit                                      |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
| 3.2.a                             |                               |           | Attending queries as reported on presidential Hotline          | Attend Presidential Hotline                              | N/A      | 4  | Number of presidential report submitted to Council | 4 Presidential Hotline Reports                           | 3 out of 4 Reports                           | 4            | 0       | 4 Presidential Hotline Reports                            | Target met 4/4 Reports adopted by council   | Achieved                         | N/A  | N/A  | Council Resolution   | Office of the Municipal Manager/Office of the Municipal Manager                       |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
| 5.4.3                             |                               |           | Establishment of Learners License Centre by 31 March 2019      | Establishment of Learners License Centre by 30 June 2018 | 17       | Establishment of Learners License Centre by 30 June 2018 | Date   | Establishment of Learners License Centre by 30 June 2018 | Target not met                               | 1            | 1       | Establishment of Learners License Centre by 31 March 2019 | Target not Met  | Not Achieved                     | Partitioning was not done due to delays in minimum standards from DOT          | This will be done when the structure is completed and complies with minimum standards from DOT | Appointment letter, Delivery note and GRN  | Social Development and Community Services   |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
| 5.4.3                             |                               |           | Implementation of Spatial Planning and Land Use Management Act | 4 MPT Reports  | Internal | 4  | Number   | N/A  | N/A  | 4            | 0       | 4 MPT Reports   | Target Met  | Achieved                         | N/A  | N/A  | Q1-Q4: MPT Reports and Top Manco Resolutions   | Office of the Municipalmanager/Development Planning Unit                              |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
| Cross Cutting Interventions       |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
| 5.1.a                             |                               |           | To review and develop credible IDP                             | Review and develop credible IDP                          | All      | Adopted 2014/2015 IDP                                    | Date of adoption                                   | Umzumbe IDP  | Target Met: Umzumbe IDP adopted 30 May 2018  | 1            | 0       | Umzumbe IDP   | Target met . IDP Adopted on the 27th March 2019                                       | Achieved                         | N/A  | N/A  | Q1: Council Resolution, Q3: Council Resolution and Draft IDP, Q4: Council Resolution and Final IDP           | Office of the Municipal Manager / Development Planning and Local Economic Development |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
| 5.2.a                             |                               |           | 2 IDP Rep Forums   | N/A  | N/A      | 3  | Number   | 2 IDP Rep Forums   | Target Met                                   | 2            | 2       | 2 IDP Rep Forums  | Target not met  | Not Achieved                     | Interruption of community protests thereafter committees were on recess due to | IDP Rep Forums to take place in next financial year  | Q2 & Q4: Minutes and Attendance Register   | Office of the Municipal Manager/Development Planning                                  |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
| 5.2.a                             |                               |           | Review SDF   | All  | 2012 SDF | Date of Adoption of reviewed SDF                         | Reviewed SDF by 30 June 2018                       | Reviewed SDF by 30 June 2018                             | Target Met: Reviewed SDF adopted 30 May 2018 | 1            | 0       | Reviewed SDF by 30 June 2019                              | Target Met. SDF Adopted on the 27th of March 2019                                     | Achieved                         | N/A  | N/A  | Q1: Inception and Council Resolution, Q2: Draft SDF and Council Resolution, Q3: Council Resolution and Final | Office of the Municipal Manager / Development Planning                                |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |
|                                   |                               |           |  |  |          |  |  |  |  |              |         |   |   |                                  |  |  |  |   |  |  |

| 2018/2019 FINANCIAL YEAR          |                               |   |   |   |                  |                       |  |   |   |        |         |   |  |                                  |  |   |   |   |              |
|-----------------------------------|-------------------------------|---|---|---|------------------|-----------------------|--|---|---|--------|---------|---|--|----------------------------------|--|---|---|---|--------------|
| UMZUMBE ANNUAL PERFORMANCE REPORT |                               |   |   |   |                  |                       |  |   |   |        |         |   |  |                                  |  |   |   |   |              |
| IDP Ref                           | NATIONAL KEY PERFORMANCE AREA | OBJECTIVE   | STRATEGY  | PROJECT   | WARD             | BASELINE / STATUS QUO | KPI MEASURE  | PREVIOUS AND CURRENT YEAR COMPARISON  |   |        |         |   |  | Status (Achieved / Not Achieved) | Reasons for deviation  | Measures taken to improve performance                       | PORTFOLIO OF EVIDENCE                           | RESPONSIBLE DEPT & UNIT   |              |
|                                   |                               |   |   |   |                  |                       |  | CURRENT YEAR  |   |        |         |   |  |                                  |  |   |   |   |              |
|                                   |                               |   |   |   |                  |                       |  | 2017/18 (Target)  | 2017/18 (ACTUAL)  | DEMAND | BACKLOG | 2018/19 (TARGET)  | 2018/19 (ACTUAL)   |                                  |  |   |   |   |              |
|                                   |                               |   |   |   |                  |                       |  | N/A   | N/A   |        |         | N/A   | N/A  |                                  |  |   | Document  |   |              |
| 5.2.b                             | Cross Cutting Interventions   | 5.1 To ensure efficient and credible strategic and spatial municipal planning | To create conducive environment for service delivery and improve spatial municipal planning | Phungashe LAP   | 3                | New Project           | Date of Adoption of Phungashe LAP                  | Phungashe Local Area Plan by 30 June 2018   | Target not met:   | 1      | 0       | Phungashe Local Area Plan by 31 December 2018   | Target met   | Achieved                         | N/A  | N/A   | Q3-Q4: Council Resolution                       | Office of the Municipal Manager / Development Planning                                |              |
|                                   |                               |   |   |   |                  |                       |  | R 600 000.00  | R 55 717.50   |        |         | R 554 760.00  | R 387 492.50   |                                  |  |   |   |   |              |
| 5.3.b                             |                               |   | Awareness campaigns   |   | all wards (1-19) | 5                     | Number of Development Planning awareness campaigns | 5 SPLUMA Awareness Campaigns  | Target achieved: 5 Awareness Campaigns 15 February 2018 Nyavini MPCC, 23 March 2018 St Faiths hall, 07 March 2018 Shaniini Hall, 01 March 2018 Ndumakude Hall, 20 February 2018 (KwenaBhaya hall) | 5      | 5       | 5 SPLUMA Awareness Campaigns  | Target not met   | Not Achieved                     | Clashing of events, community protests and the election period made it hard to secure date for awareness campaigns | To be conducted in next financial year                      | Q3: Attendance Registers and Programme          | Office of the Municipal Manager / Development Planning and Local Economic Development |              |
|                                   |                               |   |   |   |                  |                       |  | R 80 000.00   | R 152 400.00  |        |         | R 60 000.00   | R 0.00   |                                  |  |   |   | N/A   |              |
| 5.3.a                             |                               |   | Complete and adopt Wall-to wall scheme and Land audit                                       | Land Audit  | All              | new Project           | Date of adoption                                   | Land Audit  | Target not achieved. Readvertisement: Tender Document   | 1      | 1       | Land Audit  | Target not met   | Not Achieved                     | Not suitable service provider found  | Project Re-advertised                                       | Q1-Q3: Council Resolutions                      | Office of the Municipal Manager / Development Planning                                |              |
|                                   |                               |   |   |   |                  |                       |  | R 1 300 000.00  | R 0.00  |        |         | R 2 000 000.00  | R 0.00   |                                  |  |   |   |   |              |
| 5.3.b                             |                               |   | Update of Geographic Information Systems  | GIS 10.6 Software   | internal         | GIS 10.2 Software     | number   | N/A   | N/A   |        |         | GIS 10.6 Software   | Target Met   | Achieved                         | N/A  | N/A   | Q2 Purchase order                               | Office of the Municipal Manager / Development Planning                                |              |
|                                   |                               |   |   |   |                  |                       |  | N/A   | N/A   |        |         | R 20 000.00   | R 0.00   |                                  |  |   |   |   |              |
|                                   |                               |   |   | Review of DMP   | Internal         | 2016/2017 DMP         | Date   | Review of DMP   | Target Met: DMP adopted 22 June 2018  | 1      | 1       | Review of DMP   | Target not met:  | Not Achieved                     | Disaster Management Plan was not adopted by council  | The document will be submitted in the next council meeting. | Q4: Council Resolution                          | Social Development and Community Services / Disaster Management                       |              |
|                                   |                               |   |   |   |                  |                       |  | N/A   | N/A   |        |         | N/A   | N/A  |                                  |  |   |   |   |              |
|                                   |                               |   |   | Facilitation of DM Advisory Forum: 4  | N/A              | 4 Quarterly Forums    | Number of ocal DM Advisory Forum meetings          | DM Advisory Forum Meetings: 4   | Target met four Quarterly Advisory meetings were conducted  | 4      | 0       | DM Advisory Forum Meetings: 4   | Target met: 4 meetings were held.  | Achieved                         | N/A  | N/A   | Q1-Q4: Program. Minutes and Attendance Register | Social Development and Community Services / Disaster Management                       |              |
|                                   |                               |   |   |   |                  |                       |  | R 20 000.00   | R 23 705.00   |        |         | N/A   | N/A  |                                  |  |   |   |   |              |
|                                   |                               |   |   | Training/capacity Buildings: 3 trainings(Basic Fire Fighting and First Aid, Disaster Management and Fire Fighter 1 and 2) | All              | 4                     | Number   | Training/capacity Buildings: 3 trainings(Basic Fire Fighting and First Aid, Disaster Management and Fire Fighter 1 and 2) | Target not Met  | 3      | 0       | Training/capacity Buildings: 3 trainings(Basic Fire Fighting and First Aid, Disaster Management and Fire Fighter 1 and 2) | Target met: Volunteer Training on Disaster Managemet was held on 27 June at MPCC Ward 17 and Phungashe Education Centre on 28 June | Achieved                         | N/A  | N/A   | Q1-Q3: Attendance Register, Training manual     | Social Development & Community Services   |              |
|                                   |                               |   |   |   |                  |                       |  |   |   |        |         |   |  |                                  |  |   |   |   | R 250 000.00 |

| 2018/2019 FINANCIAL YEAR                               |  |                                     |  |   |                                     |                             |   |   |  |   |   |   |   |  |  |   |  |   |     |  |  |
|--|--|-------------------------------------|--|---|-------------------------------------|-----------------------------|---|---|--|---|---|---|---|--|--|---|--|---|-----|--|--|
| UMZUMBE ANNUAL PERFORMANCE REPORT                      |  |                                     |  |   |                                     |                             |   |   |  |   |   |   |   |  |  |   |  |   |     |  |  |
| IDP Ref  | NATIONAL KEY PERFORMANCE AREA            | OBJECTIVE                           | STRATEGY                                   | PROJECT                                   | WARD                                | BASELINE / STATUS QUO       | KPI MEASURE   | PREVIOUS AND CURRENT YEAR COMPARISON      |  |   |   |   |   | Status (Achieved / Not Achieved)   | Reasons for deviation                    | Measures taken to improve performance                           | PORTFOLIO OF EVIDENCE                            | RESPONSIBLE DEPT & UNIT   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  | CURRENT YEAR  |   |   |   |  |  |   |  |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   | 2017/18 (Target)                          | 2017/18 (ACTUAL)                                     | DEMAND  | BACKLOG   | 2018/19 (TARGET)  | 2018/19 (ACTUAL)  |  |  |   |  |   |     |  |  |
| 5.3.d  |  |                                     | Implementation of DMP                      | Volunteer Program: 4 Reports              | All Wards                           | 4                           | Number  | Volunteer Program: 4 Reports              | Target met: 4 reports prepared                       | 4   | 0   | Volunteer Program: 4 Reports                              | Target met: 4 reports submitted on the participation of volunteers.           | Achieved   | N/A                                      | N/A   | Q1-Q4: Reports and Programme                     | Social Development & Community Services   |     |  |  |
|  |  |                                     |  |   |                                     | R 720 000.00                | R 4 328 200.00  |   |  | R 600 000.00  | R373 795.00   |   |   |  |  |   |  |   |     |  |  |
|  | Disaster Mitigation                      | Disaster Incident Support           | All wards                                  | 4 Reports                                 | Number of Disaster Incident Reports | 4 Disaster Incident Reports | Target met: 10 fatalities in 182 total cases reported. 65 fires, 51 houses collapsed and 66 affected by winds. 85 cases attended by fire and rescue of which 41 were MVAs | 4   | 0  | 4 Disaster Incident Reports   | Target met: 4 reports are submitted                                 | Achieved  | N/A   | N/A  | Report, invoices or GRN                  | Social Development and Community Services / Disaster Management |  |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   | R 1 000 000.00                            | R260889.75   |   |   | R 590 000.00  | R481 889.30   |  |  |   |  |   |     |  |  |
|  |  | 15 DM Awareness Campaigns           | All  | N/A                                       | N/A                                 | Fire Fighting Equipment     | Target not met  | 1   | 1  | Fire Fighting Equipment   | Target not met:   | Not Achieved  | The tender had to be re-advertised due to no response from service providers. | The tender for fire fighting vehicle closed on the 5th of March 2019, went to bid committees and is awaiting appointment | Q2-Q3: Appointment Letter and GRN        | Social Development and Community Services / Disaster Management |  |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   | N/A                                       | N/A  |   |   | R 1 800 000   | R 0.00  |  |  |   |  |   |     |  |  |
|  |  |                                     |  |   |                                     | 15 DM Awareness Campaigns   | Target met 15 Disaster Management Awareness campaign were conducted   | 15  | 0  | 13 DM and Fire Awareness Campaigns (8 Fire and 5 Community Awareness Campaigns) | Target met: 13 campaigns were conducted. 8 Fire and 5 DM campaigns. | Achieved  | N/A   | N/A  | Q1-Q4: Attendance Register and Programme | Social Development and Community Services / Disaster Management |  |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   | R 700 000.00                              | R 722 340.00   |   |   | R 590 000.00  | R602 670.00   |  |  |   |  |   |     |  |  |
| ADDENDUM   |  |                                     |  |   |                                     |                             |   |   |  |   |   |   |   |  |  |   |  |   |     |  |  |
| 5  | Good Governance and Public Participation | Administration and Fleet Management | Corporate Branding                         | 4 Reports: Municipal Website Feeds        | Municipality                        | New Project                 | Number  | 4 Reports: Municipal Website Feeds        | Target achieved: reports prepared                    | 4   | 0   | 4 Reports: Municipal Website Feeds                        | Target Met  | Achieved   | N/A                                      | N/A   | Q1-Q4: Reports                                   | Office of the Municipal Manager / Communications Mayorality and Youth Development |     |  |  |
|  |  |                                     |  |   |                                     |                             |   | N/A                                       | N/A  |   |   | N/A   | N/A   |  |  |   |  |   |     |  |  |
| 5  | Good Governance and Public Participation | public participation                | Batho Pele Programme Campaigns and Materia | 4 District Engagement Forums              | Municipality                        | New Project                 | Number  | 4 District Engagement Forums              | Target Not Met:2 Batho Pele were attended            | 4   | 0   | 4 District Engagement Forums                              | Target Met: 4/4 Forums held   | Achieved   | N/A                                      | N/A   | Q1-Q4: Attendance Register                       | Office of the Municipal Manager/ Communications Mayorality and Youth Development  |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  |   |   | N/A   | N/A   |  |  | N/A   |  |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  |   |   |   |   |  |  |   |  |   |     |  |  |
|  |  | public participation                | Public Participation                       | 4 Ward Committee Secretary's meetings     | Municipality                        | New Project                 | Number  | N/A                                       | N/A  | 4   | 0   | 4 Ward Committee Secretary's meetings                     | Target met: 4/4 Meetings held   | Achieved   | N/A                                      | N/A   | Q1-Q4: Attendance registers                      | Office of the Municipal Manager/ Speakers Office                                  |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  |   |   | N/A   | N/A   |  |  | R 21 450.00   |  | N/A   | N/A |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  |   |   |   |   |  |  |   |  |   |     |  |  |
|  |  |                                     | Ward Operational Plans                     | Municipality                              | 20 Ward Operational Plans           | Number                      | N/A   | N/A                                       | 1  | 0   | Ward Operational Plans  | Target met: Submitted to Cogta on the 30th of May 2019    | Achieved  | N/A  | N/A                                      | Ward Operational Plans  | Office of the Municipal Manager/ Speakers Office |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  |   | N/A   | N/A   |   |  |  |   | N/A  | N/A   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  |   |   |   |   |  |  |   |  |   |     |  |  |
|  |  |                                     | Review 20 Ward Improvement Plans           | Municipality                              | Ward Level Improvement Plans        | Number                      | N/A   | N/A                                       | 20   | 0   | Review 20 Ward Improvement Plans                                    | Target met: 20/20 Plans done                              | Achieved  | N/A  | N/A                                      | 20 Ward Improvement Plans                                       | Office of the Municipal Manager/ Speakers Office |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  |   | N/A   | N/A   |   |  |  |   | N/A  | N/A   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  |   |   |   |   |  |  |   |  |   |     |  |  |
|  |  | 8 Community meetings                | Municipality                               | New Project                               | Number                              | N/A                         | N/A   | 8   | 0  | 8 Community meetings  | 8/8 Meetings held   | Achieved  | N/A   | N/A  | Minutes & Attendance register            | Office of the Municipal Manager/ Speakers Office                |  |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  | N/A   | N/A   |   |   | R 40 000.00  |  | N/A   | N/A  |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  |   |   |   |   |  |  |   |  |   |     |  |  |
| Magwaza Phase 2: 116 households connected              | 9  | New Project                         | number                                     | Magwaza Phase 2: 116 households connected | Target not met                      | 116                         | 0   | Magwaza Phase 2: 116 households connected | Target Met: Magwaza Phase1: 116 households connected | Achieved  | N/A   | N/A   | Q4 Completion Certificate   | Umzumbe Municipality-Technical Services  |  |   |  |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   | N/A                                       | N/A  |   |   | R 0.00  | R 635 468.02  |  |  |   |  |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   |  |   |   |   |   |  |  |   |  |   |     |  |  |
| construction and maintenance of community access roads | Gowensa Access Road                      | 19                                  | New Project                                | Number of Meters                          | N/A                                 | N/A                         | 900m  | 900m                                      | Gowensa Access Road 900m Constructed                 | Target not met  | Not Achieved  | The rollover budget that was applied for was not granted. | Project to be reprioritise  | Q1: Appointment Letter Q2: Practical Completion Certificate  | Umzumbe Municipality-Technical Services  |   |  |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   | N/A  | N/A   |   |   | 0   |  |  |   |  |   |     |  |  |
| Develop and Review Sector Plans and Policies           | Energy Master Plan by 28 September 2018  | All wards                           | 2013 Energy Master Plan                    | Date                                      | N/A                                 | N/A                         | 1   | 0   | 2013 Energy Master Plan                              | Target Achieved   | Achieved  | N/A   | N/A   | Q1: Reviewed Energy Master Plan  | Umzumbe Municipality-Technical Services  |   |  |   |     |  |  |
|  |  |                                     |  |   |                                     |                             |   |   | N/A  | N/A   |   |   | N/A   | N/A  |  |   |  |   |     |  |  |
|  | Households Electrification               | Eskom Electrification Reports       | N/A  | -   | Number of Reports                   | N/A                         | N/A   | 4   | 0  | Eskom Electrification Reports   | Target Achieved: 4 quarterly progress report from Eskom recieved    | Achieved  | N/A   | N/A  | Q4: Completion certificates              | Umzumbe Municipality-Technical Services                         |  |   |     |  |  |

| 2018/2019 FINANCIAL YEAR          |  |  |  |   |               |                             |                   |   |                                 |  |                                 |   |  |                                  |  |  |                                    |   |
|-----------------------------------|--|--|--|---|---------------|-----------------------------|-------------------|---|---------------------------------|--|---------------------------------|---|--|----------------------------------|--|--|------------------------------------|---|
| UMZUMBE ANNUAL PERFORMANCE REPORT |  |  |  |   |               |                             |                   |   |                                 |  |                                 |   |  |                                  |  |  |                                    |   |
| IDP Ref                           | NATIONAL KEY PERFORMANC E AREA             | OBJECTIVE  | STRATEGY   | PROJECT   | WARD          | BASELINE / STATUS QUO       | KPI MEASURE       | PREVIOUS AND CURRENT YEAR COMPARISON                                      |                                 |  |                                 |   |  | Status (Achieved / Not Achieved) | Reasons for deviation  | Measures taken to improve performance  | PORTFOLIO OF EVIDENCE              | RESPONSIBLE DEPT & UNIT                                   |
|                                   |  |  |  |   |               |                             |                   | CURRENT YEAR  |                                 |  |                                 |   |  |                                  |  |  |                                    |   |
|                                   |  |  |  |   |               |                             |                   | 2017/18 (Target)  | 2017/18 (ACTUAL)                | DEMAND   | BACKLOG                         | 2018/19 (TARGET)  | 2018/19 (ACTUAL)   |                                  |  |  |                                    |   |
|                                   |  |  |  |   |               |                             |                   | N/A   | N/A                             |  |                                 |   | N/A  |                                  |  |  |                                    |   |
| 5                                 | Basic Services and Infrastructure Delivery | Facilitation and project management of rural housing development | Facilitation and project management of rural housing development | Nhlangwini  | 4             | Site Established,           | Number of Reports | Report on the Construction of 50 houses constructed (Nhlangwini)          | Target Met: 4 Reports submitted | 4  | N/A                             | 50 houses constructed (Nhlangwini)  | Target not met   | Achieved                         | Contractors contract lapsed and there were delays in renewal of the contract                                       | Contract renewed, to fast track implementation   | Q1-Q4 Reports                      | Technical Services  |
|                                   |  |  |  | Cluster C Phase 1                                     | 1, 2, 3 and 6 | Beneficiaries Approved      | Number of Reports | Reports on the Construction of 300 Houses Constructed (Cluster C Phase 1) | Target Met: 4 Reports submitted | 300  | 300                             | Reports on the Construction of 300 Houses Constructed (Cluster C Phase 1) | Target not met (132 Foundation, 129 Wall plates, 23 Roofs constructed) | Not Achieved                     | Contractor failed to meet the targets their for the project has been taken over by Department of Human Settlements | Fezeka Business Services appounited by Department of Human Settlement to complete the project. | Q1-Q4 Reports                      | Technical Services  |
|                                   |  |  |  |   |               |                             |                   | N/A   | N/A                             |  |                                 | N/A   | N/A  |                                  |  |  |                                    |   |
|                                   |  |  |  |   |               |                             |                   | Cluster B Phase II  | 5,7,12,13 and 14                |  |                                 | 1400 Beneficiaries Approved   | Number of Reports  |                                  |  |  |                                    |   |
|                                   |  |  |  | N/A   | N/A           | N/A                         | N/A               |   |                                 |  |                                 |   |  |                                  |  |  |                                    |   |
|                                   |  |  |  | Approval for Construction. (Cluster B Phase 2)        | Cluster B     | 1402 Beneficiaries Approved | Number of Reports | Reports on Approval for Construction. (Cluster A Phase 2)                 | Target met: 4 Report submitted  | 4  | 4                               | Reports on Approval for Construction. (Cluster A Phase 2)                 | Target not met   | Not Achieved                     | The application pack submitted to DOHS for approval, and aprova was delayed.                                       | Fast track the approval  | Q2-Q4 Reports                      |   |
|                                   |  |  |  |   |               |                             |                   | N/A   | N/A                             |  |                                 | N/A   | N/A  |                                  |  |  |                                    |   |
|                                   |  |  |  |   |               |                             |                   | Approval for Construction. (Cluster D Phase 2)                            | Cluster D                       |  |                                 | 1404 Beneficiaries Approved   | Number of Reports  |                                  |  |  |                                    | Reports on Approval for Construction. (Cluster D Phase 2) |
|                                   |  |  |  | N/A   | N/A           | N/A                         | N/A               |   |                                 |  |                                 |   |  |                                  |  |  |                                    |   |
|                                   |  |  |  | 30 Units Constructed (Operation Sukuma Sakhe Ward 12) | Ward 12       | Contractor Established      | Number of Reports |   |                                 | Reports on the Construction of 30 Units Constructed (Operation Sukuma Sakhe Ward 12) | Target Met: 4 Reports submitted |   |  | 30                               | 30   | Reports on the Construction of 30 Units Constructed (Operation Sukuma Sakhe Ward 12)           | Target met (40 houses constructed) | Achieved  |
|                                   |  |  |  |   |               |                             |                   | N/A   | N/A                             | N/A  | N/A                             |   |  |                                  |  |  |                                    |   |

## 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 2018/19 financial year**

| Employees                         |           |                |           |           |           |
|-----------------------------------|-----------|----------------|-----------|-----------|-----------|
| Description                       | Year -1   | Year 0         |           |           |           |
|                                   | Employees | Approved Posts | Employees | Vacancies | Vacancies |
|                                   | No.       | No.            | No.       | No.       | %         |
| Information Technology            | 2         | 3              | 2         | 1         |           |
| Auxiliary Services                | 16        | 18             | 16        | 2         |           |
| Project Management Unit           | 2         | 2              | 2         | 0         |           |
| Legal Services                    | 1         | 1              | 1         | 0         |           |
| Public Participation              | 14        | 14             | 14        | 0         |           |
| Special Programmes                | 3         | 3              | 3         | 0         |           |
| Waste Management & Enviro         | 22        | 22             | 22        | 0         |           |
| Housing                           | 1         | 2              | 1         | 2         |           |
| Waste Water (Stormwater Drainage) | 0         | 0              | 0         | 0         |           |
| Internal Audit                    | 2         | 2              | 2         | 0         |           |
| Roads, EPWP & Maintenance         | 12        | 15             | 11        | 2         |           |
| Fleet Management                  | 7         | 7              | 7         | 0         |           |
| Planning                          | 3         | 3              | 3         | 3         |           |
| Local Economic Development        | 5         | 8              | 5         | 3         |           |
| Planning (Strategic & Regulatory) | 0         | 0              | 0         | 0         | 0         |
| Community & Social Services       | 3         | 3              | 3         | 3         |           |
| Disaster Management               | 5         | 6              | 5         | 1         |           |
| Finance                           | 16        | 17             | 16        | 1         | 0         |
| Human Resource Development        | 3         | 4              | 3         | 1         | 0         |

|                              |            |            |            |           |              |
|------------------------------|------------|------------|------------|-----------|--------------|
| Sport and Recreation & Youth | 3          | 3          | 3          | 0         | 0            |
| Communications Unit          | 2          | 2          | 2          | 0         | 0            |
| <b>Totals</b>                | <b>120</b> | <b>135</b> | <b>121</b> | <b>14</b> | <b>10.37</b> |

**Table Indicating number of Disciplinary Action Taken in the 2018/19 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 2018/19 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 | 3     |
|   | Male   | 4     |
| Highly skilled production (Levels 6-8)  | Female | 0     |
|   | Male   | 0     |
| Highly skilled supervision (Levels 9-12)  | Female | 7     |
|   | Male   | 9     |
| Senior management (Levels 13-16)  | Female | 0     |

|             |        |    |
|-------------|--------|----|
| MM and S 57 | Male   | 0  |
|             | Female | 0  |
|             | Male   |    |
| Total       |        | 23 |

**Table Indicating number of employees whose salary exceeds the grade determined in the 2018/19 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 |
| Manager Legal Services  | 1                   | 15                   | 3                  | personal to holder   |
| Manager Internal Audit  | 1                   | 15                   | 3                  | personal to holder   |
| SDF   | 1                   | 11                   | 4                  | personal to holder   |
| IT Officer  | 1                   | 11                   | 4                  | personal to holder   |
| Technical Officer   | 1                   | 11                   | 4                  | personal to holder   |
| Sub Accountant Payroll  | 1                   | 7                    | 5                  | personal to holder   |
| Sub Accountant Payment  | 2                   | 7                    | 5                  | personal to holder   |
| Accountant Payroll  | 1                   | 11                   | 4                  | personal to holder   |
| Registry Clerk  | 2                   | 6                    | 6                  | personal to holder   |
| Receptionist  | 1                   | 6                    | 5                  | personal to holder   |
| Committee Officers  | 4                   | 9                    | 6                  | personal to holder   |
| Development Planner   | 1                   | 11                   | 4                  | personal to holder   |
| PA Speaker's Office   | 1                   | 7                    | 7                  | personal to holder   |
| PA Director Social and Community Services                                   | 1                   | 7                    | 7                  | personal to holder   |
| PA Technical Services   | 1                   | 7                    | 7                  | personal to holder   |
| Procurement Officers  | 4                   | 9                    | 5                  | personal to holder   |
|   |                     |                      |                    |                      |

**Table Indicating number of employees who's appointed to post not approved determined in the 2018/19 financial year**

| Employees appointed to posts not approved |          |                     |               |  |
|---|----------|---------------------|---------------|--|
| Department                                | Level    | Date of appointment | No. appointed | Reason for appointment when no established post exists |
| Technical Services                        | level 10 | 1-Jul-19            | 10-Jan-20     | Court ruling   |
|   |          |                     |               |  |
|   |          |                     |               |  |

## 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 2018/19 financial year.

| List of 2018/2019 Adopted Policies          |                        |                                 |
|---|------------------------|---------------------------------|
| Policy                                      | Achieved/ Not Achieved | Responsible Department          |
| 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 2018/19 financial year**

| Number and Cost of Injuries on Duty   |                    |                              |                                       |                                   |                      |
|---------------------------------------|--------------------|------------------------------|---------------------------------------|-----------------------------------|----------------------|
| 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                                 |                    |                              |                                       |                                   |                      |
| <b>Total</b>                          | <b>0</b>           | <b>0</b>                     |                                       | <b>0</b>                          | <b>0</b>             |

**Table Indicating number of sick leave taken in the 2018/19 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)   | 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 2018/19 financial year**

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

## 4.4 Performance Rewards

**Table Indicating number of Performance Rewards in the 2018/19 financial year**

| Performance Rewards by Gender            |                     |                                    |                         |   |  |
|--|---------------------|------------------------------------|-------------------------|---|--|
| Designations                             | Beneficiary profile |                                    |                         |   |  |
|  | Gender              | Total number of employees in group | Number of beneficiaries | Expenditure on rewards Year 1<br>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.

| Date /Year |         | Course   | Name of Employees    |
|------------|---------|--|----------------------|
| 2018       | UNISA   | BCOM Accounting                                | Themba Ngilande      |
| 2018       | UNISA   | BA: Government, Administration and Development | Philani Nzama        |
| 2018       | UNISA   | Supply Chain Management and Operations         | Phakamisile Msimango |
| 2018       | UNISA   | BCOM: in Financial Management                  | Mthembeni Sithole    |
| 2018       | UNISA   | Advance Diploma in Accounting Sciences         | Pinky Mthembu        |
| 2018       | UNISA   | Advance Diploma in Accounting                  | Njabulo Jwara        |
| 2018       | UNISA   | LLB  | Zamokwakhe Ndovela   |
| 2018       | UNISA   | BCOM in Financial Management                   | Mlungisi Ncama       |
| 2018       | UNISA   | Basic Electrical Training                      | Siphiwe Sosibo       |
| 2018       | UKZN    | Master's in business administration            | Mahlatse Phosa       |
| 2018       | MANCOSA | Post Graduate Diploma in Business Management   | Zekhethelo Mshengu   |

## Trainings

| Date                  | Course   | Number of Employees |
|-----------------------|--|---------------------|
| 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      | Hazchem 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)

#### Statement of Financial Performance

| Figures in Rand                          | Note(s) | 2019               | 2018<br>Restated*  |
|--|---------|--------------------|--------------------|
| <b>Revenue</b>                           |         |                    |                    |
| Other income                             | 15      | 482,706            | 698,861            |
| Interest received - investment           | 14      | 12,993,519         | 12,509,546         |
| Property rates                           | 12      | 7,538,883          | 5,548,890          |
| Government grants & subsidies            | 13      | 170,349,868        | 167,645,187        |
| <b>Total revenue</b>                     |         | <b>191,364,976</b> | <b>186,402,484</b> |
| <b>Expenditure</b>                       |         |                    |                    |
| Employee Related Costs                   | 19      | 53,259,459         | 47,703,292         |
| Remuneration of Councillors              | 20      | 16,888,294         | 15,847,623         |
| Depreciation Amortisation and Impairment | 22      | 24,223,549         | 24,662,058         |
| Finance costs                            | 16      | 104,000            | 95,000             |
| Debt Impairment                          | 21      | 1,387,688          | 3,425,712          |
| Contracted services                      | 17      | 17,616,051         | 16,856,901         |
| General Expenses                         | 18      | 48,373,630         | 42,569,762         |
| <b>Total expenditure</b>                 |         | <b>161,852,671</b> | <b>151,160,348</b> |
| <b>Operating Surplus</b>                 |         | <b>29,512,305</b>  | <b>35,242,136</b>  |
| Loss on Disposal of Assets               |         | (12,637)           | (411,601)          |
| <b>Surplus for the year</b>              |         | <b>29,499,668</b>  | <b>34,830,535</b>  |



## UMZUMBE LOCAL MUNICIPALITY

### ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2019

#### 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   | 4 157 557           | 3 383 744         | 7 541 301          | 7 538 883          | -2 418             | 0.0%          | Not required   |
| Interest earned - external investments                 | 12 765 566          | -                 | 12 765 566         | 12 993 519         | 227 953            | 1.8%          | Not required   |
| Government grants and subsidies                        | 172 372 000         | 4 400 000         | 176 772 000        | 170 349 868        | -6 422 132         | -3.6%         | Not required   |
| Other income   | 979 760             | 648 400           | 1 628 160          | 482 706            | -1 145 454         | -70.4%        | The variance can be mainly attributed to auction and insurance proceeds received that related to PPE which was utilised towards the calculation of profit and loss.                                      |
| <b>Total revenue</b>                                   | <b>190 274 883</b>  | <b>8 432 144</b>  | <b>198 707 027</b> | <b>191 364 976</b> | <b>-7 342 051</b>  | <b>-3.7%</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                      | 77 037 809          | 1 298 443         | 78 336 252         | 70 147 753         | -8 188 499         | -10.5%        | Not required   |
| General expenses, Contracted services & other expenses | 113 217 400         | 13 159 031        | 126 376 431        | 91 704 918         | -34 671 513        | -27.4%        | Project 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>190 255 209</b>  | <b>14 457 474</b> | <b>204 712 683</b> | <b>161 852 671</b> | <b>-42 860 012</b> | <b>-20.9%</b> |  |
| Internal reserves                                      | 71 372 366          | 12 029 330        | 83 401 696         |                    |                    |               |  |
| Loss on disposal                                       |                     |                   |                    | -12 637            |                    |               |  |
| <b>NET SURPLUS FOR THE YEAR</b>                        | <b>71 392 041</b>   | <b>6 004 000</b>  | <b>77 396 040</b>  | <b>29 499 668</b>  | <b>35 517 961</b>  |               |  |

## 5.2 Grants

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

| GOVERNMENT GRANTS AND SUBSIDIES-<br>ALLOCATION    | MEDIUM TERM INCOME AND EXPENDITURE FRAMEWORK |                     |                              |
|---|--|---------------------|------------------------------|
|   | ORIGINAL BUDGET<br>2018/2019                 | ADJUSTMENTS         | ADJUSTED BUDGET<br>2018/2019 |
| <b>National Grants Allocations</b>                |  |                     |                              |
| Equitable share                                   | 120 566 000.00                               |                     | 120 566 000.00               |
| Local Government Financial Management Grant (FMG) | 1 900 000.00                                 |                     | 1 900 000.00                 |
| Municipal Infrastructure Grant (MIG)              | 33 442 000.00                                | 3 950 000.00        | 37 392 000.00                |
| Disaster Management Grant                         | -  | -                   | -                            |
| Integrated national Electrification Programme     | 14 880 000.00                                | -                   | 14 880 000.00                |
| Municipal Systems Improvement Grant (MSIG)        | -  | -                   | -                            |
| Extended Public Works Programme                   | 1 526 000.00                                 |                     | 1 526 000.00                 |
| <b>Sub Total - National Grant Allocations</b>     | <b>172 314 000.00</b>                        | <b>3 950 000.00</b> | <b>176 264 000.00</b>        |
| <b>Provincial Grants Allocations</b>              |  |                     |                              |
| Maintenance Grant - Sports & Recreation           | 58 000.00                                    | 50 000.00           | 108 000.00                   |
| Project Consolidate                               | -  |                     | -                            |
| GIS Grant   | -  |                     | -                            |
| Low Cost Housing                                  | -  |                     | -                            |
| Community Library Services Grant                  | -  |                     | -                            |
| KZN Sports  | -  |                     | -                            |
| Provincialisation of Libraries                    | -  |                     | -                            |
| Massification Programme Grant                     | -  |                     | -                            |
| <b>District Municipality - UGU</b>                |  |                     | -                            |
| Fire Fighting Grant                               |  | 400 000.00          | 400 000.00                   |
| <b>Sub Total - Provincial Grants Allocations</b>  | <b>58 000.00</b>                             | <b>450 000.00</b>   | <b>508 000.00</b>            |
| <b>TOTAL GRANT ALLOCATIONS</b>                    | <b>172 372 000.00</b>                        | <b>4 400 000.00</b> | <b>176 772 000.00</b>        |

## 5.3 Asset Management

### Introduction to Asset Management

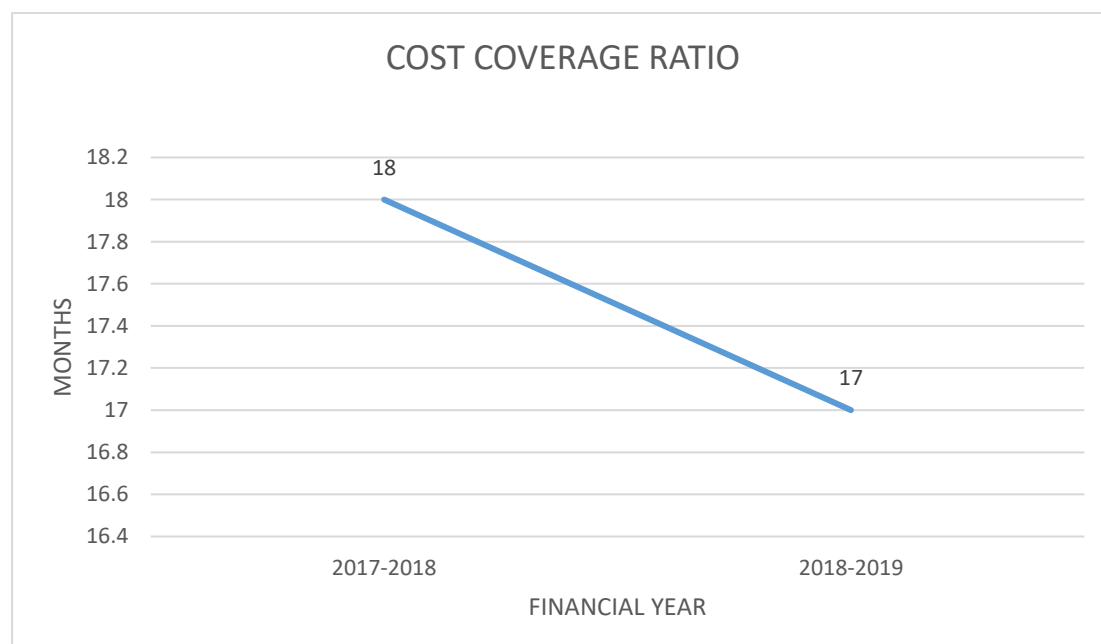
Asset management forms an integral part in the municipality's ability to render service delivery

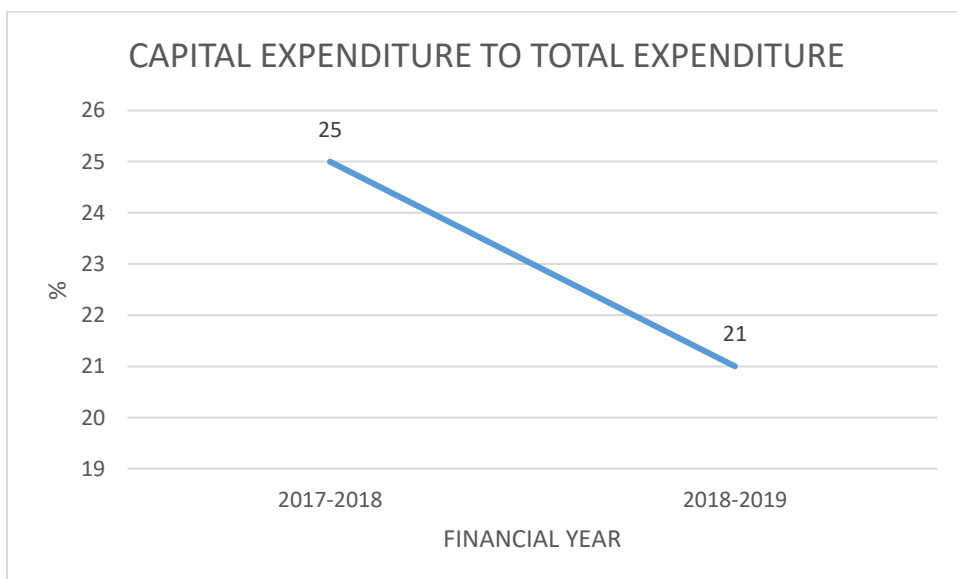
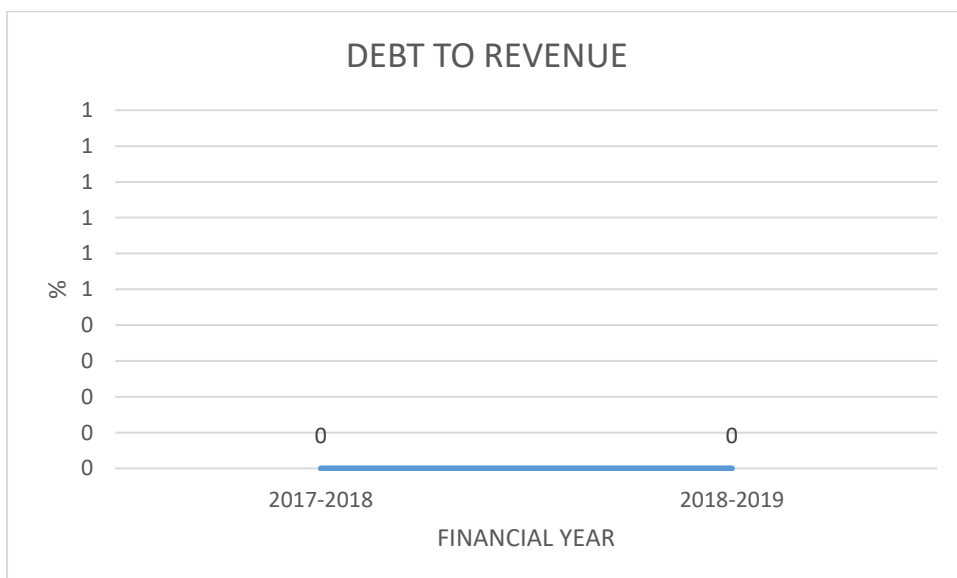
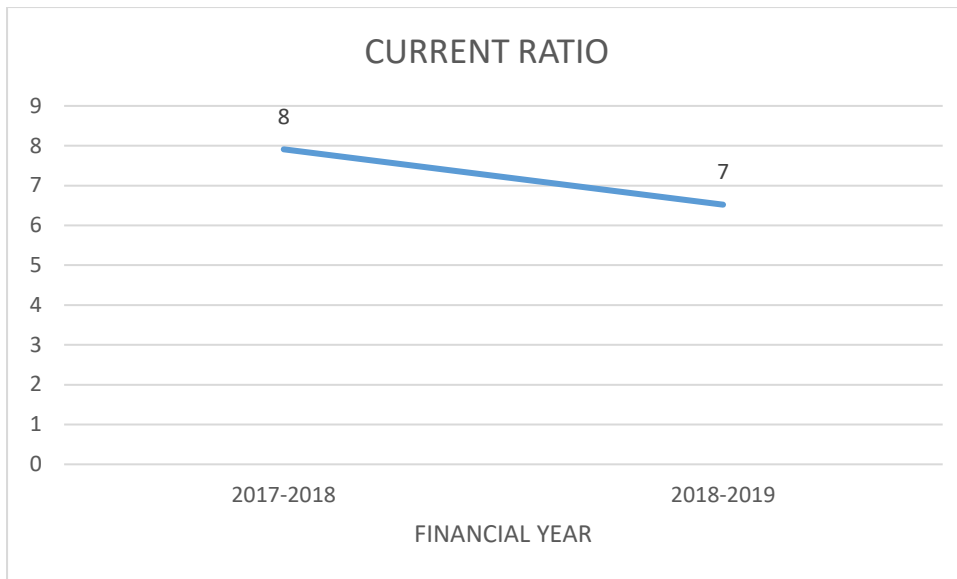
Assets management falls under the Expenditure and Assets unit within finance department. The municipality has an asset management policy in place which also incorporates elements of GRAP. The municipality compiled the fixed assets register for the 2018/19 financial year in accordance with GRAP. This formed part of the process of the annual financial statement's preparation.

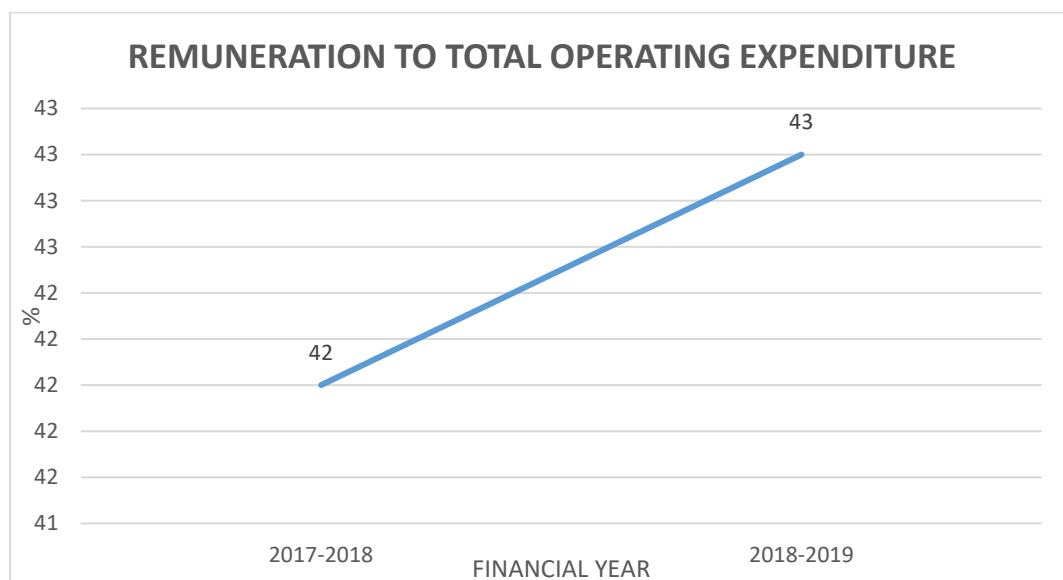
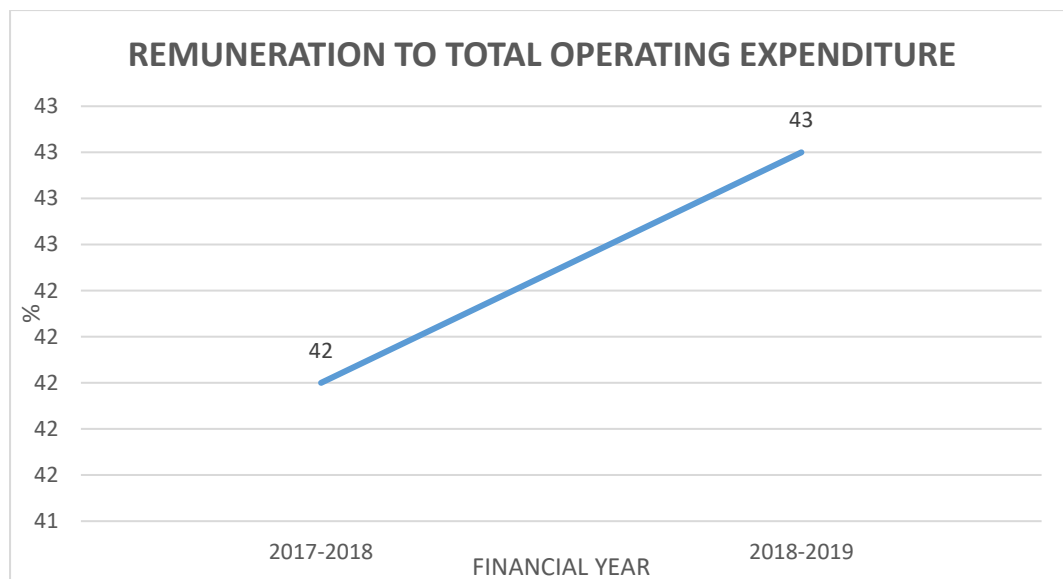
| Repair and Maintenance Expenditure: Year 0 |                 |                   |                 |                 |
|--|-----------------|-------------------|-----------------|-----------------|
| R' 000                                     |                 |                   |                 |                 |
|  | Original Budget | Adjustment Budget | Actual          | Budget variance |
| Repairs and Maintenance Expenditure        | 10 510 500      | 10 510 500        | 6 708<br>784.00 | 36%             |

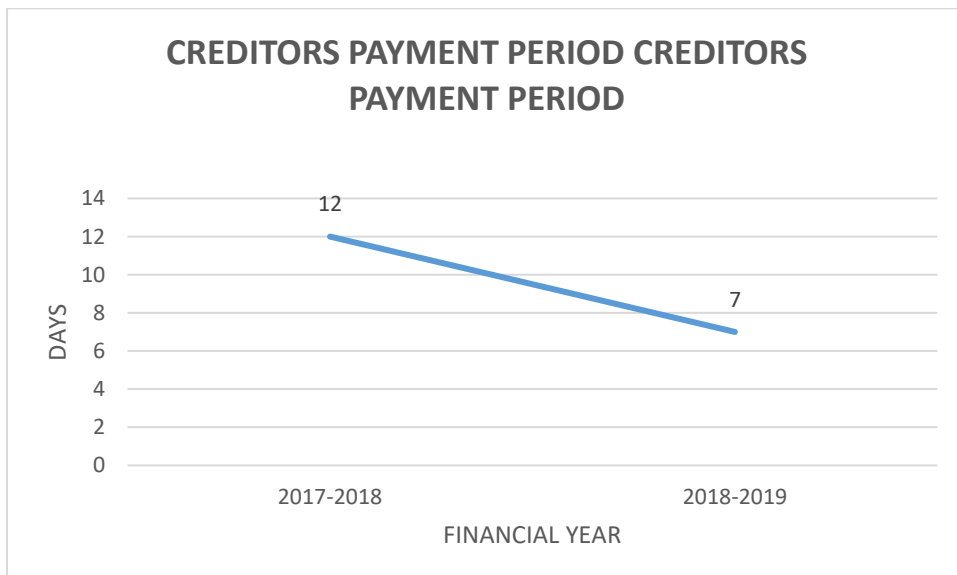
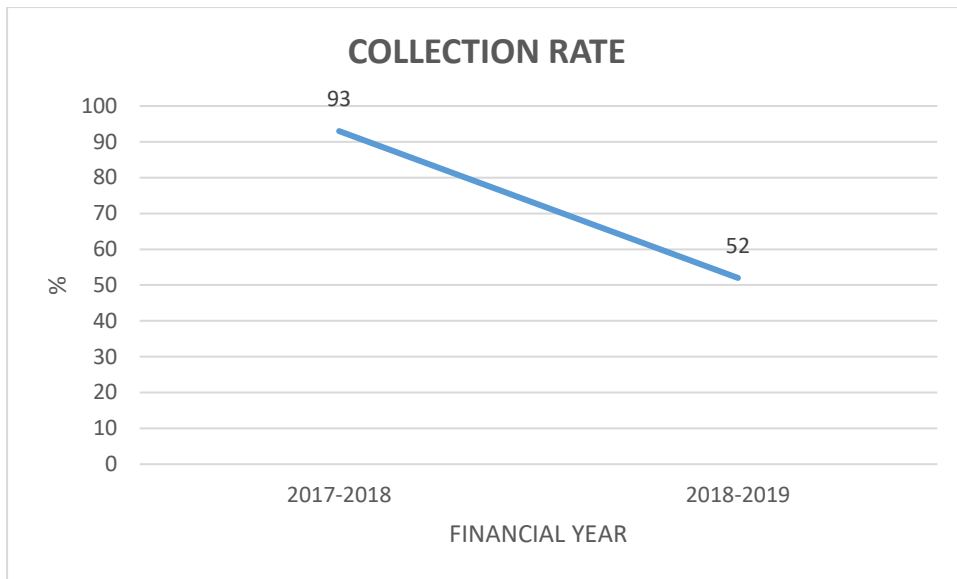
Less repairs and maintenance were incurred than anticipated due to the fair condition of plant and equipment. The conditional assessment of assets will be monitored going forward.

## 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. The municipality has sought assistance from Provincial Treasury and COGTA with regards to debt collection as well as enforcing the legal action.

## 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 2019

#### 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><br>(Machinery, furniture, computer/software, transport & equipment) | 3 711 468              | 8 269 910         | 2 760 645        | 11 030 555        | -7 319 087         | -66.35%        | Major contributors to the variance relate to further reviews/feasibility studies needing to be conducted for the construction of the Learners Licence Testing Centre, and price negotiations of firefighting equipment and vehicle fleet due to escalations of costs. |
| <b>IMMOVABLE ASSETS</b><br>(Roads & other infrastructure)                                 | 40 095 652             | 63 122 131        | 3 243 355        | 66 365 485        | -26 269 833        | -39.58%        | Projects were delayed due to land dispute issues, non responsive bidders as well as service delivery protest action.  |
| <b>TOTAL</b>  | <b>43 807 120</b>      | <b>71 392 041</b> | <b>6 004 000</b> | <b>77 396 041</b> | <b>-33 588 921</b> | <b>-43.40%</b> |   |

## 5.6 Sources of Finance

|   | ORIGINAL BUDGET 2018/2019 | ADJUSTMENTS          | ADJUSTED BUDGET       |
|---|---------------------------|----------------------|-----------------------|
| <b>Revenue by source</b>                        |                           |                      |                       |
| Government grants and subsidies                 | 172 372 000.00            | 4 400 000.00         | 176 772 000.00        |
| Interest from investments                       | 12 765 566.36             | -                    | 12 765 566.36         |
| Tender Sales                                    | 64 200.00                 | -                    | 64 200.00             |
| Hall Hire                                       | 128 400.00                | -                    | 128 400.00            |
| Rates Income                                    | 4 157 557.00              | 3 383 744.00         | 7 541 301.00          |
| Internally generated funds(Accumulated Surplus) | 71 372 366.22             | 12 029 329.59        | 83 401 695.78         |
| Waste Collection                                | 21 400.00                 | -                    | 21 400.00             |
| Insurance Refunds                               | 556 910.00                | -                    | 556 910.00            |
| Commission fees(Agency fees)                    | 21 400.00                 | -                    | 21 400.00             |
| Building plans & Licensing/Permits              | 5 350.00                  | -                    | 5 350.00              |
| Market Stalls revenue                           | 21 600.00                 | -21 600.00           | -                     |
| Proceeds from Auctions                          | -                         | 670 000.00           | 670 000.00            |
| Other Revenue( For Lollipops & Other)           | 160 500.00                | -                    | 160 500.00            |
| Testing Licensing(Tickets & Licensing)          | -                         | -                    | -                     |
| <b>TOTAL INCOME BUDGET</b>                      | <b>261 647 249.58</b>     | <b>20 461 473.59</b> | <b>282 108 723.14</b> |
| <b>OPEX</b>                                     | <b>190 255 208.96</b>     | <b>14 457 473.59</b> | <b>204 712 682.55</b> |
| <b>CAPEX</b>                                    | <b>71 392 040.61</b>      | <b>6 004 000.00</b>  | <b>77 396 040.61</b>  |
| <b>TOTAL BUDGET</b>                             | <b>261 647 249.57</b>     | <b>20 461 473.59</b> | <b>282 108 723.16</b> |

| GOVERNMENT GRANTS AND SUBSIDIES-<br>ALLOCATION    | MEDIUM TERM INCOME AND EXPENDITURE FRAMEWORK |                     |                              |
|---|--|---------------------|------------------------------|
|   | ORIGINAL BUDGET<br>2018/2019                 | ADJUSTMENTS         | ADJUSTED BUDGET<br>2018/2019 |
| <b>National Grants Allocations</b>                |  |                     |                              |
| Equitable share                                   | 120 566 000.00                               |                     | 120 566 000.00               |
| Local Government Financial Management Grant (FMG) | 1 900 000.00                                 |                     | 1 900 000.00                 |
| Municipal Infrastructure Grant (MIG)              | 33 442 000.00                                | 3 950 000.00        | 37 392 000.00                |
| Disaster Management Grant                         | -  | -                   | -                            |
| Intergrated national Electrification Programme    | 14 880 000.00                                | -                   | 14 880 000.00                |
| Municipal Systems Improvement Grant (MSIG)        | -  | -                   | -                            |
| Extended Public Works Programme                   | 1 526 000.00                                 |                     | 1 526 000.00                 |
| <b>Sub Total - National Grant Allocations</b>     | <b>172 314 000.00</b>                        | <b>3 950 000.00</b> | <b>176 264 000.00</b>        |
| <b>Provincial Grants Allocations</b>              |  |                     |                              |
| Maintenance Grant - Sports & Recreation           | 58 000.00                                    | 50 000.00           | 108 000.00                   |
| Project Consolidate                               | -  |                     | -                            |
| GIS Grant   | -  |                     | -                            |
| Low Cost Housing                                  | -  |                     | -                            |
| Community Library Services Grant                  | -  |                     | -                            |
| KZN Sports  | -  |                     | -                            |
| Provincialisation of Libraries                    | -  |                     | -                            |
| Massification Programme Grant                     | -  |                     | -                            |
| <b>District Municipality - UGU</b>                |  |                     |                              |
| Fire Fighting Grant                               |  | 400 000.00          | 400 000.00                   |
| <b>Sub Total - Provincial Grants Allocations</b>  | <b>58 000.00</b>                             | <b>450 000.00</b>   | <b>508 000.00</b>            |
| <b>TOTAL GRANT ALLOCATIONS</b>                    | <b>172 372 000.00</b>                        | <b>4 400 000.00</b> | <b>176 772 000.00</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. Ncazolo Access Road                 | R 9 310 414.86 |
| 2. Electrification of Magwaza Phase 2  | R 8 622 786    |
| 3. Municipal Offices                   | R 4 954 711.22 |
| 4. Indoor Sports Complex               | R 4 893 708.69 |
| 5. Rosetenville Community Hall         | R 3 672 020.62 |

## 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

### Cash Flow Statement

| Figures in Rand   | Note(s) | 2019                 | 2018<br>Restated*    |
|---|---------|----------------------|----------------------|
| <b>Cash flows from operating activities</b>                 |         |                      |                      |
| <b>Receipts</b>   |         |                      |                      |
| Receipts from Customers                                     |         | 2,985,767            | 2,449,739            |
| Grants  |         | 176,714,000          | 163,370,384          |
| Interest income   |         | 12,993,519           | 12,453,838           |
|   |         | <b>192,693,286</b>   | <b>178,273,961</b>   |
| <b>Payments</b>   |         |                      |                      |
| Finance costs   |         | (104,000)            | (95,000)             |
| Cash Paid to Suppliers and Employees                        |         | (134,812,823)        | (114,732,175)        |
|   |         | <b>(134,916,823)</b> | <b>(114,827,175)</b> |
| <b>Net cash flows from operating activities</b>             | 24      | <b>57,776,463</b>    | <b>63,446,786</b>    |
| <b>Cash flows from investing activities</b>                 |         |                      |                      |
| Purchase of property, plant and equipment                   | 2       | (43,807,120)         | (51,363,107)         |
| Proceeds from sale of property, plant and equipment         | 2       | 1,271,633            | 449,920              |
| Purchase of other intangible assets                         | 3       | -                    | (370,244)            |
| <b>Net cash flows from investing activities</b>             |         | <b>(42,535,487)</b>  | <b>(51,283,431)</b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |         | <b>15,240,976</b>    | <b>12,163,355</b>    |
| Cash and cash equivalents at the beginning of the year      |         | 181,380,745          | 169,217,390          |
| <b>Cash and cash equivalents at the end of the year</b>     | 7       | <b>196,621,721</b>   | <b>181,380,745</b>   |

The municipality's cash flow is monitored regularly and indicates a favourable liquidity position as at year end. As at 30 June 2019, the municipality had cash and cash equivalents of R 197 million and has increased from R181 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. Community protest affected the normal operation of the committees during the 2018/19 financial year.

### 5.13 GRAP Compliance

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice 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 2018/2019 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted by the 31 August deadline 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 for the 2017/18 financial year which was a regression from the Clean Audit obtained during the 2016/17 financial year.

## Component B: Auditor General Opinion Year 0 (Current Year)

### 6.2 Auditor General Report Year 0 (Current Year of Reporting)

The municipality received an unqualified audit with matters of emphasis for the current financial year 2018/2019. The report was tabled to council together with corrective measures to address the audit findings.

Auditor-General of South Africa

**uMzumbe Municipality**

**Audit report for the year ended  
30 June 2019**

# Report of the auditor-general to KwaZulu-Natal Provincial Legislature and the council on uMzumbe Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the uMzumbe Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the uMzumbe Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the requirements of the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Restatement of corresponding figures

7. As disclosed in note 29 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of errors in the financial statements of the municipality, at and for the year ended 30 June 2019.

### **Underspending of the budget**

8. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent the budget by R42,86 million on salary related costs, general expenses and contracted services due to implementing strict cost cutting measures and re-prioritising certain projects.

### **Irregular expenditure**

9. As disclosed in note 28 to the financial statements, the municipality incurred irregular expenditure of R25,34 million, as it did not follow a proper tender process.

### **Other matter**

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### **Unaudited disclosure notes**

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

### **Responsibilities of accounting officer for the financial statements**

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or cease operations, or there is no realistic alternative but to do so.

### **Auditor-general's responsibilities for the audit of the financial statements**

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### Introduction and scope

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for the selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the basic service delivery development priority presented in the annual performance report of the municipality for the year ended 30 June 2019.
19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. The material finding in respect of the usefulness and reliability of the selected development priorities is as follows:

### KPA 2 – Basic Service Delivery

#### Objective: To ensure environmental protection and sustainability

21. The strategic objective reported in the annual performance report was not included in the Service Delivery Budget Implementation Plan (SDBIP).

#### Target: Gravelling and storm water: 3km

22. The target approved in the SDBIP was gravelling and storm water: 3km. However, the target reported in the annual performance report was roads maintenance: 8km.

### Other matters

23. I draw attention to the matters below.

### **Achievement of planned targets**

24. The annual performance report on pages xx to xx sets out information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 21 and 22 of this report.

### **Adjustment of material misstatements**

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the basic service delivery development priority. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

27. The material findings on compliance with specific matters in key legislation are as follows:

### **Annual financial statements**

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets and the disclosure identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided, resulting in the financial statements receiving an unqualified audit opinion.

### **Procurement and contract management**

29. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of Supply Chain Management (SCM) regulation 22(1) and 22(2).
30. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2).

## **Other information**

31. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that has been specifically reported in the auditor's report.

32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
34. The other information I obtained prior to the date of this auditor's report is the mayor's foreword and the other information included in the annual report is expected to be made available to us after 5 December 2019.
35. If based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.
36. When I do receive and read the final other information included in the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### **Internal control deficiencies**

37. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the APR and the findings on compliance with legislation included in this report.
38. The leadership did not establish effective oversight and monitoring over performance reporting processes and compliance with laws and regulations.

#### **Other reports**

39. I draw attention to the following engagement conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report does not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
40. During the 2018-19 financial year, at the request of the uMzumbe municipal council, the provincial oversight body authorised a forensic investigation into the affairs of uMzumbe Municipality in terms of section 106 of the Municipal Systems Act of South Africa, 2000 (Act No.32 of 2000). The investigation will focus on alleged fraud, corruption and maladministration within the municipality.

*Auditor-General*

Pietermaritzburg

5 December 2019



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general's responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the uMzumbe Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the municipality to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

### 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.<br><br>Conduct research on E-PMS<br><br>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.<br><br>Conduct research on E-PMS<br><br>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 be 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<br>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.<br>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.<br><br>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          |
|----|---|--|-----------------|-------------------------|
| 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.<br>Conduct site visits and quality assurance to confirm reported information over and above the assessment of POE's. | 30 June 2020    | Planning & IDP Manager  |
| 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 |

| NO | FINDING                             | CORRECTIVE ACTION   | COMPLETION DATE | RESPONSIBILITY     |
|----|-------------------------------------|---|-----------------|--------------------|
| 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

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| <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> <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 “ <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.  |

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| <b>National Key performance areas</b>              | <p>Service delivery &amp; infrastructure</p> <p>Economic development</p> <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>                                       | 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  |

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|  | <p>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.  |

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| <b>Impact</b>                            | The results of achieving specific outcomes, such as reducing poverty and creating jobs.  |
| <b>Inputs</b>                            | All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.   |
| <b>Integrated Development Plan (IDP)</b> | Set out municipal goals and development plans.   |
| <b>National Key performance areas</b>    | <p>Service delivery &amp; infrastructure</p> <p>Local Economic development</p> <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.  |

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| <b>Service Delivery<br/>Budget<br/>Implementation<br/>Plan</b> | <p>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.</p>   |
| <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

| 0   |                      |                   |                   |                                    |                             |                   |                              |                        |                       |                       |                   |
|---|----------------------|-------------------|-------------------|------------------------------------|-----------------------------|-------------------|------------------------------|------------------------|-----------------------|-----------------------|-------------------|
| <b>MZUMBE LOCAL MUNICIPALITY</b>                |                      | <b>A: Apology</b> |                   | <b>AWA: Absent without Apology</b> |                             |                   | <b>LOA: Leave of Absence</b> |                        | <b>R: Resigned</b>    | <b>D: Deceased</b>    |                   |
| <b>ATTENDANCE REGISTER FOR COUNCIL MEETINGS</b> |                      |                   |                   |                                    | <b>CB: Council Business</b> |                   |                              |                        |                       |                       |                   |
| <b>CLLR ATTENDANCE FROM 01 JULY 2018</b>        | <b>DECEMBER 2018</b> |                   |                   |                                    |                             |                   |                              |                        |                       |                       |                   |
| <b>COUNCILLORS</b>                              | <b>2018/07/31</b>    | <b>2018/08/28</b> | <b>2018/09/11</b> | <b>2018/09/28</b>                  | <b>2018/11/21</b>           | <b>2019/11/28</b> | <b>2018/12/04</b>            | <b>NO. OF MEETINGS</b> | <b>TOTAL ATTENDED</b> | <b>NON-ATTENDANCE</b> | <b>PERCANTAGE</b> |
| MP Shozi  | P                    | P                 | P                 | P                                  | P                           | P                 | P                            | 7                      | 7                     | 0                     | 100%              |
| SR Ngcobo                                       | AWA                  | EXCO M            | P                 | A                                  | P                           | P                 | P                            | 7                      | 4                     | 3                     | 57%               |
| MPL Zungu                                       | A                    | EXCO M            | CB                | P                                  | P                           | P                 | CB                           | 7                      | 3                     | 4                     | 43%               |
| MZ Luthuli                                      | P                    | EXCO M            | P                 | P                                  | P                           | P                 | P                            | 7                      | 6                     | 1                     | 86%               |
| NY Mweshe                                       | P                    | EXCO M            | P                 | P                                  | P                           | P                 | P                            | 7                      | 6                     | 1                     | 86%               |
| CL Shezi  | P                    | P                 | P                 | AWA                                | P                           | P                 | P                            | 7                      | 6                     | 1                     | 86%               |
| DDB Dhlamini                                    | P                    | AWA               | P                 | P                                  | P                           | P                 | P                            | 7                      | 6                     | 1                     | 86%               |
| Z Sithole                                       | A                    | P                 | AWA               | P                                  | P                           | P                 | P                            | 7                      | 5                     | 2                     | 71%               |
| HZ Ndimande                                     | P                    | AWA               | AWA               | AWA                                | P                           | P                 | P                            | 7                      | 4                     | 3                     | 57%               |
| OT Luthuli                                      | AWA                  | LOA               | AWA               | AWA                                | LOA                         | P                 | P                            | 7                      | 2                     | 5                     | 29%               |
| NE Xaba   | P                    | P                 | P                 | AWA                                | AWA                         | AWA               | P                            | 7                      | 4                     | 3                     | 57%               |
| TC Myende                                       | P                    | P                 | P                 | A                                  | P                           | P                 | P                            | 7                      | 6                     | 1                     | 86%               |
| JP Mtambo                                       | AWA                  | P                 | P                 | P                                  | P                           | P                 | P                            | 7                      | 6                     | 1                     | 86%               |
| LS Cele   | P                    | AWA               | P                 | P                                  | A                           | P                 | P                            | 7                      | 5                     | 2                     | 71%               |
| SZ Zama   | P                    | A                 | P                 | P                                  | P                           | P                 | P                            | 7                      | 6                     | 1                     | 86%               |
| MM Mfecane                                      | P                    | P                 | P                 | P                                  | P                           | P                 | P                            | 7                      | 7                     | 0                     | 100%              |
| OJ Mbambo                                       | P                    | P                 | P                 | P                                  | P                           | P                 | AWA                          | 7                      | 6                     | 1                     | 86%               |
| P Zamisa  | AWA                  | EXCO M            | P                 | P                                  | P                           | P                 | P                            | 7                      | 5                     | 2                     | 71%               |
| SR Cele   | P                    | P                 | P                 | P                                  | P                           | P                 | P                            | 7                      | 7                     | 0                     | 100%              |

| 0                                |     |                   |     |                                    |     |     |                              |   |                    |                    |      |
|----------------------------------|-----|-------------------|-----|------------------------------------|-----|-----|------------------------------|---|--------------------|--------------------|------|
| <b>MZUMBE LOCAL MUNICIPALITY</b> |     | <b>A: Apology</b> |     | <b>AWA: Absent without Apology</b> |     |     | <b>LOA: Leave of Absence</b> |   | <b>R: Resigned</b> | <b>D: Deceased</b> |      |
| MS Mdletshe                      | P   | EXCO M            | P   | P                                  | P   | P   | P                            | 7 | 6                  | 1                  | 86%  |
| BB Luthuli (Female)              | P   | EXCO M            | P   | P                                  | P   | AWA | P                            | 7 | 5                  | 2                  | 71%  |
| PL Habile                        | P   | P                 | P   | P                                  | P   | P   | P                            | 7 | 7                  | 0                  | 100% |
| BB Luthuli (Male)                | AWA | P                 | P   | CB                                 | P   | P   | P                            | 7 | 5                  | 2                  | 71%  |
| DZ Shoji                         | AWA | AWA               | P   | P                                  | P   | AWA | P                            | 7 | 4                  | 3                  | 57%  |
| EA Zindela                       | P   | P                 | P   | AWA                                | P   | P   | P                            | 7 | 6                  | 1                  | 86%  |
| BT Mfeka                         | P   | P                 | P   | P                                  | P   | P   | P                            | 7 | 7                  | 0                  | 100% |
| S Ngubane                        | P   | AWA               | P   | P                                  | P   | P   | AWA                          | 7 | 5                  | 2                  | 71%  |
| TJ Radebe                        | P   | P                 | P   | AWA                                | P   | P   | P                            | 7 | 6                  | 1                  | 86%  |
| WN Hlophe                        | P   | P                 | P   | P                                  | AWA | P   | P                            | 7 | 6                  | 1                  | 86%  |
| RSW Khanyile                     | P   | AWA               | P   | P                                  | P   | P   | AWA                          | 7 | 5                  | 2                  | 71%  |
| EB Dlamini                       | AWA | AWA               | P   | AWA                                | P   | P   | AWA                          | 7 | 3                  | 4                  | 43%  |
| ZZ Msani                         | AWA | AWA               | P   | A                                  | P   | P   | P                            | 7 | 4                  | 3                  | 57%  |
| LN Duma                          | P   | P                 | P   | P                                  | P   | P   | P                            | 7 | 7                  | 0                  | 100% |
| R Mkhize                         | P   | P                 | P   | P                                  | P   | P   | AWA                          | 7 | 6                  | 1                  | 86%  |
| TM Mbayi                         | P   | AWA               | AWA | AWA                                | P   | AWA | P                            | 7 | 3                  | 4                  | 43%  |
| SM Jeza                          | P   | P                 | P   | P                                  | P   | AWA | P                            | 7 | 6                  | 1                  | 86%  |
| MA Sikhosana                     | P   | P                 | P   | P                                  | P   | P   | P                            | 7 | 7                  | 0                  | 100% |
| SG Nzimande                      | P   | P                 | P   | AWA                                | P   | P   | P                            | 7 | 6                  | 1                  | 86%  |
| BM Madwe                         | P   | AWA               | P   | P                                  | P   | P   | P                            | 7 | 6                  | 1                  | 86%  |
|                                  |     |                   |     |                                    |     |     |                              |   |                    |                    |      |

| MZUMBE LOCAL MUNICIPALITY                |               | A: Apology |            | AWA: Absent without Apology |                      |            | LOA: Leave of Absence |                 | R: Resigned    | D: Deceased    |            |
|--|---------------|------------|------------|-----------------------------|----------------------|------------|-----------------------|-----------------|----------------|----------------|------------|
| ATTENDANCE REGISTER FOR COUNCIL MEETINGS |               |            |            |                             | CB: Council Business |            |                       |                 |                |                |            |
| CLLRS ATTENDANCE FROM JANUARY 2019       | TO: JUNE 2019 |            |            |                             |                      |            |                       |                 |                |                |            |
| COUNCILLORS                              | 2019/01/23    | 2019/02/14 | 2019/02/21 | 2019/02/26                  | 2019/03/27           | 2019/05/15 | 2019/05/29            | NO. OF MEETINGS | TOTAL ATTENDED | NON-ATTENDANCE | PERCANTAGE |
| MP Shozi                                 | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| SR Ngcobo                                | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| MPL Zungu                                | P             | A          | P          | P                           | P                    | P          | P                     | 7               | 6              | 1              | 86%        |
| MZ Luthuli                               | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| NY Mweshe                                | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| CL Shezi                                 | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| DDB Dhlamini                             | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| Z Sithole                                | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| HZ Ndimande                              | P             | P          | P          | AWA                         | P                    | A          | P                     | 7               | 5              | 2              | 71%        |
| OT Luthuli                               | AWA           | P          | P          | P                           | P                    | A          | P                     | 7               | 5              | 2              | 71%        |
| NE Xaba                                  | P             | AWA        | P          | AWA                         | P                    | AWA        | P                     | 7               | 4              | 3              | 57%        |
| TC Myende                                | P             | AWA        | AWA        | P                           | AWA                  | AWA        | P                     | 7               | 3              | 4              | 43%        |
| JP Mtambo                                | P             | P          | P          | AWA                         | P                    | A          | P                     | 7               | 5              | 2              | 71%        |
| LS Cele                                  | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| SZ Zama                                  | P             | P          | AWA        | P                           | AWA                  | A          | P                     | 7               | 4              | 3              | 57%        |
| MM Mfecane                               | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| OJ Mbambo                                | P             | P          | P          | AWA                         | P                    | P          | P                     | 7               | 6              | 1              | 86%        |
| P Zamisa                                 | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| SR Cele                                  | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| MS Mdletshe                              | P             | P          | P          | P                           | A                    | P          | P                     | 7               | 6              | 1              | 86%        |
| BB Luthuli (Female)                      | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| PL Habile                                | P             | P          | P          | P                           | P                    | P          | P                     | 7               | 7              | 0              | 100%       |
| BB Luthuli (Male)                        | P             | P          | P          | P                           | P                    | P          | A                     | 7               | 6              | 1              | 86%        |
| DZ Shozi                                 | P             | P          | AWA        | P                           | P                    | P          | P                     | 7               | 6              | 1              | 86%        |
| EA Zindela                               | P             | P          | AWA        | P                           | P                    | AWA        | A                     | 7               | 4              | 3              | 57%        |

| MZUMBE LOCAL MUNICIPALITY |     | A: Apology |     | AWA: Absent without Apology |     |     | LOA: Leave of Absence |   | R: Resigned | D: Deceased |      |
|---------------------------|-----|------------|-----|-----------------------------|-----|-----|-----------------------|---|-------------|-------------|------|
| BT Mfeka                  | AWA | P          | AWA | P                           | P   | P   | P                     | 7 | 5           | 2           | 71%  |
| S Ngubane                 | P   | P          | AWA | P                           | P   | AWA | P                     | 7 | 5           | 2           | 71%  |
| TJ Radebe                 | P   | AWA        | AWA | P                           | P   | P   | P                     | 7 | 5           | 2           | 71%  |
| WN Hlophe                 | P   | A          | AWA | P                           | AWA | AWA | P                     | 7 | 3           | 4           | 43%  |
| RSW Khanyile              | P   | P          | P   | P                           | P   | AWA | P                     | 7 | 6           | 1           | 86%  |
| EB Dlamini                | P   | AWA        | P   | AWA                         | P   | AWA | AWA                   | 7 | 3           | 4           | 43%  |
| ZZ Msani                  | P   | AWA        | P   | AWA                         | P   | AWA | P                     | 7 | 4           | 3           | 57%  |
| LN Duma                   | P   | P          | P   | P                           | P   | AWA | AWA                   | 7 | 5           | 2           | 71%  |
| R Mkhize                  | P   | P          | P   | P                           | P   | P   | P                     | 7 | 7           | 0           | 100% |
| TM Mbayi                  | P   | A          | P   | AWA                         | P   | AWA | A                     | 7 | 3           | 4           | 43%  |
| SM Jeza                   | P   | A          | P   | P                           | P   | P   | P                     | 7 | 6           | 1           | 86%  |
| MA Sikhosana              | P   | P          | P   | P                           | P   | P   | P                     | 7 | 7           | 0           | 100% |
| SG Nzimande               | P   | P          | P   | P                           | P   | A   | P                     | 7 | 6           | 1           | 86%  |
| BM Madwe                  | P   | P          | P   | P                           | P   | P   | P                     | 7 | 7           | 0           | 100% |
|                           |     |            |     |                             |     |     |                       |   |             |             |      |

## 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 Constitution</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>   |

| <b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b> |   |
|---|---|
| <b>Municipal Committees</b>   | <b>Purpose of Committee</b>   |
|   | <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>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

| Third Tier Structure                      |   |
|---|---|
| Directorate                               | Director/Manager (State title and name) |
| 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   |                                  |   |  |   |

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

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

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

|    |                  |              |     |    |    |     |
|----|------------------|--------------|-----|----|----|-----|
|    | Dlungele         | Gloria       |     |    |    |     |
| 16 | Cllr B B Luthuli |              | yes | 10 | 10 | Nil |
|    | Gumede           | Phetheni     |     |    |    |     |
|    | Ngcobo           | Lindiwe      |     |    |    |     |
|    | Shazi            | Nomfundo     |     |    |    |     |
|    | Ngcobo           | Bongani      |     |    |    |     |
|    | Khambule         | Dudu         |     |    |    |     |
|    | Nkomo            | Nkosi        |     |    |    |     |
|    | Njilo            | Nombuso      |     |    |    |     |
|    | Ngcobo           | Mzwenhlanhla |     |    |    |     |
|    | Zuma             | Goodwill     |     |    |    |     |
|    | Mlita            | Ephraim      |     |    |    |     |
| 17 | Cllr P L Habile  |              | yes | 10 | 10 | Nil |
|    | Dayi             | Nkululeko    |     |    |    |     |
|    | Mzelemu          | Thamsaqa     |     |    |    |     |
|    | Gumbi            | Nondumiso    |     |    |    |     |
|    | Mzobe            | Bongumusa    |     |    |    |     |
|    | Gqada            | Ntombentle   |     |    |    |     |
|    | Mkhungo          | Zanele       |     |    |    |     |
|    | Chiya            | Alpheus      |     |    |    |     |
|    | Zulu             | Zakithi      |     |    |    |     |
|    | Mkhize           | Sipho        |     |    |    |     |
| 18 | Cllr D Z Shozi   |              | yes | 10 | 10 | Nil |
|    | Mchunu           | Philani      |     |    |    |     |
|    | Ngcobo           | Mxolisi      |     |    |    |     |
|    | Shebi            | Ziningi      |     |    |    |     |
|    | Mzobe            | Bongumusa    |     |    |    |     |
|    | Ngcobo           | Friedah      |     |    |    |     |
|    | Dlamini          | Lindiwe      |     |    |    |     |
|    | Mahlangu         | Simon        |     |    |    |     |
|    | Yalo             | Mavis        |     |    |    |     |
|    | Luthuli          | Avele        |     |    |    |     |
|    | Luthuli          | May          |     |    |    |     |
| 19 | Cllr A E Zindela |              | yes | 10 | 10 | Nil |
|    | 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          | Thembeka   |  |  |  |  |
|    | Ndlovu         | Sthembiso  |  |  |  |  |

## 6.2.2 Audit Committee Chairman's Report

**UMZUMBE LOCAL MUNICIPALITY**

**REPORT OF THE CHAIRPERSON: FOR THE 2018/2019 FINANCIAL YEAR  
AUDIT & PERFORMANCE AUDIT COMMITTEE**

**EXTERNAL AUDIT SHARED SERVICES**

**Members of the Audit Committee:**

|                      |   |                              |
|----------------------|---|------------------------------|
| Mrs. Chantel Elliott | – | Member                       |
| Mr. Bheki Dladla     | – | Member until 31 October 2018 |
| Mrs. Bongeka Jojo    | – | Member                       |
| Mr. Paul Preston     | – | Chairperson                  |
| Mr. Zwili Zulu       | – | Member from 1 November 2018  |

Audit Committee meetings and Performance Audit Committee meetings took place on the following dates:

- 21 August 2018
- 27 September 2018
- 14 December 2018
- 9 April 2019
- 27 June 2019

**1. INTRODUCTION**

In terms of section 62(1)(c) of the Municipal Finance Management Act (MFMA), No.56 of 2003, the Municipal Manager is the Accounting Officer and is responsible for managing the financial administration of the municipality. The Audit Committee is appointed in terms of Municipal Legislation, to assist and to advise the Mayor, Speaker and Municipal Manager of the Municipality. It is afforded wide powers and Statutory obligations in terms of Section 166 of the Municipal Finance Management Act. It is also regulated by an Audit Committee Charter, approved by the Council. It is also regulated by an Audit Committee approved by the Council. This report documents the activities of the Audit Committee sitting as a shared service for the Umzumbe Local Municipality for the 2018/2019 financial year.

**2. MEMBERS AND MEETINGS OF THE AUDIT COMMITTEE**

In terms of the MFMA and the Umzumbe Local Municipality's Audit Committee Charters, the Audit Committee as at the 30 June 2019, included four external independent members. None of the members were Councillors or the Manager. The Audit Committee included the members listed above and met nine (9) times per annum as per its approved Charter and during the year as a Performance Audit Committee.

Discussions and meetings of a more informal nature with the Municipal Manager took place from time to time. These meetings included ongoing assessment of statutory compliance, risk in respect of the Municipality's:-

1. Compliance with legislation;
2. Completeness and Accuracy of Financial Statements;
3. Performance evaluation of Managers and in terms of Performance Targets; and considered the Municipality's financial position.
4. Considered Risk
5. Emerging Risk; and

## 6. The sitting of the Risk Committee

The Audit Committee also sat as a Performance Audit Committee for performance audits in respect of Section 40, 41, 43 and 46 of the Municipal Systems Act (MSA).

Councillors, unless specifically invited, are excluded from meetings. The Honourable Mayor attended many meetings and has a standing invitation. The Audit Committee discusses issues and constructively interrogates management. COGTA, the Auditor General and Treasury (are standard invitees to all meetings), and provide comment and advice. The Audit Committee initiated discussions with adequate opportunity to question management and which is focused on compliance with the fields and areas of concern tested by the Auditor General. Audit Committee members respect and maintain the confidentiality of topics in the meetings and concerning the Agendas.

Audit Committee members approved meeting minutes to ensure they captured the important issues raised. Committee members met with another and exchanged e-mails with the Chief Financial Officer, the Municipal Manager and the Auditor General between meetings if issues or concerns arose. Engagements separately with the Auditor General took place. An atmosphere of mutual trust and respect exists between the Audit Committee and Municipal Management while maintaining independence.

## 3. AUDIT COMMITTEE'S RESPONSIBILITIES AND DUTIES

The Audit Committee's responsibilities are outlined in Section 166(2) of the MFMA and the Internal and External Audit Committee Charters which were reviewed by the Audit Committee and care is taken to enhance the independence and impartiality of the Audit Committee in line with Corporate Governance. In discharging its responsibilities for the year ended 30 June 2019 the Audit Committee considered the following:-

### 3.1 Audit Committee Meetings

- Reviewed the quality of the financial information, financial statements and other Statutory and regulatory reporting required by the Municipality which was tabled before the Audit Committee;
- Reviewed the draft annual financial statements and the draft Performance Audit information prior to submission to Council and then submission to the Auditor-General and made recommendations on enhancing the quality of disclosure;
- Reviewed the draft annual financial statements and performance information to ensure they present a balanced credible and understandable assessment of the position, performance and prospects of the Municipality and implemented corrective action;
- Reviewed the Auditor General's proposed Management report in relation to the year ended June 2018;
- Discussed problems and possible improvements in the municipalities structures and management, arising from the audit, and any matters the A.G. wished to discuss;
- Reviewed the Auditor General's management letter and management response with regard to corrective action or non-material findings to be undertaken in response to significant internal audit findings;
- Identified key matters arising in the prior year's management letter and satisfied itself that areas for improvements on non-material findings was being properly followed up;
- Reviewed the Internal Audit Plan in conjunction with Key Performance Areas and Service Delivery;
- Reviewed contract management and compliance legislation in particular Section 116 of the MFMA.
- Eliminated possible misstatements in the Draft Financial Statements.
- Considered issues raised by internal Audit concerning tender awards.
- Met with the Mayor of the Municipality to consider concerns raised by the Mayor, and by the Audit Committee.
- Attended Performance Evaluation for Senior Management meetings.

- Considered MSCOA application.
- Service providers of Performance Evaluation was requested in terms of Section 116 of the MFMA.

### 3.2 Performance Management

The Audit Committee, sitting as a Performance Audit Committee, considered matters relating to performance management in order to discharge the responsibilities prescribed in terms of Regulation 14(4) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

These responsibilities included:

- A review of the quarterly reports submitted by internal audit.
- Considered the mid-year performance review.
- Considered Planning and Performance Management Regulations.
- Reviewed the performance management system and testing the functionality thereof and compliance with the Municipal Systems Act and the MFMA.
- Focused on the economy, effectiveness, efficiency, reliability and impact applicable to the Municipality's own key performance indicators.
- Considered the application of Sections 40, 41, 43 and 46 of the Municipal Systems Act, with reference to the I.D.P. and the shortcomings of the Municipality in this regard and reviewed same prior to submission to the Council and the Auditor General.
- Established that there has been notable discipline by the Municipality concerning Sections 40, 41, 43 and 46 of the Local Government: Municipal Systems Act in that the reporting in respect of the Integrated Development Plan ("IDP") has been found to be consistent with the objectives, indicators and targets in the approved annual performance plan. This was noted by the Auditor General which made a favourable finding. The Auditor General has found that the cause of the consistency is very much because of adequate review of reports before submission.
- Performance Management during the year to ensure that it provided credible information indicating or giving assurance that Performance Management is receiving attention.
- This is particularly well received by the Audit Committee and the Municipality has benefitted from the services of an able Internal Auditor for much of the financial year.
- Aligned the IDP, SDBIP and the Municipalities pre-determined performance targets and performance measures.
- Considered certain tender award concerns raised by internal audit.

### 3.3 Leadership

- 3.3.1 The Municipality did not operate within a sound and harmonious leadership framework in the year in question. The previous synergy and respect which begins at a Political level and which permeates through to an operational level within the Municipality, was no longer evident.
- 3.3.2 The Municipal Manager post was vacant for the year which had a disruptive effect on all matters. The Audit Committee expressed its dissatisfaction at meetings to why the process to fill the post takes such an unnecessary long time. Mention must be made of the role played by the Chief Financial Officer, who is always helpful and generous in sharing detailed knowledge of legislative compliance in this regard. He assisted greatly in difficult times, when no Municipal Manager was available.
- 3.3.3 In Financial Management the Municipality remains strong. There were issues raised by the Auditor General, but some of these issues did impact materially on the sound financial health of the Municipality and the prior unqualified audit finding.

- 3.3.4 Performance Management against pre-determined objectives, and compliance levels concerning statutory compliance, is a challenging and evolving field which the Municipality has dealt with very well.
- 3.3.5 The Municipality has regressed in the area of Performance Management and much attention and debate took place with both the Audit Committee, the Auditor General and with representatives of COGTA.
- 3.3.6 The Auditor General has found that the Municipality has provided credible measures taken to sustain its performance and its evaluation of its own performance and to manage its own performance evaluation.
- 3.3.7 This resulted in a qualified Audit Report with other material matters on Annexure "A" but with other important matters in areas tested by the Auditor General for the year, which is most satisfactory.
- 3.3.8 The material leadership of the Municipality are worthy of recognition and praise for this achievement and Internal Audit has also played a leadership role.
- 3.3.9 The Honourable Mayor has been pro-active and helpful concerning the Audit Committee and has attended Audit Committee meetings. He has assisted in difficult times.

### 3.4 Internal Control and Internal Audit

The External Audit Committee is responsible for monitoring and advising in respect of the effective functioning of the Internal Audit activity. Internal Audit reports functionally to the Audit Committee and administratively to the Accounting Officer. The Audit Committee:-

- has direct access to Internal Audit through a reporting relationship set out in the MFMA, with Internal Audit thus supporting its independence from management.
- via the Chairperson has conducted private telephone calls and exchanged e-mails, and been available for meetings with the Manager of Internal audit and the Municipal Manager to allow for frank discussion of issues and concerns and risk.
- evaluated the performance of internal audit and the independence and effectiveness of the internal auditors.
- understands the scope of internal and external auditor's review of internal control over financial reporting, and obtained reports on significant findings and recommendations, together with management's responses.
- evaluated controls over the overall operational and financial reporting environment and reviewed the effectiveness of the internal controls.
- assessed the adequacy of performance of the internal audit function, and the adequacy of available internal audit resources.
- reviewed the adequacy and frequency of corrective action taken in response to any Auditor General's findings raised in the prior year.
- reviewed and approved the Internal Audit Charter, the Municipality's Internal Audit Plan and Internal Audit's conclusions with regard to internal control.
- frequently discussed matters with respect to risk assessment, the risk register and regular, ongoing asset management and the asset register.
- discussed at length the challenges in performance management.
- considered Statutory compliance in several areas of Municipal responsibility.
- monitored compliance with Legislation and supply chain management.
- considered VAT compliance.
- considered and reviewed compliance with GRAP
- regularly considered Property Plant and Equipment (PPE)

- the Chair attended planned Performance Evaluations for Senior Managers in terms of 2006 Regulations of the Municipality
- Called for details of performance of service providers.

### 3.5 Compliance and Ethics

From a review of various reports and discussions held at Audit Committee meetings the Audit Committee noted that a Fraud Prevention Strategy was in place and a Code of Conduct for Municipal staff and its Councillors in terms of the Municipal Systems Act was applied by the Municipality. The Audit Committee is satisfied that it has complied with its responsibilities. It has reviewed the effectiveness of mechanisms for the identification and reporting of compliance with laws as set out in the pre-determined Internal Audit Plan and regulations; and the findings of regulatory bodies or audit observations. It must be stated, however, that fraud is very difficult to detect at any level and a Whistle Blowers risk alert is in place.

### 3.6 Section 71 (of the MFMA) Management Report

This is required at each Audit Committee meeting from the Chief Financial Officer. It is most helpful in providing a contemporaneous indication of the financial health and state of the Municipality at any given time. The Audit Committee recommends at each meeting that monthly section 71 Management reports also be submitted to the Council during the year. The CFO has adopted the new mSCOA accounting system exceptionally well and has set the highest standards in the District.

The Audit Committee also considered the Budget and the Adjustment Budget.

### 3.7 The Consideration of the Auditor General's Report

The Auditor General has tabled its Final Management Report and Audit Finding in respect of the year under review. The Auditor General expressed an **Unqualified Opinion** for the year and for a further consecutive year.

Audit Committee Meetings are attended, for the most part, by Members of the Auditor General's staff. They are careful not to become operationally involved, but are helpful when questions of interpretation are put to them.

This is supplemented by the relatively new Status of Records provisions, which the Auditor General should present to the Entity from time to time, in place of its previous Dashboard Report.

The Auditor General's Engagement Letter, prior to year end, expressly set-out the focal points of the Audit, for a specific year, and they also set the fees which they are going to charge for the Audit work. These fees are paid for from the Municipality's Equitable Share.

The Audit Committee references its own agenda, and tests compliance with reference to the status of records, the Engagement Letter as well as the Auditor General's Corrective Action in terms of Section 131 of the MFMA. The Audit Committee audits in careful consideration with these aspects highlighted by the Auditor General. It notes the Auditor General's areas of emphasis in its engagement letter

Routine topics raised by the Audit Committee are fruitless and wasteful expenditure, limitations of scope in SCM, Section 32 and 36 of the SCM Regulations; Auditor General's Corrective Action, irregular expenditure; and MPAC's duties to deal with it; fraud; and political interference, service delivery, Batho Pele, fiscal management; the Section 71 Reports, budgets, performance of service providers; quarterly reviews and Statutory compliance.

It also carefully considered financial integrity, treasury expenditure, compliance with legislation, and alignment with the Performance Regulations of 2010, and the Municipalities IDP, SDBIP, KPIs and KPAs.

The Auditor General's audit in the year under review; focused in all Municipalities and Entities within the District on the Bid Adjudication Committee's prior year compliance, which is very open to interpretation,

and made findings which it determined was non-compliance, which went past the prior year's Auditor General's Audit.

The Audit Committee is, however satisfied that it properly complied with its Charters and with Sections 165 and 166 of the MFMA in the reported year.

### **3.8 In-year reports submitted in terms of the MFMA**

The quarterly Performance Management reports (pms), consideration of the budget and its alignment with the IDP and SDBIP, Internal Audit reports and the Annual Performance Reports have been interrogated by the Audit Committee. The Audit Committee reviewed these reports and was generally satisfied with some of the content and quality of these reports prepared in respect of performance management and issued on behalf of the Accounting Officer and management during the year under review and the minutes of the External Audit Committee reflects this.

### **3.9 Internal Audit Function and Audit Plan**

During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The following is a list of areas of concerns which required Internal Audit and Management's high levels of attention:

- Ethics
- Bi-annual reviews of Performance Management
- Follow Up Review: Revenue Management
- Information Technology General Controls Review
- Supply Chain Management Discipline Review
- Section 32, Section 36 and 17(1)(c) of Supply Chain Management Regulations
- Annual Financial Statements
- Fraud Prevention
- Statutory Compliance.
- Risk Management and the Risk Register
- Performance Management
- Internal Audit Plan
- Property Plant and Equipment and Asset Register
- Supply Chain Management (SCM)
- Generally Recognised Accounting Practice (GRAP)
- Performance Evaluation of Senior staff members
- Emerging risk and Risk Committees
- Bid evaluation committees
- Assessment of service providers and Capex projects

An annual assessment of the Internal Audit Function has been completed the Audit Committee. The External Audit Committee is satisfied with the performance of the Internal Audit function and reports that all projects in terms of the approved risk based annual audit plan had been adequately provided to the Audit Committee as required by Legislation. The plan comprising of the approved projects for the Financial Year 2018-2019 and its status of attention is reported upon in the Internal Audit Report within the Annual Report under the auspices of the Office of the Municipal Manager.

## **4. EVALUATION OF ANNUAL FINANCIAL STATEMENTS**

The Audit Committee has reviewed the credibility, the draft annual financial statements and the Municipality's draft Performance Management assessment for the year ended 30 June 2019 prior to same being submitted to the Auditor General on the 31 August 2019. The Committee reviewed the accounting policies and practices and evaluated the draft annual financial statements based on the information provided to the Committee and considered the integrity of the said statements in complying in all material respects with the requirements of the MFMA and Treasury Regulations as well as the statements of Generally Recognised Accounting Practice (GRAP). It considered the compliance levels of the Performance Management assessment.

The Committee will interrogate the audited financial statements together with the report of the Auditor General and the related management letter and Audit finding with management responses and the required corrective action for the previous financial year. It will provide the Municipal Council with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness on overall compliance with the MFMA and any other applicable legislation, and its Performance Management.

## 5. RESOLUTIONS

With reference to Treasury Circulars, the Audit Committee Resolved as per its Minutes of its meeting, at its Audit Committee meetings for the year in question.

## 6. CONCLUSION

I would like to thank my competent Audit Committee colleagues for making themselves available to serve on this Committee and for the significant contribution that they have made. As an Audit Committee, we rely to a great extent on the Municipal Manager and the absence of a Municipal Manager for the period in question has been disruptive and regrettable. The CFO, Mr. Kushi Audan and the Internal Auditor, Ms. Nosisa Blankenberg have both continued to evolve as high quality Municipal Officials and have been particularly helpful during the difficulties in the year.

Both are very capable, and take responsibility for problems and their support and integrity are also appreciated. This is the Chair's final year with the Municipality since commencing service in July 2010. It has been a very happy and fulfilling engagement, and the Chair's term ends with four clean audits over the years, and no Qualifications; and the Municipality in a sound financial position. The Honourable Mayor has played a purposeful part concerning the Audit Committee and by making himself aware of the accounting and internal auditing systems and controls at the Local Municipality.



**Mr Paul Preston**

Chairperson: Ugu District Municipality

Shared Services Audit Committee

Date: January 2020

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

| DATE OF MEETING | TYPE OF MEETING             | REPORT                            | RESOLUTION   |
|-----------------|-----------------------------|-----------------------------------|--|
| 21 Aug 2019     | Audit Committee             | Draft Annual Financial Statements | <p>The Audit Committee hereby resolves to recommend, the Audit Committee records that it has complied with Section 166 of the MFMA concerning draft Annual Financial Statements and draft Performance Information. Therefore (subject to suggested amendments as changes raised by the Audit Committee with other changes and amendments as are required concerning the CFO and Accounting Officer, if any)</p> <p>That:</p> <ol style="list-style-type: none"> <li>1. The Draft Annual Financial Statements for the 2017/2018 Municipal Financial Year be forwarded by the Accounting Officer on the municipality to Auditor General as provided for in terms of Section 122 read with section 126 of the MFMA read with 166(2)(b) of the MFMA for the 2016/2017 financial year; and</li> <li>2. The Audit Committee directs that they be received by the Auditor General, KwaZulu Natal no later than 31 August 2018.</li> </ol> |
| 21 Aug 2019     | Performance Audit Committee | Draft Annual Performance Report   | <p>The Audit Committee hereby resolves to recommend, the Audit Committee records that it has complied with Section 166 of the MFMA concerning draft Annual Financial Statements and draft Performance Information. Therefore (subject to suggested amendments as changes raised by the Audit Committee with other changes and amendments as are required concerning the CFO and Accounting Officer, if any)</p>  |

| DATE OF MEETING | TYPE OF MEETING | REPORT   | RESOLUTION  |
|-----------------|-----------------|--|---|
|                 |                 |  | <ol style="list-style-type: none"> <li>1. The Draft Annual Performance Reports for the 2017/2018 Financial Year as provided for in Section 46 of the Municipal System Act be forwarded to the Auditor General in terms of Section 46(2) of the Municipal System Act.</li> <li>2. The Audit Committee directs that they be received by the Auditor General, KwaZulu Natal no later than 31 August 2018; and</li> <li>3. The municipality's 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 incorporating the Draft Annual Financial Statements, and Performance Information.</li> </ol> |
| 27 Sept 2018    | Audit Committee | Internal Audit Report: Fleet Management Review | The Committee unanimously resolved to approve the report.   |
| 27 Sept 2018    | Audit Committee | Internal Audit Charter                         | The Committee unanimously resolved to approve the Internal Audit Charter  |
| 27 Sept 2018    | Audit Committee | Audit Committee Charter                        | The Committee resolved to recommend the Audit Committee Charter to council for approval.  |
| 27 Sept 2018    | Audit Committee | Internal Audit: Status Report                  | The Committee noted the report.   |
| 27 Sept 2018    | Audit Committee | Finance: Section 71 report                     | The Committee noted the report.   |

| DATE OF MEETING | TYPE OF MEETING             | REPORT   | RESOLUTION   |
|-----------------|-----------------------------|--|--|
| 27 Sept 2018    | Performance Audit Committee | Internal Audit Report: PMS Review (Q3)                     | The audit committee approved the report  |
| 27 Sept 2018    | Performance Audit Committee | Internal Audit Report: PMS Review (Q4)                     | The audit committee approved the report  |
| 14 Dec 2018     | Audit Committee             | Internal Audit Report: Status Report                       | The Committee noted the report.  |
| 14 Dec 2018     | Audit Committee             | Finance: Section 71 report                                 | The Committee noted the report.  |
| 14 Dec 2018     | Audit Committee             | Finance: Section 36 (SCM Regulations) Deviations Report    | The Committee noted the report.  |
| 09 Apr 2019     | Audit Committee             | AGSA Report with Action Plan                               | That Corrective Action Plan not be considered  |
| 09 Apr 2019     | Audit Committee             | Preliminary Investigation on Inkanini Indoor Sports Centre | The Audit Committee resolved that Preliminary Investigation on Inkanini Indoor Sports Centre is still a work in progress and therefore not be considered in this agenda. |

| DATE OF MEETING | TYPE OF MEETING | REPORT  | RESOLUTION   |
|-----------------|-----------------|---|--|
| 09 Apr 2019     | Audit Committee | Unauthorised, Irregular, Fruitless and Wasteful Expenditure | That this report not be considered in this agenda.   |
| 09 Apr 2019     | Audit Committee | Irregular Expenditure Report                                | The committee resolved that this report not be considered in this agenda.  |
| 09 Apr 2019     | Audit Committee | Internal Audit Report: Payroll                              | The committee resolved as follows:<br>1. That the Management must respond to risks that are pointed out in each finding which is what the Audit Committee is interested on.<br>2. That all the corrective actions be reviewed and be dealt with accordingly.<br>3. That the report be taken back to the Management for mitigation. |
| 09 Apr 2019     | Audit Committee | Internal Audit Report: Status Report                        | The Committee noted the report.  |
| 09 Apr 2019     | Audit Committee | Draft Annual Budget   | The committee resolved that this report not be considered in this agenda.  |
| 27 June 2019    | Audit Committee | Internal Audit Report: Payroll                              | The committee resolved that the Audit Report: Human Resource and Payroll be approved.  |
| 27 June 2019    | Audit Committee | Corrective Action Plan                                      | The committee resolved as follows:   |

| DATE OF MEETING | TYPE OF MEETING | REPORT  | RESOLUTION   |
|-----------------|-----------------|---|--|
|                 |                 |   | <ol style="list-style-type: none"> <li>1. That the progress made in addressing issues that were on the external audit management report for 2017/2018 financial year be noted.</li> <li>2. That it be recommended to the Acting Municipal Manager that should it happen that any employee within Umzumbe Local Municipality fails to provide the Performance Information or any other information concerning the Performance Audit; the consequence management be followed even disciplinary steps be taken against that particular employee.</li> </ol> |
| 27 June 2019    | Audit Committee | Internal Audit Report: Status Report  | The Committee noted the report.  |
| 27 June 2019    | Audit Committee | Internal Audit Plan   | <p>The committee resolved:</p> <ol style="list-style-type: none"> <li>1. That the Internal Audit Plan be approved.</li> <li>2. That the Internal Audit Plan be recommended to MPAC for noting.</li> </ol>  |
| 27 June 2019    | Audit Committee | 2019/2020 Final Annual Budget   | The committee resolved that the 2019/20 Final Annual Budget be noted.  |
| 27 June 2019    | Audit Committee | Section 71 Reports  | The committee resolved that the section 71 Report for the month ended 31 May 2019 be noted.  |
| 27 June 2019    | Audit Committee | Deviations /Breaches from The Procurement & Unauthorised, Irregular, Fruitless and Wasteful | The committee resolved that the deviations and any unauthorised, irregular, fruitless and wasteful expenditure be noted.   |

| DATE OF MEETING | TYPE OF MEETING | REPORT                                   | RESOLUTION   |
|-----------------|-----------------|--|--|
|                 |                 | Expenditure the Financial Year 2018/2019 |  |
| 27 June 2019    | Audit Committee | Audit Readiness                          | The committee resolved that the Audit Readiness Report be noted. |

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

| REVENUE                                | Approved Budget (R) | Adjustments (R)  | Final Budget (R)   | Actual (R)         | Variance (R)      | Variance (%) |
|--|---------------------|------------------|--------------------|--------------------|-------------------|--------------|
| Property rates                         | 4 157 557           | 3 383 744        | 7 541 301          | 7 538 883          | -2 418            | 0.0%         |
| Interest earned - external investments | 12 765 566          | -                | 12 765 566         | 12 993 519         | 227 953           | 1.8%         |
| Government grants and subsidies        | 172 372 000         | 4 400 000        | 176 772 000        | 170 349 868        | -6 422 132        | -3.6%        |
| Other income                           | 979 760             | 648 400          | 1 628 160          | 482 706            | -1 145 454        | -70.4%       |
| <b>Total revenue</b>                   | <b>190 274 883</b>  | <b>8 432 144</b> | <b>198 707 027</b> | <b>191 364 976</b> | <b>-7 342 051</b> | <b>-3.7%</b> |

#### Appendix L Conditional Grants Received: Excluding MIG

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

| CONDITIONAL GRANTS RECEIVED                       | AMOUNT               |
|---|----------------------|
| <b>National Grants Allocations</b>                |                      |
| Local Government Financial Management Grant (FMG) | 1 900 000.00         |
| Intergrated national Electrification Programme    | 14 880 000.00        |
| Extended Public Works Programme                   | 1 526 000.00         |
| <b>Sub Total - National Grant Allocations</b>     | <b>18 306 000.00</b> |
| <b>Provincial Grants Allocations</b>              |                      |
| Maintenance Grant - Sports & Recreation           | 108 000.00           |
| Project Consolidate                               | -                    |
| GIS Grant   | -                    |
| Low Cost Housing                                  | -                    |
| Community Library Services Grant                  | -                    |
| KZN Sports  | -                    |
| Provincialisation of Libraries                    | -                    |
| Massification Programme Grant                     | -                    |
| <b>District Municipality - UGU</b>                | <b>-</b>             |
| Fire Fighting Grant                               | 400 000.00           |
| <b>Sub Total - Provincial Grants Allocations</b>  | <b>508 000.00</b>    |
| <b>TOTAL GRANT ALLOCATIONS</b>                    | <b>18 814 000.00</b> |

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

### APPENDIX A

| 2019   |                 |   |                | 2018 |                 |   |                |
|--|-----------------|---|----------------|------|-----------------|---|----------------|
|  | Cost /Valuation | Accumulated depreciation and accumulated impairment | Carrying value |      | Cost /Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Machinery Equipment                            | 18 697 916.19   | -6 926 800.92                                       | 11 771 115.27  |      | 18 463 072.78   | -5 530 041.60                                       | 12 933 031.18  |
| Furniture and Office Equipment                 | 4 606 762.51    | -3 123 094.39                                       | 1 483 668.12   |      | 4 506 953.86    | -2 951 525.98                                       | 1 555 427.88   |
| Transport Assets                               | 13 012 493.35   | -3 964 435.34                                       | 9 048 058.01   |      | 12 605 550.46   | -3 981 905.77                                       | 8 623 644.69   |
| Computer Equipment                             | 2 995 420.94    | -1 633 243.72                                       | 1 362 177.22   |      | 2 976 108.44    | -1 600 992.07                                       | 1 375 116.37   |
| Solid Waste Disposal                           | 253 543.73      | -139 614.36   | 113 929.37     |      | 255 043.73      | -119 865.70   | 135 178.03     |
| Dwellings                                      | 1 018 175.78    | -731 425.96   | 286 749.82     |      | 976 175.78      | -656 156.19   | 320 019.59     |
| Non Residential Dwellings                      | 53 352 947.14   | -23 818 817.16                                      | 29 534 129.98  |      | 52 072 824.12   | -22 185 750.00                                      | 29 887 074.12  |
| Roads  | 250 661 390.67  | -104 324 361.50                                     | 146 337 029.17 |      | 250 631 270.67  | -86 353 448.49                                      | 164 277 822.18 |
| Assets under construction - Land and Buildings | 115 289 652.31  | -   | 115 289 652.31 |      | 96 837 061.60   | -   | 96 837 061.60  |
| Assets under construction - Roads              | 48 467 126.60   | -   | 48 467 126.60  |      | 29 104 494.92   | -   | 29 104 494.92  |
| Computer Software                              | 1 934 250.89    | -1 098 956.41                                       | 835 294.48     |      | 2 033 440.62    | -852 680.11   | 1 180 760.51   |
|  | 510 289 680.11  | -145 760 749.76                                     | 364 528 930.35 |      | 470 461 996.98  | -124 232 365.91                                     | 346 229 631.07 |

|   | 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><br>(Machinery, furniture, computer/software, transport & equipment) | 3 711 468              | 8 269 910         | 2 760 645        | 11 030 555        | -7 319 087         | -66.35%        | Major contributors to the variance relate to further reviews/feasibility studies needing to be conducted for the construction of the Learners Licence Testing Centre; and price negotiations of firefighting equipment and vehicle fleet due to escalations of costs. |
| <b>IMMOVABLE ASSETS</b><br>(Roads & other infrastructure)                                 | 40 095 652             | 63 122 131        | 3 243 355        | 66 365 485        | -26 269 833        | -39.58%        | Projects were delayed due to land dispute issues, non responsive bidders as well as service delivery protest action.  |
| <b>TOTAL</b>  | <b>43 807 120</b>      | <b>71 392 041</b> | <b>6 004 000</b> | <b>77 396 041</b> | <b>-33 588 921</b> | <b>-43.40%</b> |   |





**Annual Financial Statements  
for the year ended 30 June 2019**

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## General Information

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|  |   |
|--|---|
| <b>Nature of business and principal activities</b> | Providing services to the community of Umzumbe  |
| <b>Executive Committee</b>                         | Councillor Ngcobo SR (Mayor)<br>Councillor Zungu MPL (Deputy Mayor)<br>Councillor Shozi MP (Speaker)<br>Councillor Luthuli MZ (Chief Whip)<br>Councillor Luthuli BB (Exco Member)<br>Councillor Mdletshe MS (Exco Member)<br>Councillor Mwese NY (Exco Member)<br>Councillor Zamisa P (Exco Member)   |
| Councillors  | Councillor Cele LS<br>Councillor Cele SR<br>Councillor Lithuli BB<br>Councillor Dlamini DDB<br>Councillor Dlamini EB<br>Councillor Duma LN<br>Councillor Habile PL<br>Councillor Hlophe WN<br>Councillor Jeza S<br>Councillor Khanyile RSW<br>Councillor Luthuli OT<br>Councillor Madwe B<br>Councillor Mbambo OJ<br>Councillor Mbayi TM<br>Councillor Mfeka BT<br>Councillor Mfecane MM<br>Councillor Mkhize R<br>Councillor Msani ZZ<br>Councillor Myende TC<br>Councillor Mtambo JP<br>Councillor Ndimande HZ<br>Councillor Nzimande SG<br>Councillor Radebe TJ<br>Councillor Shezi CL<br>Councillor Shozi DZ<br>Councillor Sithole Z<br>Councillor Sikhosana B<br>Councillor Xaba NE<br>Councillor Zama SZ<br>Councillor Ngubane S<br>Councillor Zindela AE |
| <b>Grading of local authority</b>                  | Grade 1   |
| <b>Accounting Officer</b>                          | Ms Z.A.N Lushaba (Acting)   |
| <b>Registered office</b>                           | Sipofu Road<br>Mathulini Tribal Authority<br>4220   |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## General Information

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**Business address**

Sipofu Road  
Mathulini Tribal Authority  
4220  
Web: [www.umzumbe.gov.za](http://www.umzumbe.gov.za)

**Postal address**

P.O. Box 561  
Hibberdene  
4220

**Bankers**

ABSA Bank Limited

**Auditors**

Auditor General South Africa  
Registered Auditors

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Index

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

|  | <b>Page</b> |
|--|-------------|
| Accounting Officer's Responsibilities and Approval   | 4           |
| Statement of Financial Position                      | 5           |
| Statement of Financial Performance                   | 6           |
| Statement of Changes in Net Assets                   | 7           |
| Cash Flow Statement                                  | 8           |
| Statement of Comparison of Budget and Actual Amounts | 9 - 10      |
| Accounting Policies                                  | 11 - 22     |
| Notes to the Annual Financial Statements             | 23 - 42     |

### **MSCOA**

### **Municipal Standard Chart of Accounts**

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

# **Umzumbe Local Municipality**

Annual Financial Statements for the year ended 30 June 2019

## **Accounting Officer's Responsibilities and Approval**

---

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

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

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2020 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 42, which have been prepared on the going concern basis, were approved by the accounting officer on 29 August 2019 and were signed on its behalf by the accounting officer:

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**Ms Z.A.N Lushaba**  
**Accounting Officer (Acting)**

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Statement of Financial Position as at 30 June 2019

| Figures in Rand                            | Note(s) | 2019               | 2018<br>Restated*  |
|--|---------|--------------------|--------------------|
| <b>Current Assets</b>                      |         |                    |                    |
| Receivables from exchange transactions     | 4       | 735,824            | 726,109            |
| VAT receivable                             | 5       | 7,137,097          | 6,632,317          |
| Receivables from non-exchange transactions | 6       | 13,281,603         | 9,675,981          |
| Cash and Cash Equivalents                  | 7       | 196,621,721        | 181,380,745        |
|  |         | <b>217,776,245</b> | <b>198,415,152</b> |
| <b>Non-Current Assets</b>                  |         |                    |                    |
| Property, plant and equipment              | 2       | 363,693,637        | 345,048,870        |
| Intangible Assets                          | 3       | 835,295            | 1,180,761          |
|  |         | <b>364,528,932</b> | <b>346,229,631</b> |
| <b>Total Assets</b>                        |         | <b>582,305,177</b> | <b>544,644,783</b> |
| <b>Liabilities</b>                         |         |                    |                    |
| <b>Current Liabilities</b>                 |         |                    |                    |
| Operating lease liability                  | 10      | 51,603             | 42,973             |
| Trade and Other Payables                   | 11      | 20,995,659         | 20,460,454         |
| Unspent Conditional Grants and Receipts    | 8       | 6,864,017          | 499,885            |
| Provisions                                 | 9       | 5,515,288          | 4,438,529          |
|  |         | <b>33,426,567</b>  | <b>25,441,841</b>  |
| <b>Non-Current Liabilities</b>             |         |                    |                    |
| Provisions                                 | 9       | 1,108,000          | 932,000            |
| <b>Total Liabilities</b>                   |         | <b>34,534,567</b>  | <b>26,373,841</b>  |
| <b>Net Assets</b>                          |         | <b>547,770,610</b> | <b>518,270,942</b> |
| Accumulated Surplus                        |         | 547,770,610        | 518,270,942        |

\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Statement of Financial Performance

| Figures in Rand                          | Note(s) | 2019               | 2018<br>Restated*  |
|--|---------|--------------------|--------------------|
| <b>Revenue</b>                           |         |                    |                    |
| Other income                             | 15      | 482,706            | 698,861            |
| Interest received - investment           | 14      | 12,993,519         | 12,509,546         |
| Property rates                           | 12      | 7,538,883          | 5,548,890          |
| Government grants & subsidies            | 13      | 170,349,868        | 167,645,187        |
| <b>Total revenue</b>                     |         | <b>191,364,976</b> | <b>186,402,484</b> |
| <b>Expenditure</b>                       |         |                    |                    |
| Employee Related Costs                   | 19      | 53,259,459         | 47,703,292         |
| Remuneration of Councillors              | 20      | 16,888,294         | 15,847,623         |
| Depreciation Amortisation and Impairment | 22      | 24,223,549         | 24,662,058         |
| Finance costs                            | 16      | 104,000            | 95,000             |
| Debt Impairment                          | 21      | 1,387,688          | 3,425,712          |
| Contracted services                      | 17      | 17,616,051         | 16,856,901         |
| General Expenses                         | 18      | 48,373,630         | 42,569,762         |
| <b>Total expenditure</b>                 |         | <b>161,852,671</b> | <b>151,160,348</b> |
| <b>Operating Surplus</b>                 |         | <b>29,512,305</b>  | <b>35,242,136</b>  |
| Loss on Disposal of Assets               |         | (12,637)           | (411,601)          |
| <b>Surplus for the year</b>              |         | <b>29,499,668</b>  | <b>34,830,535</b>  |

\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Statement of Changes in Net Assets

| Figures in Rand   | Accumulated<br>Surplus | Total net<br>assets |
|---|------------------------|---------------------|
| Opening balance as previously reported as at 30 June 2018 | 483,426,026            | 483,426,026         |
| Adjustments   |                        |                     |
| Correction of errors                                      | 14,381                 | 14,381              |
| <b>Balance at 01 July 2017 as restated*</b>               | <b>483,440,407</b>     | <b>483,440,407</b>  |
| Surplus for the year                                      | 34,830,535             | 34,830,535          |
| Total changes   | 34,830,535             | 34,830,535          |
| <b>Restated* Balance at 01 July 2018</b>                  | <b>518,270,942</b>     | <b>518,270,942</b>  |
| Changes in net assets                                     |                        |                     |
| Surplus for the year                                      | 29,499,668             | 29,499,668          |
| Total changes   | 29,499,668             | 29,499,668          |
| <b>Balance at 30 June 2019</b>                            | <b>547,770,610</b>     | <b>547,770,610</b>  |
| Note 28   |                        |                     |

\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Cash Flow Statement

| Figures in Rand   | Note(s)   | 2019                 | 2018<br>Restated*    |
|---|-----------|----------------------|----------------------|
| <b>Cash flows from operating activities</b>                 |           |                      |                      |
| <b>Receipts</b>   |           |                      |                      |
| Receipts from Customers                                     |           | 2,985,767            | 2,449,739            |
| Grants  |           | 176,714,000          | 163,370,384          |
| Interest income   |           | 12,993,519           | 12,453,838           |
|   |           | <b>192,693,286</b>   | <b>178,273,961</b>   |
| <b>Payments</b>   |           |                      |                      |
| Finance costs   |           | (104,000)            | (95,000)             |
| Cash Paid to Suppliers and Employees                        |           | (134,812,823)        | (114,732,175)        |
|   |           | <b>(134,916,823)</b> | <b>(114,827,175)</b> |
| <b>Net cash flows from operating activities</b>             | <b>24</b> | <b>57,776,463</b>    | <b>63,446,786</b>    |
| <b>Cash flows from investing activities</b>                 |           |                      |                      |
| Purchase of property, plant and equipment                   | 2         | (43,807,120)         | (51,363,107)         |
| Proceeds from sale of property, plant and equipment         | 2         | 1,271,633            | 449,920              |
| Purchase of other intangible assets                         | 3         | -                    | (370,244)            |
| <b>Net cash flows from investing activities</b>             |           | <b>(42,535,487)</b>  | <b>(51,283,431)</b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |           | <b>15,240,976</b>    | <b>12,163,355</b>    |
| Cash and cash equivalents at the beginning of the year      |           | 181,380,745          | 169,217,390          |
| <b>Cash and cash equivalents at the end of the year</b>     | <b>7</b>  | <b>196,621,721</b>   | <b>181,380,745</b>   |

\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

|  | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference (Appendix D1&D2) |
|--|-----------------|-------------|--------------|------------------------------------|--|----------------------------|
|--|-----------------|-------------|--------------|------------------------------------|--|----------------------------|

Figures in Rand

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

|   |                   |                |                   |                   |                  |
|---|-------------------|----------------|-------------------|-------------------|------------------|
| Other income                                    | 979,760           | 648,400        | 1,628,160         | 482,706           | (1,145,454)      |
| Interest Earned - External Investments          | 12,765,566        | -              | 12,765,566        | 12,993,519        | 227,953          |
| <b>Total revenue from exchange transactions</b> | <b>13,745,326</b> | <b>648,400</b> | <b>14,393,726</b> | <b>13,476,225</b> | <b>(917,501)</b> |

##### Revenue from non-exchange transactions

##### Taxation revenue

|                |           |           |           |           |         |
|----------------|-----------|-----------|-----------|-----------|---------|
| Property rates | 4,157,557 | 3,383,744 | 7,541,301 | 7,538,883 | (2,418) |
|----------------|-----------|-----------|-----------|-----------|---------|

##### Transfer revenue

|                               |             |           |             |             |             |
|-------------------------------|-------------|-----------|-------------|-------------|-------------|
| Government grants & subsidies | 172,372,000 | 4,400,000 | 176,772,000 | 170,349,868 | (6,422,132) |
|-------------------------------|-------------|-----------|-------------|-------------|-------------|

|   |                    |                  |                    |                    |                    |
|---|--------------------|------------------|--------------------|--------------------|--------------------|
| <b>Total revenue from non-exchange transactions</b> | <b>176,529,557</b> | <b>7,783,744</b> | <b>184,313,301</b> | <b>177,888,751</b> | <b>(6,424,550)</b> |
|---|--------------------|------------------|--------------------|--------------------|--------------------|

|                      |                    |                  |                    |                    |                    |
|----------------------|--------------------|------------------|--------------------|--------------------|--------------------|
| <b>Total revenue</b> | <b>190,274,883</b> | <b>8,432,144</b> | <b>198,707,027</b> | <b>191,364,976</b> | <b>(7,342,051)</b> |
|----------------------|--------------------|------------------|--------------------|--------------------|--------------------|

#### Expenditure

|   |               |              |               |              |            |
|---|---------------|--------------|---------------|--------------|------------|
| Salary Related Costs                          | (77,037,809)  | (1,298,443)  | (78,336,252)  | (70,147,753) | 8,188,499  |
| General Expenses, Contracted Services & Other | (113,217,400) | (13,159,031) | (126,376,431) | (91,704,918) | 34,671,513 |

|                          |                      |                     |                      |                      |                   |
|--------------------------|----------------------|---------------------|----------------------|----------------------|-------------------|
| <b>Total expenditure</b> | <b>(190,255,209)</b> | <b>(14,457,474)</b> | <b>(204,712,683)</b> | <b>(161,852,671)</b> | <b>42,860,012</b> |
|--------------------------|----------------------|---------------------|----------------------|----------------------|-------------------|

|                          |               |                    |                    |                   |                   |
|--------------------------|---------------|--------------------|--------------------|-------------------|-------------------|
| <b>Operating surplus</b> | <b>19,674</b> | <b>(6,025,330)</b> | <b>(6,005,656)</b> | <b>29,512,305</b> | <b>35,517,961</b> |
|--------------------------|---------------|--------------------|--------------------|-------------------|-------------------|

|                            |   |   |   |          |          |
|----------------------------|---|---|---|----------|----------|
| Loss on disposal of assets | - | - | - | (12,637) | (12,637) |
|----------------------------|---|---|---|----------|----------|

|                   |            |            |            |   |              |
|-------------------|------------|------------|------------|---|--------------|
| Internal Reserves | 71,372,366 | 12,029,330 | 83,401,696 | - | (83,401,696) |
|-------------------|------------|------------|------------|---|--------------|

|  |                   |                   |                   |                 |                     |
|--|-------------------|-------------------|-------------------|-----------------|---------------------|
|  | <b>71,372,366</b> | <b>12,029,330</b> | <b>83,401,696</b> | <b>(12,637)</b> | <b>(83,414,333)</b> |
|--|-------------------|-------------------|-------------------|-----------------|---------------------|

|                            |                   |                  |                   |                   |                     |
|----------------------------|-------------------|------------------|-------------------|-------------------|---------------------|
| <b>Surplus / (Deficit)</b> | <b>71,392,040</b> | <b>6,004,000</b> | <b>77,396,040</b> | <b>29,499,668</b> | <b>(47,896,372)</b> |
|----------------------------|-------------------|------------------|-------------------|-------------------|---------------------|

#### Capital

|                     |              |             |              |              |            |
|---------------------|--------------|-------------|--------------|--------------|------------|
| Capital Expenditure | (71,392,040) | (6,004,000) | (77,396,040) | (43,807,120) | 33,588,920 |
|---------------------|--------------|-------------|--------------|--------------|------------|

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

|  | Approved<br>budget | Adjustments | Final Budget | Actual amounts<br>on comparable<br>basis | Difference<br>between final<br>budget and<br>actual | Reference<br>(Appendix<br>D1&D2) |
|--|--------------------|-------------|--------------|--|---|----------------------------------|
|--|--------------------|-------------|--------------|--|---|----------------------------------|

Figures in Rand

### Cash Flow Statement

#### Cash flows from operating activities

|   |            |           |                   |            |                     |  |
|---|------------|-----------|-------------------|------------|---------------------|--|
| Net cash (from) from operating activities | 71,392,040 | 6,004,000 | <b>77,396,040</b> | 57,776,463 | <b>(19,619,577)</b> |  |
|---|------------|-----------|-------------------|------------|---------------------|--|

#### Cash flows from investing activities

|   |              |             |                     |              |                   |  |
|---|--------------|-------------|---------------------|--------------|-------------------|--|
| Purchase of property, plant and equipment | (71,392,040) | (6,004,000) | <b>(77,396,040)</b> | (42,535,487) | <b>34,860,553</b> |  |
|---|--------------|-------------|---------------------|--------------|-------------------|--|

|  |   |   |   |            |                   |  |
|--|---|---|---|------------|-------------------|--|
| Net increase/(decrease) in cash and cash equivalents | - | - | - | 15,240,976 | <b>15,240,976</b> |  |
|--|---|---|---|------------|-------------------|--|

|  |   |   |   |             |                    |  |
|--|---|---|---|-------------|--------------------|--|
| Cash and cash equivalents at the beginning of the year | - | - | - | 181,380,745 | <b>181,380,745</b> |  |
|--|---|---|---|-------------|--------------------|--|

|   |   |   |   |                    |                    |  |
|---|---|---|---|--------------------|--------------------|--|
| <b>Cash and cash equivalents at the end of the year</b> | - | - | - | <b>196,621,721</b> | <b>196,621,721</b> |  |
|---|---|---|---|--------------------|--------------------|--|

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

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

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

A summary of the significant GRAP Standards, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

GRAP - 1 Presentation of Financial Statements  
GRAP - 2 Cashflow Statements  
GRAP - 3 Accounting Policies, Changes in Accounting Estimates and Errors  
GRAP - 9 Revenue from Exchange Transactions  
GRAP - 13 Leases  
GRAP - 19 Provisions, Contingent Liabilities and Contingent Assets  
GRAP - 20 Related Party Transactions  
GRAP - 109 Accounting by Principals and Agents  
GRAP - 19 Provisions, Contingent Liabilities and Contingent Assets  
GRAP - 21 Impairment of Non-Cash Generating Assets  
GRAP - 31 Intangible Assets  
GRAP - 14 Events after the reporting date  
GRAP - 24 Presentation of Budget Information in Financial Statements  
GRAP - 23 Revenue from Non-exchange Transactions  
GRAP - 25 Employee Benefits  
GRAP - 104 Financial Instruments

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

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

GRAP 34 - Separate Financial Statements  
GRAP 35 - Consolidated Financial Statements  
GRAP 36 - Investments in Associates and Joint Ventures  
GRAP 37 - Joint Arrangements  
GRAP 38 - Disclosure of Interests in Other Entities  
GRAP 110 - Living and Non-living Resources

#### **1.1 Presentation currency**

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

#### **1.2 Going concern assumption**

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### **1.3 Materiality**

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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

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

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

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| Item                         | Depreciation method | Useful life |
|------------------------------|---------------------|-------------|
| Computer equipment           | Straight line       | 05-10       |
| Solid waste disposal         | Straight line       | 05-55       |
| Dwellings                    | Straight line       | 05-30       |
| Electricity                  | Straight line       | 05-80       |
| Furniture & office equipment | Straight line       | 03-10       |
| Non Residential dwellings    | Straight line       | 10-30       |
| Transport assets             | Straight line       | 04-20       |
| Machinery & equipment        | Straight line       | 02-20       |
| Roads                        | Straight line       | 03-100      |

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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## Accounting Policies

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### 1.4 Property, plant and equipment (continued)

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 2).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 2).

### Assets Under Construction

Incomplete construction work is stated at historical cost. Depreciation only commence when the asset is available for use.

### 1.5 Intangible Assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

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

An intangible asset is recognised when:

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

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

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

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

# Umzumbe Local Municipality

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## Accounting Policies

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### 1.5 Intangible Assets (continued)

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

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

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

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

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| Item                     | Depreciation method | Useful life |
|--------------------------|---------------------|-------------|
| Computer software, other | Straight line       | 3-5         |

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The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 3).

### 1.6 Financial Instruments

#### Receivables from exchange transactions

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

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

#### Payables from exchange transactions

Trade payables are measured at fair value.

#### Cash and Cash Equivalents

# Umzumbe Local Municipality

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## Accounting Policies

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### 1.6 Financial Instruments (continued)

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

#### Bank Overdraft and Borrowings

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

#### Receivables from non exchange transactions

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

### 1.7 Leases

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

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

#### Finance leases - lessor

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

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

#### Finance leases - lessee

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

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

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

#### Operating leases - lessor

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

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

#### Operating Leases - Lessee

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

# Umzumbe Local Municipality

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## Accounting Policies

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### 1.8 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

- The objective of using the assets.
- The intended use of the asset.

### Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

## Accounting Policies

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### 1.8 Impairment of non-cash-generating assets (continued)

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Restoration cost approach

Restoration cost is the cost of restoring the service potential of a cash-generating asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

#### Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Reversal of an impairment loss

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.8 Impairment of non-cash-generating assets (continued)

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

### 1.9 Employee Benefits

#### Short-Term Employee Benefits

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

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

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

#### Defined Contribution Plans

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

The Municipality's employees are members of the Kwazulu - Natal Joint Municipal Pension Fund (a State and Multi Employer Defined Benefit Plan) and Kwazulu Natal Joint Provident Fund (a State and Multi Employer Defined Contribution Plan). Along with other Municipalities in the province of Kwazulu Natal, uMzumbe participates in a multi employer defined plan.

As the plan exposes the participating entities to actuarial risks associated with the current and former employees of other municipalities participating in the plan there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual municipalities participating in the plan. uMzumbe therefore accounts for the plan as if it were defined contribution plan.

#### Long Service Awards

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

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

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# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.9 Employee Benefits (continued)

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

A defined contribution plan is a plan under which the municipality pays a fixed contribution into a separate entity. The municipality has no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior period.

The contributions to fund obligations for the payment of retirement benefits are charged against the revenue in the year they become payable.

### 1.10 Provisions and Contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

### 1.11 Revenue

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

#### Measurement

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

Revenue from unconditional grants are recognised immediately upon receipt.

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

#### Rates

Revenue from rates is recognised when:

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.11 Revenue (continued)

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

#### Government grants

Government grants are recognised as revenue when:

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

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

#### Conditional Grants and Receipts

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

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

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

### 1.12 Accounting by principals and agents

#### Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

#### Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

#### Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.12 Accounting by principals and agents (continued)

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

### 1.13 Comparative Figures

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

### 1.14 Unauthorised expenditure

Unauthorised expenditure means:

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

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

### 1.15 Fruitless and wasteful expenditure

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

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

### 1.16 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.17 Use of estimates

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

### 1.18 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

### 1.19 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

### 1.20 Segment information

A segment is an activity of an entity:

# Umzumbe Local Municipality

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## Accounting Policies

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### 1.20 Segment information (continued)

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

### 1.21 Related parties

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

### 1.22 Events after the reporting date

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

### 1.23 Value Added Tax (VAT)

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

The municipality accounts for VAT on the cash basis. The municipality is liable to account for VAT at the standard rate (14% until 31 March 2018 and 15% there after) in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or are scoped out for VAT purposes. The municipality accounts for VAT on a monthly basis.

### 1.24 Commitments

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

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand | 2019 | 2018 |
|-----------------|------|------|
|-----------------|------|------|

### 2. Property, plant and equipment

|                                   | 2019                |   |                    | 2018                |   |                    |
|-----------------------------------|---------------------|---|--------------------|---------------------|---|--------------------|
|                                   | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value     | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value     |
| Machinery equipment               | 18,697,916          | (6,926,802)   | 11,771,114         | 18,459,990          | (5,526,960)   | 12,933,030         |
| Furniture and office<br>equipment | 4,606,764           | (3,123,094)   | 1,483,670          | 4,506,954           | (2,951,526)   | 1,555,428          |
| Transport assets                  | 13,012,494          | (3,964,435)   | 9,048,059          | 12,605,551          | (3,981,906)   | 8,623,645          |
| Computer equipment                | 2,995,421           | (1,633,244)   | 1,362,177          | 2,974,900           | (1,599,783)   | 1,375,117          |
| Roads infrastructure              | 250,661,390         | (104,324,362)   | 146,337,028        | 250,631,270         | (86,353,449)  | 164,277,821        |
| Community Assets                  | 54,371,123          | (24,550,244)  | 29,820,879         | 53,049,000          | (22,841,907)  | 30,207,093         |
| Solid Waste Disposal              | 253,544             | (139,614)   | 113,930            | 255,044             | (119,865)   | 135,179            |
| Assets under construction         | 163,756,780         | -   | 163,756,780        | 125,941,557         | -   | 125,941,557        |
| <b>Total</b>                      | <b>508,355,432</b>  | <b>(144,661,795)</b>  | <b>363,693,637</b> | <b>468,424,266</b>  | <b>(123,375,396)</b>  | <b>345,048,870</b> |

## Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

### Notes to the Annual Financial Statements

Figures in Rand

#### 2. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2019

|                                | Opening<br>balance | Additions         | Disposals          | Transfers   | Depreciation        | Impairment<br>loss | Total              |
|--------------------------------|--------------------|-------------------|--------------------|-------------|---------------------|--------------------|--------------------|
| Machinery equipment            | 12,933,030         | 403,810           | (31,534)           | -           | (1,534,192)         | -                  | 11,771,114         |
| Furniture and office equipment | 1,555,428          | 399,262           | (50,363)           | -           | (420,657)           | -                  | 1,483,670          |
| Transport assets               | 8,623,645          | 2,449,904         | (757,755)          | -           | (1,267,735)         | -                  | 9,048,059          |
| Computer equipment             | 1,375,117          | 458,492           | (88,880)           | -           | (382,552)           | -                  | 1,362,177          |
| Roads infrastructure           | 164,277,821        | 30,120            | -                  | -           | (16,284,529)        | (1,686,384)        | 146,337,028        |
| Community assets               | 30,207,093         | 193,904           | (333,403)          | 2,056,405   | (2,292,982)         | (10,138)           | 29,820,879         |
| Solid waste disposal           | 135,179            | -                 | (691)              | -           | (20,558)            | -                  | 113,930            |
| Assets under construction      | 125,941,557        | 39,871,628        | -                  | (2,056,405) | -                   | -                  | 163,756,780        |
|                                | <b>345,048,870</b> | <b>43,807,120</b> | <b>(1,262,626)</b> | <b>-</b>    | <b>(22,203,205)</b> | <b>(1,696,522)</b> | <b>363,693,637</b> |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 2. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2018

|                                | Opening<br>balance | Additions         | Disposals          | Transfers    | Depreciation        | Impairment<br>loss | Total              |
|--------------------------------|--------------------|-------------------|--------------------|--------------|---------------------|--------------------|--------------------|
| Machinery equipment            | 12,301,885         | 2,118,355         | (34,825)           | -            | (1,452,385)         | -                  | 12,933,030         |
| Furniture and office equipment | 1,864,556          | 185,672           | (35,932)           | -            | (458,868)           | -                  | 1,555,428          |
| Transport assets               | 7,917,691          | 2,840,968         | (967,669)          | -            | (1,167,345)         | -                  | 8,623,645          |
| Computer equipment             | 984,444            | 779,914           | (29,078)           | -            | (360,163)           | -                  | 1,375,117          |
| Roads infrastructure           | 141,627,296        | 24,200            | (11,240)           | 41,230,175   | (18,110,555)        | (482,055)          | 164,277,821        |
| Community assets               | 32,483,277         | 33,500            | (9,350)            | -            | (2,273,244)         | (27,090)           | 30,207,093         |
| Solid waste disposal           | 188,638            | -                 | (29,054)           | -            | (24,405)            | -                  | 135,179            |
| Assets under construction      | 121,791,234        | 45,380,498        | -                  | (41,230,175) | -                   | -                  | 125,941,557        |
|                                | <b>319,159,021</b> | <b>51,363,107</b> | <b>(1,117,148)</b> | <b>-</b>     | <b>(23,846,965)</b> | <b>(509,145)</b>   | <b>345,048,870</b> |

#### Reconciliation of Work-in-Progress 2019

|                                | Roads<br>Infrastructure | Community<br>Assets | Total              |
|--------------------------------|-------------------------|---------------------|--------------------|
| Opening balance                | 29,104,495              | 96,837,062          | 125,941,557        |
| Additions/capital expenditure  | 19,362,632              | 20,508,995          | 39,871,627         |
| Transferred to completed items | -                       | (2,056,405)         | (2,056,405)        |
|                                | <b>48,467,127</b>       | <b>115,289,652</b>  | <b>163,756,779</b> |

#### Reconciliation of Work-in-Progress 2018

|                                | Roads<br>Infrastructure | Community<br>Assets | Total              |
|--------------------------------|-------------------------|---------------------|--------------------|
| Opening balance                | 40,992,286              | 80,798,948          | 121,791,234        |
| Additions/capital expenditure  | 29,342,384              | 16,038,114          | 45,380,498         |
| Transferred to completed items | (41,230,175)            | -                   | (41,230,175)       |
|                                | <b>29,104,495</b>       | <b>96,837,062</b>   | <b>125,941,557</b> |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand   | 2019      | 2018      |
|---|-----------|-----------|
| <b>2. Property, plant and equipment (continued)</b>   |           |           |
| <b>Expenditure incurred to repair and maintain property, plant and equipment</b>  |           |           |
| <b>Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance</b> |           |           |
| Contracted services   | 6,708,784 | 3,591,809 |

### Impairment of assets

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 3. Intangible Assets

|                          | 2019      |   |                | 2018      |   |                |
|--------------------------|-----------|---|----------------|-----------|---|----------------|
|                          | Cost      | Accumulated amortisation and accumulated impairment | Carrying value | Cost      | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software, other | 1,934,251 | (1,098,956)   | 835,295        | 2,033,441 | (852,680)   | 1,180,761      |

#### Reconciliation of intangible assets - 2019

|                   | Opening balance | Disposals | Amortisation | Total   |
|-------------------|-----------------|-----------|--------------|---------|
| Computer software | 1,180,761       | (21,644)  | (323,822)    | 835,295 |

#### Reconciliation of intangible assets - 2018

|                   | Opening balance | Additions | Disposals | Amortisation | Total     |
|-------------------|-----------------|-----------|-----------|--------------|-----------|
| Computer software | 1,119,914       | 370,244   | (3,448)   | (305,949)    | 1,180,761 |

### 4. Receivables from exchange transactions

|  |                |                |
|--|----------------|----------------|
| Sundry debtors                           | 678,014        | 670,401        |
| Interest                                 | 57,810         | 55,708         |
| Rei Management                           | 2,379,003      | 2,379,003      |
| Rei Management (Provision for Bad debts) | (2,379,003)    | (2,379,003)    |
|  | <b>735,824</b> | <b>726,109</b> |

### 5. VAT receivable

|                 |           |           |
|-----------------|-----------|-----------|
| Value Added Tax | 7,137,097 | 6,632,317 |
|-----------------|-----------|-----------|

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand  | 2019               | 2018               |
|--|--------------------|--------------------|
| <b>5. VAT receivable (continued)</b>   |                    |                    |
| The municipality is predominantly funded by Government Grants which are zero rated. Therefore VAT input has been claimed which has not been received as yet. |                    |                    |
| <b>6. Trade and other receivables from non exchange transactions</b>   |                    |                    |
| <b>Gross balances</b>  |                    |                    |
| Rates  | 20,800,010         | 15,806,700         |
| <b>Less: Allowance for impairment</b>  |                    |                    |
| Rates  | (7,518,407)        | (6,130,719)        |
| <b>Net balance</b>   |                    |                    |
| Rates  | 13,281,603         | 9,675,981          |
| <b>Rates</b>   |                    |                    |
| 121 - 365 days   | 13,281,603         | 9,675,981          |
| <b>Summary of debtors by customer classification</b>   |                    |                    |
| <b>Residential</b>   |                    |                    |
| > 180 days   | 4,624,232          | 4,013,185          |
|  | 4,624,232          | 4,013,185          |
| Less: Allowance for impairment   | (4,624,232)        | (4,013,185)        |
|  | -                  | -                  |
| <b>Industrial/ commercial</b>  |                    |                    |
| > 180 days   | 3,685,119          | 3,049,394          |
|  | 3,685,119          | 3,049,394          |
| Less: Allowance for impairment   | (717,677)          | (593,869)          |
|  | <b>2,967,442</b>   | <b>2,455,525</b>   |
| <b>National and provincial government</b>  |                    |                    |
| > 180 days   | 12,490,660         | 8,744,121          |
|  | 12,490,660         | 8,744,121          |
| Less: Allowance for impairment   | (2,176,497)        | (1,523,664)        |
|  | <b>10,314,163</b>  | <b>7,220,457</b>   |
| <b>Total</b>   |                    |                    |
| > 365 days   | 20,800,010         | 15,806,700         |
|  | 20,800,010         | 15,806,700         |
| Less: Allowance for impairment   | (7,518,407)        | (6,130,719)        |
|  | <b>13,281,603</b>  | <b>9,675,981</b>   |
| <b>Less: Allowance for impairment</b>  |                    |                    |
| > 365 days   | (7,518,407)        | (6,130,719)        |
| <b>Reconciliation of allowance for impairment</b>  |                    |                    |
| Balance at beginning of the year   | (6,130,719)        | (2,705,006)        |
| Contributions to allowance   | (1,387,688)        | (3,425,713)        |
|  | <b>(7,518,407)</b> | <b>(6,130,719)</b> |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand | 2019 | 2018 |
|-----------------|------|------|
|-----------------|------|------|

### 7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

|                     |                    |                    |
|---------------------|--------------------|--------------------|
| Cash on hand        | 2,200              | 1,866              |
| Bank balances       | 186,656,537        | 171,660,042        |
| Short-term deposits | 9,962,984          | 9,718,837          |
|                     | <b>196,621,721</b> | <b>181,380,745</b> |

The municipality had the following bank accounts

| Account number / description                         | Bank statement balances |                    | Cash book balances |                    |
|--|-------------------------|--------------------|--------------------|--------------------|
|  | 30 June 2019            | 30 June 2018       | 30 June 2019       | 30 June 2018       |
| ABSA BANK LTD - Port Shepstone - 40-7276-2850        | 185,899,311             | 170,855,731        | 185,806,628        | 170,853,731        |
| ABSA Housing Account - Port Shepstone - 40-7278-0715 | 694,316                 | 657,873            | 694,316            | 657,873            |
| ABSA MIG Account - Port Shepstone 40 - 7277-6506     | 155,592                 | 148,438            | 155,592            | 148,438            |
| FNB - Call Account                                   | 4,279,298               | 4,035,151          | 4,279,298          | 4,035,151          |
| FNB Fixed Deposit account                            | 5,683,686               | 5,683,686          | 5,683,686          | 5,683,686          |
| <b>Total</b>   | <b>196,712,203</b>      | <b>181,380,879</b> | <b>196,619,520</b> | <b>181,378,879</b> |

### 8. Unspent Conditional Grants and Receipts

The unspent conditional grants are cash backed

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

|                                |                  |                |
|--------------------------------|------------------|----------------|
| Project Consolidate            | 99,885           | 99,885         |
| Municipal Infrastructure Grant | 6,100,011        | -              |
| KZN Sports Grant               | 50,000           | -              |
| Fire Fighting Grant            | 614,121          | 400,000        |
|                                | <b>6,864,017</b> | <b>499,885</b> |

#### Movement during the year

|  |                  |                |
|--|------------------|----------------|
| Balance at the beginning of the year   | 499,885          | 4,809,072      |
| Grants received during the year        | 56,148,000       | 48,215,000     |
| Income recognition during the year     | (49,783,868)     | (48,573,692)   |
| Grant transferred to National Treasury | -                | (3,950,495)    |
|  | <b>6,864,017</b> | <b>499,885</b> |

Due to the adoption of GRAP-109-Accounting-by-Principals-and-Agents, the unspent portion of the low cost housing grant was reclassified to Trade and Other Payables.

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand | 2019 | 2018 |
|-----------------|------|------|
|-----------------|------|------|

### 9. Provisions

#### Reconciliation of provisions - 2019

|                     | Opening Balance  | Additions        | Utilised during the year | Actuarial Loss (Gain) | Current Service cost | Finance Cost   | Total            |
|---------------------|------------------|------------------|--------------------------|-----------------------|----------------------|----------------|------------------|
| Provision for Bonus | 1,148,582        | 1,315,003        | (1,148,582)              | -                     | -                    | -              | 1,315,003        |
| Long Service Awards | 989,000          | -                | (56,739)                 | (38,261)              | 177,000              | 104,000        | 1,175,000        |
| Leave Pay           | 3,232,947        | 1,056,969        | (156,631)                | -                     | -                    | -              | 4,133,285        |
|                     | <b>5,370,529</b> | <b>2,371,972</b> | <b>(1,361,952)</b>       | <b>(38,261)</b>       | <b>177,000</b>       | <b>104,000</b> | <b>6,623,288</b> |

#### Reconciliation of provisions - 2018

|                     | Opening Balance  | Additions        | Utilised during the year | Actuarial Loss (Gain) | Current Service Cost | Finance Cost  | Total            |
|---------------------|------------------|------------------|--------------------------|-----------------------|----------------------|---------------|------------------|
| Provision for Bonus | 964,076          | 1,952,273        | (1,767,767)              | -                     | -                    | -             | 1,148,582        |
| Long Service Awards | 866,000          | -                | (68,423)                 | (55,577)              | 152,000              | 95,000        | 989,000          |
| Leave Pay           | 2,890,537        | 1,189,762        | (847,352)                | -                     | -                    | -             | 3,232,947        |
|                     | <b>4,720,613</b> | <b>3,142,035</b> | <b>(2,683,542)</b>       | <b>(55,577)</b>       | <b>152,000</b>       | <b>95,000</b> | <b>5,370,529</b> |

|                         |                  |                  |
|-------------------------|------------------|------------------|
| Non-current liabilities | 1,108,000        | 932,000          |
| Current liabilities     | 5,515,288        | 4,438,529        |
|                         | <b>6,623,288</b> | <b>5,370,529</b> |

#### Provision for Long Service Awards

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2019 may become entitled to in future, based on an actuarial valuation performed at that date.

The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2019 by a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

|                                |       |       |
|--------------------------------|-------|-------|
| Discount Rate                  | 9.29% | 9.54% |
| CPI (Consumer Price Inflation) | 6.07% | 6.70% |
| Normal Salary Increase Rate    | 7.07% | 7.70% |
| Net Effective Discount Rate    | 2.07% | 1.71% |

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

|                         |                  |                  |
|-------------------------|------------------|------------------|
| Total Accrued Liability | 1,283,000        | 1,083,000        |
| Current Service Cost    | 209,000          | 198,000          |
| Interest cost           | 135,000          | 114,000          |
|                         | <b>1,627,000</b> | <b>1,395,000</b> |

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

|                         |                  |                  |
|-------------------------|------------------|------------------|
| Total Accrued Liability | 1,080,000        | 905,000          |
| Current Service Cost    | 170,000          | 158,000          |
| Interest cost           | 113,000          | 95,000           |
|                         | <b>1,363,000</b> | <b>1,158,000</b> |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand   | 2019              | 2018              |
|---|-------------------|-------------------|
| <b>10. Operating lease asset (liability)</b>  |                   |                   |
| Current assets  | -                 | -                 |
| Current liabilities   | (51,603)          | (42,973)          |
|   | <b>(51,603)</b>   | <b>(42,973)</b>   |
| <b>Minimum Lease Payments due</b>   |                   |                   |
| Within one year   | 1,531             | 27,038            |
| In second to fifth year   | 7,814             | 7,814             |
| Over five years and until the end of the lease  | 494,300           | 495,830           |
|   | <b>503,645</b>    | <b>530,682</b>    |
| <b>11. Trade and Other Payables</b>   |                   |                   |
| Trade payables  | 2,030,316         | 3,585,645         |
| Other payables  | 592,687           | 439,275           |
| Advances from the Department of Human Settlements   | 674,497           | 638,054           |
| Deposits received   | 34,551            | 31,961            |
| Retention   | 17,663,608        | 15,765,519        |
|   | <b>20,995,659</b> | <b>20,460,454</b> |
| Due to the adoption of GRAP 109 - Accounting by Principals and Agents, the unspent portion of the low housing project was reclassified from Unspent Conditional Grants to Trade and Other Payables. |                   |                   |
| <b>12. Property rates</b>   |                   |                   |
| <b>Rates</b>  |                   |                   |
| Property Rates Billed   | 7,538,883         | 5,548,890         |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand  | 2019               | 2018               |
|--|--------------------|--------------------|
| <b>13. Government grants and subsidies</b>                   |                    |                    |
| <b>Operating grants</b>                                      |                    |                    |
| Equitable share  | 120,566,000        | 119,071,495        |
| Financial Management Grant                                   | 1,900,000          | 1,900,000          |
| Municipal Infrastructure Grant                               | 31,291,989         | 35,025,693         |
| Expanded Public Works Program                                | 1,526,000          | 1,291,000          |
| KZN Sports Grant   | -                  | 349,014            |
| Fire Fighting Grant  | 185,879            | -                  |
| Intergrated National Electrification Programme               | 14,880,000         | 10,000,000         |
| GIS Grant  | -                  | 7,985              |
|  | <u>170,349,868</u> | <u>167,645,187</u> |
| <b>Project Consolidate</b>                                   |                    |                    |
| Balance unspent at beginning of year                         | <u>99,885</u>      | <u>99,885</u>      |
| Conditions still to be met - remain liabilities (see note 8) |                    |                    |
| <b>Financial Management Grant</b>                            |                    |                    |
| Current-year receipts  | 1,900,000          | 1,900,000          |
| Conditions met - transferred to revenue                      | <u>(1,900,000)</u> | <u>(1,900,000)</u> |
|  | <u>-</u>           | <u>-</u>           |
| <b>GIS Grant</b>   |                    |                    |
| Balance unspent at beginning of year                         | -                  | 7,985              |
| Conditions met - transferred to revenue                      | <u>-</u>           | <u>(7,985)</u>     |
|  | <u>-</u>           | <u>-</u>           |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand   | 2019             | 2018           |
|---|------------------|----------------|
| <b>13. Government grants and subsidies (continued)</b>        |                  |                |
| Conditions still to be met - remain liabilities (see note 8)  |                  |                |
| <b>Municipal Infrastructure Grant</b>                         |                  |                |
| Balance unspent at beginning of year                          | -                | 401,693        |
| Current-year receipts   | 37,392,000       | 34,624,000     |
| Conditions met - transferred to revenue                       | (31,291,989)     | (35,025,693)   |
|   | <b>6,100,011</b> | -              |
| Conditions still to be met - remain liabilities (see note 8)  |                  |                |
| <b>Expanded Public Works Program</b>                          |                  |                |
| Current-year receipts   | 1,526,000        | 1,291,000      |
| Conditions met - transferred to revenue                       | (1,526,000)      | (1,291,000)    |
|   | -                | -              |
| <b>Disaster Management Grant</b>                              |                  |                |
| Balance unspent at beginning of year                          | -                | 3,950,495      |
| Grant transferred to National Treasury                        | -                | (3,950,495)    |
|   | -                | -              |
| <b>KZN Sports</b>   |                  |                |
| Balance unspent at beginning of year                          | -                | 349,014        |
| Current-year receipts   | 50,000           | -              |
| Conditions met - transferred to revenue                       | -                | (349,014)      |
|   | <b>50,000</b>    | -              |
| Conditions still to be met - remain liabilities (see note 8). |                  |                |
| <b>Fire Fighting Grant</b>                                    |                  |                |
| Balance unspent at beginning of year                          | 400,000          | -              |
| Current-year receipts   | 400,000          | 400,000        |
| Conditions met - transferred to revenue                       | (185,879)        | -              |
|   | <b>614,121</b>   | <b>400,000</b> |
| Conditions still to be met - remain liabilities (see note 8). |                  |                |
| <b>National Electrification Grant</b>                         |                  |                |
| Current-year receipts   | 14,880,000       | 10,000,000     |
| Conditions met - transferred to revenue                       | (14,880,000)     | (10,000,000)   |
|   | -                | -              |
| <b>14. Investment revenue</b>                                 |                  |                |
| <b>Interest revenue</b>                                       |                  |                |
| Interest Received on Investments                              | 12,993,519       | 12,509,546     |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand                                      | 2019              | 2018              |
|--|-------------------|-------------------|
| <b>15. Other income</b>                              |                   |                   |
| Tender Income  | 127,825           | 188,452           |
| Sundry income  | 354,881           | 510,409           |
|  | <b>482,706</b>    | <b>698,861</b>    |
| <b>16. Finance costs</b>                             |                   |                   |
| Interest recognised on long service awards provision | 104,000           | 95,000            |
| <b>17. Contracted services</b>                       |                   |                   |
| <b>Outsourced Services</b>                           |                   |                   |
| Catering Services                                    | 3,887,987         | 4,508,242         |
| Clearing and Grass Cutting Services                  | 331,340           | 622,009           |
| Medical Services                                     | 24,200            | 17,003            |
| Security Services                                    | 1,947,693         | 1,631,121         |
| <b>Consultants and Professional Services</b>         |                   |                   |
| Business and Advisory                                | 2,149,773         | 3,633,019         |
| Infrastructure and Planning                          | 948,771           | 2,145,421         |
| Legal Cost   | 190,476           | 34,617            |
| <b>Contractors</b>                                   |                   |                   |
| Artists and Performers                               | 806,000           | 328,800           |
| Audio-visual Services                                | 65,500            | 36,500            |
| Interior Decorator                                   | 15,500            | 60,180            |
| Repairs and Maintenance                              | 6,708,784         | 3,591,809         |
| Stage and Sound Crew                                 | 540,027           | 248,180           |
|  | <b>17,616,051</b> | <b>16,856,901</b> |
| <b>18. General expenses</b>                          |                   |                   |
| Advertising, Publicity and Marketing                 | 8,232,167         | 6,644,590         |
| Auditors remuneration                                | 1,442,082         | 1,309,636         |
| Bank charges   | 99,156            | 100,234           |
| Ward Committees                                      | 1,791,550         | 2,846,156         |
| Bursaries  | 673,329           | 882,841           |
| Consumables  | 4,941,857         | 2,325,655         |
| Electricity  | 470,325           | 312,694           |
| Free basic services - electricity                    | 12,392,536        | 11,024,443        |
| Entertainment  | 30,805            | 74,646            |
| Hire charges   | 3,967,170         | 3,150,614         |
| Insurance  | 1,024,132         | 950,444           |
| Lease Rentals on Operating Lease                     | 589,483           | 521,502           |
| Licences   | 784,301           | 402,839           |
| Printing and stationery                              | 1,772,163         | 1,220,380         |
| Subscriptions and membership fees                    | 851,648           | 660,019           |
| Subsistence and Travel                               | 2,534,436         | 3,689,542         |
| Communication  | 2,337,789         | 1,698,556         |
| Transport to events                                  | 2,503,864         | 2,251,974         |
| Solid waste disposal                                 | 170,827           | 251,500           |
| Uniform and Protective Clothing                      | 504,920           | 554,354           |
| Registration fees                                    | 51,484            | 357,684           |
| Other expenses                                       | 1,207,606         | 1,339,459         |
|  | <b>48,373,630</b> | <b>42,569,762</b> |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand  | 2019              | 2018              |
|--|-------------------|-------------------|
| <b>19. Employee related costs</b>                                  |                   |                   |
| Basic Salary   | 33,925,075        | 29,595,644        |
| Bonus  | 2,357,586         | 2,795,646         |
| Medical aid - company contributions                                | 1,528,586         | 1,378,679         |
| Unemployment Insurance Fund  | 230,248           | 203,747           |
| Skills Development Levy  | 458,103           | 399,842           |
| Leave pay provision charge   | 1,238,178         | 1,189,762         |
| Pension Contribution   | 3,763,602         | 3,232,088         |
| Travel, motor car, accommodation, subsistence and other allowances | 7,204,819         | 6,623,219         |
| Overtime payments  | 1,266,931         | 1,006,278         |
| Acting allowances  | 146,427           | 292,237           |
| Other Salary costs   | 1,139,904         | 986,150           |
|  | <b>53,259,459</b> | <b>47,703,292</b> |

### Remuneration of Municipal Manager

|                     |                |                  |
|---------------------|----------------|------------------|
| Annual Remuneration | 515,447        | 727,483          |
| Car Allowance       | 171,816        | 242,494          |
| Performance Bonus   | -              | 328,344          |
| Other               | 7,747          | 273,002          |
|                     | <b>695,010</b> | <b>1,571,323</b> |

The Municipal Manager resigned in February 2019

### Remuneration of Chief Financial Officer

|                     |                  |                  |
|---------------------|------------------|------------------|
| Annual Remuneration | 871,475          | 819,881          |
| Car Allowance       | 300,204          | 285,636          |
| Performance Bonuses | -                | 296,215          |
| Other               | 41,673           | 34,390           |
|                     | <b>1,213,352</b> | <b>1,436,122</b> |

### Remuneration Corporate Services Director

|                     |                |                  |
|---------------------|----------------|------------------|
| Annual Remuneration | 618,574        | 659,137          |
| Car Allowance       | 206,191        | 219,712          |
| Performance Bonuses | -              | 218,814          |
| Other               | 7,835          | 210,721          |
|                     | <b>832,600</b> | <b>1,308,384</b> |

### Remuneration of Technical Services Director

|                     |                |                |
|---------------------|----------------|----------------|
| Annual Remuneration | 452,825        | 437,573        |
| Car Allowance       | 179,751        | 145,858        |
| Other               | 159,589        | 6,481          |
|                     | <b>792,165</b> | <b>589,912</b> |

The Director for Technical Services resigned in April 2019

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand   | 2019              | 2018              |
|---|-------------------|-------------------|
| <b>19. Employee related costs (continued)</b>                   |                   |                   |
| <b>Remuneration of Social &amp; Community Services Director</b> |                   |                   |
| Annual Remuneration   | 550,507           | 437,573           |
| Car Allowance   | 212,312           | 145,858           |
| Other   | 136,051           | 25,983            |
|   | <b>898,870</b>    | <b>609,414</b>    |
| <b>20. Remuneration of councillors</b>                          |                   |                   |
| Mayor   | 880,202           | 849,387           |
| Deputy Mayor  | 712,698           | 686,186           |
| Speaker   | 712,570           | 686,389           |
| Councillors   | 14,582,824        | 13,625,661        |
|   | <b>16,888,294</b> | <b>15,847,623</b> |
| <b>21. Debt impairment</b>                                      |                   |                   |
| Debt impairment   | 1,387,688         | 3,425,712         |
| <b>22. Depreciation and amortisation</b>                        |                   |                   |
| Property, plant and equipment                                   | 23,899,727        | 24,356,109        |
| Intangible assets   | 323,822           | 305,949           |
|   | <b>24,223,549</b> | <b>24,662,058</b> |
| <b>23. Auditors' remuneration</b>                               |                   |                   |
| Fees  | 1,442,082         | 1,309,636         |
| <b>24. Cash generated from operations</b>                       |                   |                   |
| Surplus   | 29,499,668        | 34,830,535        |
| <b>Adjustments for:</b>   |                   |                   |
| Depreciation and amortisation                                   | 24,223,549        | 24,662,058        |
| Loss on sale of assets  | 12,637            | 411,601           |
| Debt impairment   | 1,387,688         | 3,425,712         |
| Movement in operating lease accrual                             | 8,630             | 5,370             |
| Movements in provisions   | 1,252,759         | 649,916           |
| Other non-cash items  | -                 | 273,457           |
| <b>Changes in working capital:</b>                              |                   |                   |
| Receivables from exchange transactions                          | (9,715)           | (382,419)         |
| Trade and other receivables from non exchange transactions      | (4,993,310)       | (3,802,558)       |
| Trade and Other Payables  | 535,205           | 6,345,050         |
| VAT   | (504,780)         | 1,940,921         |
| Unspent Conditional Grants and Receipts                         | 6,364,132         | (4,912,857)       |
|   | <b>57,776,463</b> | <b>63,446,786</b> |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand   | 2019               | 2018               |
|---|--------------------|--------------------|
| <b>25. Commitments</b>                                      |                    |                    |
| <b>Authorised capital expenditure</b>                       |                    |                    |
| <b>Approved and contracted for:</b>                         |                    |                    |
| • Infrastructure  | 74,734,690         | 65,868,909         |
| <b>Approved but not yet contracted for:</b>                 |                    |                    |
| • Infrastructure  | 256,409,943        | 167,892,663        |
| <b>Total capital commitments</b>                            |                    |                    |
| Already contracted for but not provided for                 | 74,734,690         | 65,868,909         |
| Not yet contracted for and authorised by accounting officer | 256,409,943        | 167,892,663        |
|   | <b>331,144,633</b> | <b>233,761,572</b> |

This committed expenditure relates to Infrastructure and will be financed by Government Grants.

## 26. Unauthorised expenditure

|  |                  |                  |
|--|------------------|------------------|
| Opening balance as previously reported       | 4,232,246        | 2,379,003        |
| <b>Opening balance as restated</b>           | <b>4,232,246</b> | <b>2,379,003</b> |
| Add: Unauthorised expenditure - current year | -                | 1,853,243        |
| Less: Amount written off - current           | (1,853,243)      | -                |
| <b>Closing balance</b>                       | <b>2,379,003</b> | <b>4,232,246</b> |

## 27. Fruitless and wasteful expenditure

|  |          |          |
|--|----------|----------|
| Add: Fruitless and wasteful expenditure - current year | 5,833    | 16,942   |
| Less: Amount written off - current                     | (5,833)  | (16,942) |
| <b>Closing balance</b>                                 | <b>-</b> | <b>-</b> |

## Incidents

The municipality incurred fruitless and wasteful expenditure of R 5 833 due to interest and penalties arising from late payments

## 28. Irregular expenditure

|   |                   |                   |
|---|-------------------|-------------------|
| Opening balance as previously reported    | 27,387,791        | -                 |
| <b>Opening balance as restated</b>        | <b>27,387,791</b> | <b>-</b>          |
| Add: Irregular Expenditure - Current year | 25,336,834        | 27,387,791        |
| <b>Closing balance</b>                    | <b>52,724,625</b> | <b>27,387,791</b> |

**Incident:** During the year, the municipality incurred irregular expenditure as a result of Bid Adjudication Committee not being properly constituted.

**Action:** The matter will be reviewed and tabled at Council.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

Figures in Rand

### 29. Effects of correction and reclassification of prior year errors / adjustments on financial statements

An amount of R14 374 relates to correction of prior year salary balances and accounts payable balances.

Due to the adoption of GRAP 109 - Accounting by Principals and Agents, R638 054 unspent portion of the low housing project was reclassified from Unspent Conditional Grants to Trade and Other Payables.

The prior year impairment provision for receivables was reviewed, corrected and accordingly restated. This resulted in an adjustment of R2 969 566 in the prior year.

#### Statement of Financial Position

|  | Note     | As previously reported | Correction of errors | Reclassification | Total              |
|--|----------|------------------------|----------------------|------------------|--------------------|
| Receivables from exchange transactions                     | 4        | 726,109                | -                    | -                | 726,109            |
| VAT Receivable   | 5        | 6,632,317              | -                    | -                | 6,632,317          |
| Trade and Other Receivables from Non Exchange Transactions | 6        | 12,645,548             | (2,969,566)          | -                | 9,675,982          |
| Cash and Cash Equivalents                                  | 7        | 181,380,745            | -                    | -                | 181,380,745        |
| Property , Plant and Equipment                             | 2        | 345,048,870            | -                    | -                | 345,048,870        |
| Intangible Assets  | 3        | 1,180,761              | -                    | -                | 1,180,761          |
| <b>Total Assets</b>  | <b>-</b> | <b>547,614,350</b>     | <b>(2,969,566)</b>   | <b>-</b>         | <b>544,644,784</b> |
| Operating Lease Liability                                  | 10       | (42,973)               | -                    | -                | (42,973)           |
| Trade and Other Payables                                   | 11       | (19,836,783)           | 14,374               | (638,054)        | (20,460,463)       |
| Unspent Conditional Grants and Receipts                    | 8        | (1,137,939)            | -                    | 638,054          | (499,885)          |
| Current : Provisions                                       | 9        | (4,438,529)            | -                    | -                | (4,438,529)        |
| Non Current Provisions                                     | 9        | (932,000)              | -                    | -                | (932,000)          |
| Accumulated Surplus  | -        | (521,226,126)          | 2,955,192            | -                | (518,270,934)      |
| <b>Total Liabilities and Surplus</b>                       | <b>-</b> | <b>547,614,350</b>     | <b>-</b>             | <b>-</b>         | <b>544,644,784</b> |

#### Statement of financial performance

|                                | Note     | As previously reported | Correction of errors | Reclassification on | Total              |
|--------------------------------|----------|------------------------|----------------------|---------------------|--------------------|
| Other Income                   | 15       | 698,861                | -                    | -                   | 698,861            |
| Interest Received - Investment | -        | 12,509,546             | -                    | -                   | 12,509,546         |
| Property Rates                 | 12       | 5,548,890              | -                    | -                   | 5,548,890          |
| Government Grants & Subsidies  | 13       | 167,645,187            | -                    | -                   | 167,645,187        |
| <b>Total Revenue</b>           | <b>-</b> | <b>186,402,484</b>     | <b>-</b>             | <b>-</b>            | <b>186,402,484</b> |
| Employee Related Costs         | 18       | (47,703,292)           | -                    | -                   | (47,703,292)       |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

Figures in Rand

|  |          |                   |                    |          |                   |
|--|----------|-------------------|--------------------|----------|-------------------|
| Remuneration of Councillors              | 19       | (15,847,623)      | -                  | -        | (15,847,623)      |
| Depreciation Amortisation and Impairment | 21       | (24,662,058)      | -                  | -        | (24,662,058)      |
| Finance Cost                             | -        | (95,000)          | -                  | -        | (95,000)          |
| Debt Impairment                          | 20       | (456,146)         | (2,969,566)        | -        | (3,425,712)       |
| Contracted Services                      | 16       | (16,856,901)      | -                  | -        | (16,856,901)      |
| General Expenses                         | 17       | (42,569,763)      | -                  | -        | (42,569,763)      |
| Loss on Disposal of Assets               | -        | (411,601)         | -                  | -        | (411,601)         |
| <b>Surplus for the year</b>              | <b>-</b> | <b>37,800,100</b> | <b>(2,969,566)</b> | <b>-</b> | <b>34,830,534</b> |

### Cashflow Statement

|  | Note     | As previously reported | Correction of errors | Total             |
|--|----------|------------------------|----------------------|-------------------|
| Government Grants and subsidies                  | -        | 163,370,384            | -                    | 163,370,384       |
| Cash Receipts from Customers                     | -        | 2,449,739              | -                    | 2,449,739         |
| Interest Income                                  | -        | 12,453,838             | -                    | 12,453,838        |
| Finance Costs                                    | -        | (95,000)               | -                    | (95,000)          |
| Cash Paid to Suppliers and Employees             | -        | (114,732,175)          | -                    | (114,732,175)     |
| Purchase of Property, Plant and Equipment        | 2        | (51,363,107)           | -                    | (51,363,107)      |
| Purchase of intangible assets                    | 3        | (370,244)              | -                    | (370,244)         |
| Proceeds from Sale of Assets                     | -        | 449,920                | -                    | 449,920           |
| <b>Net increase in cash and cash equivalents</b> | <b>-</b> | <b>12,163,355</b>      | <b>-</b>             | <b>12,163,355</b> |

### 30. Contingencies

#### Contingent Liabilities

Incidents.

Some employees referred a dispute between themselves and the municipality to the SALGBC which related to their salaries. The estimated cost amounts to R432 000.00

The municipality is the second respondent involved in a contractual dispute with a service provider. The estimated cost amount to R3 162 994 if the Municipality is unsuccessful. The prospects of success in this matter is high as the Municipality will likely defend this matter successfully.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

| Figures in Rand | 2019 | 2018 |
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|-----------------|------|------|

### 31. Risk management

#### Liquidity risk

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

#### Credit risk

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

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

|  |             |             |
|--|-------------|-------------|
| Financial instrument   |             |             |
| Trade and other receivables from non exchange transactions (Rates) | 13,281,603  | 9,675,981   |
| Cash and Cash Equivalents  | 196,621,721 | 181,380,745 |

### 32. Going concern

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

### 33. Additional disclosure in terms of Municipal Finance Management Act

#### Contribution to Local Government Associations

|                           |             |                |
|---------------------------|-------------|----------------|
| Opening balance           | 555,520     | -              |
| Current year subscription | 624,350     | 555,520        |
| Amount paid               | (1,179,870) | -              |
|                           | <b>-</b>    | <b>555,520</b> |

#### Audit fees

|                            |             |             |
|----------------------------|-------------|-------------|
| Current year fee           | 1,442,082   | 1,309,636   |
| Amount paid - current year | (1,442,082) | (1,309,636) |
|                            | <b>-</b>    | <b>-</b>    |

#### PAYE and UIF

|                         |              |              |
|-------------------------|--------------|--------------|
| Current year deductions | 10,617,245   | 10,586,876   |
| Amount paid             | (10,617,245) | (10,586,876) |
|                         | <b>-</b>     | <b>-</b>     |

#### Pension, Provident and Medical Aid Deductions

|              |             |             |
|--------------|-------------|-------------|
| Current year | 8,645,187   | 7,653,332   |
| Amount paid  | (8,645,187) | (7,653,332) |
|              | <b>-</b>    | <b>-</b>    |

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

Figures in Rand

2019

2018

### 34. Multi employer retirement benefit

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

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

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

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

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

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

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

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

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

### DEFINED CONTRIBUTION SCHEMES

#### Natal Joint Municipal Pension Fund:

The scheme is subject to an actuarial valuation. The last statutory valuation was performed as at 31 March 2018.

The valuation performed revealed that at the valuation date, the fair value of the Fund's adjusted net assets amounted to R 4 055 121 000.

As reported by the Actuaries, the Fund was not in a sound financial condition as at 31 March 2018, in that the assets of the Fund were insufficient to cover the accrued service liabilities including the recommended contingency reserves in full. The deficit is being funded by the surcharge that is being paid. Based on the increase in the surcharge that is recommended, the deficit is expected to be eliminated within the period allowed.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

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|-----------------|------|------|

### 35. Related Party Transactions

#### Related party balances

##### Payments to related parties

|                          |   |        |
|--------------------------|---|--------|
| Smakuhle General Trading | - | 29,500 |
|--------------------------|---|--------|

Smakuhle General Trading - The company is owned by the sister of an employee (Municipal Driver) of Umzumbe Municipality.

##### Amounts included in General expenses regarding related parties

|                                    |         |         |
|------------------------------------|---------|---------|
| Ugu South Coast Development Agency | 633,938 | 598,500 |
| Ugu South Coast Tourism Authority  | 548,318 | 516,192 |

Senior management and council are further classified as related parties. Refer to note 19 and note 20.

### Section 45 and 44 of SCM Regulations

#### Awards to business associates in service of state

As a result of the 2017/2018 audit, expenditure of R 403 086.40 (2017 - R 236 922.50) related to awards to business associates of persons in the service of the state. This information came to the attention of the Municipality towards the finalisation of the 2017/18 audit in the current year.

### 36. Section 36 deviations

During the year the Accounting Officer approved minor breaches in terms of section 36 (1) (b) as well as section 36 (1) (a) amounting to R4 429 203 (2018 - R4 654 553)





**Umzumbe**  
M U N I C I P A L I T Y

**2018/2019**

**MUNICIPAL PUBLIC ACCOUNT COMMITTEE**

**OVERSIGHT REPORT**

**25 MARCH 2020**

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## **1. INTRODUCTION**

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council regarding the Annual Report and the preparation of an Oversight Report. Given the processes required by Council to effectively undertake its oversight role, the establishment of MPAC of Council provides the appropriate mechanism through which Council fulfils its oversight responsibilities.

The MPAC's primary role is to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council.

## **2. BACKGROUND**

The oversight role of Council is an important component of the financial reforms and it is achieved through the separation of roles and responsibilities between Council, the Executive (Mayor and Executive Committee) and Administration. Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

Non-executive Councillors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Executive (Mayor/Executive Committee).

The council in its meeting on the 23<sup>rd</sup> of January 2020 sat and considered the draft annual report. The Draft annual report was then placed at strategic locations to obtain comments from the public on the 31<sup>st</sup> of January 2020. The draft annual report was also submitted to Auditor General of South Africa and the KwaZulu Natal Department of Co-operative Governance (CoGTA) for further inputs and comments on the 31<sup>st</sup> of January 2020.

## **3. FUNCTIONS OF THE MPAC**

The functions of the MPAC are to:

- Undertake a review and analysis of the Annual Report.
- Invite, receive, and consider inputs from Councillors and Portfolio Committees, on the Annual Report.
- Consider written comments received on the Annual Report from the public consultation process.
- Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.
- Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

#### **4. COMPOSITION OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

The Municipal Public Accounts Committee (MPAC) is a committee of Council established under section 79 of the Municipal Structures Act, 1998. Section 79 allows for the co-option of advisory members to a Committee of Council, who are not members of the Council. Umzumbe Municipality consist of 5 MPAC members and the traditional leadership representation, who are:

Cllr JP Mtambo (Chairperson)  
Cllr BB Luthuli (Deputy Chairperson)  
Cllr TM Mbayi  
Cllr P Habile  
Cllr B Dlamini  
Inkosi BS Cele

The draft annual report was received for MPAC to consider and make inputs on the 26<sup>th</sup> of February 2020 for a meeting that sat on the 24<sup>th</sup> March 2020. The MPAC could not sit on the scheduled date due to the rescheduling that was done on the roster which saw the MPAC meeting moved to allow Council to sit on the scheduled date. Thereafter, MPAC struggled with meeting the quorum as there are only 5

members which means at least 4 councillors need to be present for the meeting to quorate.

Inputs were received from the Auditor General of South Africa attached as Annexure A and no inputs were received from the KwaZulu Natal Department of Co-operative Governance (CoGTA).

## **5. ANNUAL REPORT REVIEW BY MUNICIPAL PUBLIC ACCOUNT COMMITTEE**

## CHAPTER 1

### GENERAL COMMENTS

#### Mayor's Foreword and Executive Summary

In this paragraph the Mayor reflects on achievements by the municipality. These includes projects that have been handed over, audit opinions obtained by the municipality and any success story that the municipality prides itself with.

How true is the statement made on the Mayor's foreword seem to be contradictory to the challenges noted later on the Municipal Manager's overview. *"This year we have also prioritized plans to develop local small and medium businesses to enable them to gain skills and knowledge so as to be proficient in management of their businesses. These businesses have been developed through training and mentorship, with a special focus on sectors such as Tourism, Agriculture, Manufacturing and Production. This year we have also prioritized plans to develop local small and medium businesses to enable them to gain skills and knowledge so as to be proficient in management of their businesses. These businesses have been developed through training and mentorship, with a special focus on sectors such as Tourism, Agriculture, Manufacturing and Production."*

Umzumbe during this period encountered administration instability after resignation of the former Municipal Manager. This should have been captured for the reader to grasp administrative challenges the municipality was faced with.

#### Municipal Manager's Overview 2018/19 Financial Year

In this paragraph, the newly appointed Accounting Officer reflect on activities that the municipality had undertaken in fulfilling the needs as mandated by communities of Umzumbe.

He goes on to highlight projects worth celebrating including Labour Intensive project, Inkanini Indoor Sport Centre to name a few.

The overview makes no mention of the administrative instability that existed since February 2019 overlapping in the 18/19 financial year. This should have paved a

way for the challenges that were there during take over from the previous administration head to how things are currently.

### Municipal Functions, Population and Environmental Overview

#### **Municipal Functions**

This paragraph outlines different roles between those of the Local Municipality, District Municipality and Shared Services.

#### **Demographics**

This paragraph indicates demographics as per the 2016 Survey.

#### **Service Delivery Overview**

This paragraph quotes distribution of services i.e. Water, Sanitation, Local Economic Development, Housing, Roads, Storm Water Drainage, Local planning approvals.

The paragraph goes on to mention the challenges affecting service delivery, which included amongst others:

- Interruptions of municipal operations by community protest;
- Non sitting of BID committees as a result of community protests;
- Resignations of key personnel in strategic position;
- Delayed filling of vacant post; and
- Nonresponsive bidders on key service delivery orientated projects

### **CORRECTIONS TO BE MADE ON THIS CHAPTER**

| PAGE NO. | CONTENT  | CORRECTIONS  |
|----------|--|--|
| 12       | <p>The annual financial statements for the financial year 2017/2018 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.</p> <p>The annual financial statements for the financial year 2018/2019 are currently being compiled in terms of Generally Recognized Accounting Practice (GRAP) and is on target to be submitted by the 31 August deadline.</p> | Amend the financial year 2018/2019 and remove the last paragraph indicating that the financial statements for the 2018/2019 financial year are being compiled. |
| 13.      | The annual budget for the 2019/2020  | The date of adoption of budget for 2018/2019 is not stated.  |
| 13.      | 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.  | Contradictory to page 10 and AGSA Final Audit report   |
| 13       | The municipality has already started with MSCOA processes such as: training, system vendor engagement, awareness creation, project steering team formulation, project  | Repeat information from the 2017/2018 Annual Report.   |

| PAGE NO. | CONTENT  | CORRECTIONS        |
|----------|--|--------------------|
|          | steering committee meetings, development of implementation plans, budget 2018/2019<br>MSCOA conversions, |                    |
| 15       | Numbering  | Omission of number |

## CHAPTER 2: GOVERNANCE

### GENERAL COMMENTS

#### Component A: Political and Administrative Governance

This paragraph reflects on different levels of governance from Mayor, Deputy Mayor, Speaker, Executive, Audit Committee, Council Traditional Leadership and Administrative Governance led by the Accounting Officer.

The statements made below can become very confusing to the reader since at the time of adoption of this annual report, Umzumbe has a female Mayor and Male Deputy Mayor:

*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 Deputy 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.*

There is no mention of the resignation of the Mayor during the period to correspond with the picture of the current Mayor on the Annual Report.

### **Administrative Governance**

This paragraph depicts different structure where information is shared and different structures where intergovernmental relations are discussed.

#### Component B: Intergovernmental Relations

There are no mention of the challenges concerning the LAC functionality.

#### Component C: Public Accountability and Participation

This paragraph reports on the processes Umzumbe Municipality embarks on as articulated in the Section 17 of the MSA. The municipality achieve this through public meetings, quarterly report back public meetings

#### Component D: Corporate Governance

This paragraph reports on the activities that the municipality embarks on to achieve good corporate governance. These includes risk management, anti-fraud and

corruption, supply chain management, adopted by-laws and placing of municipal documents on the website.

This paragraph to be removed from as it has nothing to do with corporate governance: *The Department is headed by the Director: Corporate Services and consists of four sections: Human Resources, Administrative Services, Legal Services, Information and Communication Technology (ICT).*

## **CORRECTIONS TO BE MADE ON THIS CHAPTER**

| PAGE NO. | CONTENT   | CORRECTIONS   |
|----------|---|---|
| 16       | <p>The council has an executive committee made up of eight (8) full time councillors.</p> <p>There are five (6) portfolio committees: Human Settlement and Infrastructure Portfolio, Planning and LED Portfolio, Social and Community Services Portfolio, Finance Portfolio, Youth Development Portfolio and Corporate Services Portfolio Committees.</p> <p>Mr Bheki Dladla resigned from the Audit Committee and was replaced by Mr Zweli Zulu.</p>   | <p>7 full time councillors and an Ex-Officio</p> <p>What about Section 79 committees</p> <p>Instead contract ended.</p> |
| 16       | No mention of the resignation of the Mayor during the period  | Irrelevant information during this reporting period, consider revising.   |
| 16       | The Local Government Elections took place on 03 August 2016, which saw the inauguration of a new council and new executive council. The total number of councilors increased from 38 Councilors in the previous financial year to 39 councilors in the 2016/17. The council comprises of 19 females and 20 males for the year ended. Umzumbe Municipality experienced a decline in population due to the redemarcation of the Municipal Wards, with 2 Voting districts taken to Ubuhlebezwe Local Municipality. | This information was reflected in the 2017/2018 and is no longer relevant. Consider revising.                           |

|    |  |  |
|----|--|--|
| 16 | 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 PAC and 1 DA. PAC's Pr. Year of reporting saw the passing away of Councilor Jennet Radebe from the DA and has been replaced by Councilor Siyamthemba Msani. | Correct APC.<br><br>If mentioning a DA member sworn in recently, then mention all the changes within the council including 2 ANC councillors.                                  |
| 22 | Each represented political party caucus before the commencement of the Council meeting be it special or ordinary meeting.  | Grammar "caucuses".  |
| 22 | It is important to indicate that all the council resolutions have been implemented.  | The stamen made here is not reliable as there is no resolution register in place to track if all council resolutions to ensure that all 2018/2019 resolutions were implemented |
| 22 | 14 traditional leaders   | This information to be verified as there are other chiefdoms which may be left out   |
| 22 | One traditional leader sits in the Municipal Executive Committee and all of them sit in portfolio committees   | Indicate which traditional leader sits on the EXCO and which sits on the MPAC as MPAC is not a portfolio   |

|    |  |   |
|----|--|---|
|    |  | committee but a Section 79 committee.   |
| 23 | Administrative leg of the Council is led by the Accounting Officer and the managers reporting directly to <b>her</b> (section 56) with all the position being filled at this level of management   | Omission of “her” instead of “he”   |
| 23 | Unit responsibilities  | Functions relating to Internal Audit omitted.   |
| 25 | Faces – Director Technical Services  | Vacant  |
| 27 | Phungashe Information Centre (Ward 3),   | Ward 4  |
| 27 | Bhanoyi Community Hall (ward 7),   | Ward 6  |
| 27 | Mgai Clinic and social welfare (ward 7)  | Ward 8  |
| 27 | Joyisi (ward 7),   | Ward 6  |
| 27 | Mngomeni High, Bambumoya (Ward 2)  | Mngomeni -Ward 7<br><br>Bambumoya - 3   |
| 27 | Mtwalume Clinic (Ward 11).   | Ward 9  |
| 27 | 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<br><br>Quarterly report back public meetings were held on all 20 municipal wards as another | IDP Rep forums did not sit in all quarters and there are challenges that needed to be sighted on this paragraph.<br><br>Report back meetings also did not sit in all quarter in all |

|       |   |   |
|-------|---|---|
|       | mechanism to strengthen public participation.   | wards, challenges to be sighted instead.  |
| 27.   | Youth Committee is in place being chaired by the Speaker of the council   | Omission of Cllr Mdletshe as the chair.   |
| 28-29 | Public meetings table   | Not completed accordingly.  |
| 30    | The Department is headed by the Director: Corporate Services and consists of four sections: Human Resources, Administrative Services, Legal Services, Information and Communication Technology (ICT).                     | Remove this paragraph it does not relate to Corporate Governance                              |
| 44    | Anti-Corruption and Fraud   | Include whistle blower hotline details.   |
| 44    | 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. | Contradictory to the AGSA report as well as what was stated as challenges in chapter 1 above. |
| 45    | All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards   | Date of 10 July 2017 does not relate to the 2018/2019   |
| 45    | Public-private partnership agreements referred to in section 120 made in Year 0   | No date of publishing on website (SLA with UGu South Coast Tourism and USCDA)                 |

|  |  |                                |
|--|--|--------------------------------|
|  | All quarterly reports tabled in the council in terms of section 52 (d) during Year 0 | Mayor's reports not published. |
|--|--|--------------------------------|

## **CHAPTER 3 – SERVICE DELIVERY PERFORMANCE**

### **GENERAL COMMENTS**

#### Component A: Basic Services

This component reflects on the provision of services to our communities, these includes even services provided by the District. Services reported on such as water, wastewater, electricity, waste management, housing and indigent support.

There is a need also to sight challenges faced concerning water shortages within our jurisdictions. Also concerning the power outages, the country is facing.

#### Component B: Road Transport

This section reflects on the access roads the municipality has maintained, plant acquired by the municipality to maintain access roads, new roads and bridges constructed and costs incurred in maintaining and construction of roads. This paragraph also reflects on transport services operating under Umzumbe, e.g. the UGu Transport services.

#### Component C: Planning and Development

This paragraph reflects on development opportunities available for the municipality to grow the economy. It further touches on activities the municipality embarked on to compile an IDP. Local economic development programs are also explained in this component.

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

This component reflects on programs that are implemented by the municipality to improve the way of life in our communities as well as alleviation of poverty. These programs include school greening projects, maintenance of community facilities and childcare programs e.g. Dress a child to name the few.

### Component E: Environmental Protection

Umzumbe municipality works with the department of Environmental affairs in implementation of goal 6 i.e. response to climate change. This section then goes on to explain programs Umzumbe has done to achieve goal 6 i.e. response to climate change.

### Component F: Health

This section reflects that Umzumbe has 1 Community Health centre, 13 clinics and 3 mobile clinics stopping points. The use of acronyms not advised as the users of the annual report may not understand, e.g. WBOTS.

### Component G Security and Safety

In this component, the report reflects on different subcomponents to have safe communities i.e. Police, Fire and Disaster Management.

Page 82 of the annual report section 3.15 is a repeat of page 58 section 3.6. this paragraph to be removed from the Annual report. This section also has nothing to do with securing and safety.

### Component H: Sport and Recreation

This component is enormously termed as 3.19 Sports and Recreation / Youth Development. What was expected in this paragraph is for the reader to understand the impact Umzumbe made on the sport and recreation activities that took place in 2018/2019 financial year. This ranging from Mayoral Cup to senior citizens games. The issue of development and maintenance of sports facilities to be separated from this issue as it renders the report confusing. Pictures reflecting on Special Programs activities while there is not mention of the role the unit is playing.

Umzumbe has managed to revive ward sports committees to manage federation of all sports codes. This program was not indicated in it component. The paragraph itself is confusing as it is jumping from one issue to the next.

Paragraphs 3.20 (Executive and Council); 3.21 (Financial Services); 3.22 (Human Resources Services); 3.23 (Information Communication Technology (ICT) Services)

do not fall under this component and should be moved to the relevant component or chapter.

#### Component I and J not reflecting on the Annual Report.

#### Component K: Organizational Performance Scorecard

The annual performance reported is attached on this section. This report reflects on achievements when compared to the planned deliverables as contained in the approved Service Delivery implementation plan.

#### **CORRECTIONS TO BE MADE ON THIS CHAPTER**

| <b>PAGE NO.</b> | <b>CONTENT</b>  | <b>CORRECTIONS</b>  |
|-----------------|---|---|
| 54              | Table indicating Waste Management Employees during the 2018/19 financial year     | Omission on the number of employees.  |
| 54              | Indigent support  | Narrate the numbers of support provided to make people aware of the impact this program has on their lives. |
| 54              | One new <b>bride</b> constructed  | Spelling to be corrected  |
| 62              | Photo: Mkhize Access Road ward 07   | Ward 18 and probably omission of road name (Ncazolo).   |
| 62              | Table indicating Gravelled Road Infrastructure during the 2018/19 financial year. | 8 roads constructed contradictory to page 60.   |
| 66              | Phungashe Local Area Plan   | Reported on the previous year (2017/2018) annual Report   |

| PAGE NO. | CONTENT  | CORRECTIONS  |
|----------|--|--|
| 70       | Vacancy rate for planning  | To correct the table to read:<br><br>Level 0-3 (1)<br><br>Level 4-6 (3)  |
| 72       | The LED Strategy was compiled to assist realize the full economic potential of Umzumbe and attracting investment.  | Outdated information   |
| 83       | Umzumbe is in a process of establishing the 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. | Omission of Vulamehlo and re-word the paragraph.   |
| 83       | Table Indicating Fire Service Data   | Table not completed  |
| 87       | Sports and Recreation / Youth Development  | Placed under wrong component, should be component H  |
| 87       | Sports and Recreation / Youth Development  | Heading to be renamed as Sports & Recreation and the unit concerned to be mentioned on the explanatory paragraphs. |
| 87       | The Community Services Unit is responsible for the maintenance and renovation of sport facilities with the Technical Services Department responsible.  | Grammar as Technical service being the role player is not indicated of its responsibilities.                       |

| PAGE NO. | CONTENT   | CORRECTIONS  |
|----------|---|--|
| 87       | The Umzumbe Sport Confederation Committee is fully functional and regularly meets monthly to assist the office for sport programmes implementation. | Contradictory to the actual reported by the Youth Development on the Annual Performance Report.  |
| 87       | The Community Services unit achieved the annual target by miniating sports fields through grass cutting of 72 sports fields.                        | <p>This paragraph is contradictory in the following manner:</p> <ul style="list-style-type: none"> <li>- The number of the maintained grounds being 72 instead of 74 facilities.</li> <li>- 72 maintained could be number of times sports field maintained instead of actual grounds.</li> </ul> |
| 89       | The Youth development Unit further participated in career growth initiatives by assisting pupils from all high schools on career subject selection. | A background to be first laid of the unit and all that its does, then highlight on the achievements.   |
| 90       | Table indicating employee composition within the Youth Development Unit   | Number of employees and levels to be corrected to be as per the organogram.  |
| 90       | Sport and Recreation Policy Objectives Taken From IDP   | Table incomplete   |

## **CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE**

### **GENERAL COMMENTS**

#### Component A: Introduction to the Municipal Personnel

This component consists of a number of tables that detail the total number of employees, number of disciplinary action taken, number of employees whose salary was increased, number of employees whose salary exceeds the grade determined and the number of employees who are appointed to a post not approved.

#### Component B: Managing the Municipal Workforce

This component consists of tables that detail the number of policies that were adopted in the financial year, the number of injuries on duty, sick leave taken, number of suspensions, performance rewards and skills development and training.

#### **CORRECTIONS TO BE MADE IN THIS CHAPTER**

| <b>PAGE NO</b> | <b>CONTENT</b>  | <b>CORRECTION</b>   |
|----------------|---|---|
| 120            | Table with employee totals.   | The table does not reflect the total number of employees. Some are missing.             |
| 120            | Table with employee totals.   | Vacancy percentage not reflected for all positions.                                     |
| 121            | Table Indicating number of Employees whose Salary was increased in the 2018/19 financial year             | There are Level 3 female employees who received an increase                             |
| 123            | No. appointed: 10 Jan 00.   | Number and not date need to be inserted. And the reason provided "ruling" is confusing. |
| 125            | Table Indicating number of sick leave taken in the 2018/19 financial year<br>Total employees in post (33) | Information to be corrected as there are no 33 employees on this level.                 |
| 125            | Table Indicating number of Suspensions in the 2018/19 financial year                                      | Suspension of former Director Technical Services not reflecting.                        |
| 125            | Proportion of employees using sick leave %.   | Percentage not reflected in the column.   |

| <b>PAGE NO</b> | <b>CONTENT</b>                     | <b>CORRECTION</b>                               |
|----------------|------------------------------------|---|
| 125            | Table indicating sick leave taken. | Information for MM and Section 57 not inserted. |

## **CHAPTER 5 – FINANCIAL PERFORMANCE**

### **GENERAL COMMENTS**

#### Component A: Statements of Financial Performance

This component contains 4 subcomponents, i.e.:

#### **Introduction to Financial Statements**

In this paragraph, the process and due date of submitting Annual Financial Statements to the Auditor General South Africa is explained. It was not mentioned whether the Annual Financial Statements for 2018/2019 were submitted timeously or not. However, the assumption is made that the Annual Financial Statement were submitted timeously as the Audit Report from the Auditor General of South Africa did not confirm otherwise.

#### **Statements of Financial Performance**

Nothing is documented on this section except the reader to “Refer to the extract of AFS”

#### **Grants**

All grants received by the municipality in the year 2018/2019 are reflected on this paragraph. A table depicts all grants as approved in the 2018/2019 Final Budget.

#### **Assets Management**

This paragraph states the process for compiling, verification and reporting of municipal assets in terms of the applicable framework. A table reflecting Repairs and Maintenance table is also included on this section.

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

This component reflects on Capital Spending on 5 Largest Projects that the municipality constructed in the 2018/2019 period, however this information was not compiled.

### **Sources of finance**

A table with grant allocations is reflected on this paragraph. No indication of the options of funding for the projects as listed in “a” above.

## COMPONENT C: Cash Flow Management and Investments

### **Cash Flow**

This paragraph states that the cash flow is the key to the sustainability of the municipality and its ability to provide services to the community. No analysis or reference is made to indicate or give confidence to stakeholder on the liquidity of the municipality.

### **Borrowings and Investments**

This paragraph indicated that the municipality hold no loans with any financial institution.

### **Public Private Partnership**

This paragraph states that the municipality did not enter into any public private partnerships. This is not a true reflection of the municipality; the municipality has entered into two (2) service level agreements, i.e. with the UGU South Coast Development Agency and South Coast Tourism. This was however omitted on this paragraph.

## Component D: Other Financial Matters

### **Supply Chain Management**

This paragraph stated briefly the system used by the municipality. How construction contracts are filed as well as that the Bid committees' functions were executed as per the prescripts. This was found to be contradictory with the challenges noted in chapter 1 of the annual report.

This paragraph also omitted to state compliance with SECTION 6(3)(4) OF THE MUNICIPAL SCM REGULATIONS wherein a quarterly report on SCM must be submitted to Council.

### **GRAP Compliance**

This paragraph confirms that the AFS for 2018/2019 were prepared in accordance with the required framework and submitted to the AGSA as required by legislation.

### **CORRECTIONS TO BE MADE ON THIS CHAPTER**

| <b>PAGE NO.</b> | <b>CONTENT</b>  | <b>CORRECTIONS</b>  |
|-----------------|---|---|
| 129             | Heading of the chapter: "Employee Expenditure - Chapter 5"  | Remove "employee expenditure"                                     |
| 129             | The annual financial statements for the financial year 2016/2017 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted by the 31 August deadline to the Auditor General. | To note information concerning 2018/2019 financial year.          |
| 129             | The annual financial statements for the financial year 2017/2018 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted by the 31 August deadline to the Auditor General. | Note information concerning 2018/2019 financial year.             |
| 138             | 5.7 Capital Spending on 5 Largest Projects<br><br><b>REFER TO TECHNICAL FOR THIS INFORMATION</b>  | This information to be made available on the annual report before |

| PAGE NO. | CONTENT  | CORRECTIONS   |
|----------|--|---|
|          |  | adoption of the annual report.  |
| 139      | 5.8 Basic Service and Infrastructure Backlogs Overview   | No analysis provided concerning this section.   |
| 140      | The municipality holds investments amounting to R9,7 million   | Reported in the previous year's Annual report was an investment of R 9.6 mil, while this year reflect investments of R 9.7 mil. Did the municipality invest an additional R 100 000 in 2018/2019? |
| 141      | <p>5.12 Supply Chain Management</p> <p>The municipality has functioning bid committees i.e. Bid Specifications, Bid Evaluation &amp; Bid adjudication. The evaluation and adjudication of the tenders was done accordingly within the prescripts of SCM regulations.</p> | This is information is contradictory with the challenges noted in chapter 1 of the Annual Report.   |

## **CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS INTRODUCTION**

### **GENERAL COMMENTS**

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

##### **Auditor –General Reports Year – 1 (Previous Year)**

This paragraph reflects on the 2017/2018 Audit outcomes.

#### Component B: Auditor – General Opinion Year 0 (Current Year)

##### **Auditor General Report Year 0**

This paragraph reflects on the 2018/2019 audit outcomes. The report from the AGSA is also attached as well as the Corrective Action Plan to address the findings.

### **CORRECTIONS TO BE MADE ON THIS CHAPTER**

| PAGE NO. | CONTENT  | CORRECTIONS   |
|----------|--|---|
| 168      | Appendix B – Committees and Committee Purposes (Human Settlements & Infrastructure and Youth Committee)<br><br>Municipality is in the process of developing terms of reference | It is shocking to learn that these committees have no terms of reference in place and there is no indication of when these will be drafted. |
| 168      | FBCC   | This committee was restructured to be separate committees, i.e. Finance Committee and Corporate Services Committee.                         |
| 169      | Appendix B – Committees and Committee Purposes   | Audit Committee is not reflected on the Committees.   |
| 171      | Appendix C – Third Tier Administrative Structure   | Indicate that the Director resigned during the period.  |
| 172      | Appendix D – Functions of Municipality / Municipal Entity / Entity functions<br><br>Firefighting services Yes (Shared Services)  | To be corrected as this service is no longer shared.  |
| 174      | Appendix E – Ward Reporting  | Table incomplete  |
| 185      | Appendix I - Revenue Collection Performance by Source  | Remove the statement made and refer to Annual Financial Statements.   |

| PAGE NO. | CONTENT  | CORRECTIONS   |
|----------|--|---|
| 168      | Appendix B – Committees and Committee Purposes (Human Settlements & Infrastructure and Youth Committee)<br><br>Municipality is in the process of developing terms of reference | It is shocking to learn that these committees have no terms of reference in place and there is no indication of when these will be drafted. |
| 168      | FBCC   | This committee was restructured to be separate committees, i.e. Finance Committee and Corporate Services Committee.                         |
| 169      | Appendix B – Committees and Committee Purposes   | Audit Committee is not reflected on the Committees.   |
| 189      | Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes  | The extract of the Property plant and equipment note captured does not relate to the appendix heading as no additions were noted there.     |

## 6. CONCLUSION

The MPAC in its meeting were left concerned of the standard of the document submitted. MPAC realised that there were a number of errors that were identified in the previous year's report that still reflect in the draft that we were presented with. The changes that were recommended were simply not effected and there was a lot

of copy and paste. Seemingly, not much attention was given by management to ensure accuracy, reliability and completeness on information that is captured on the Annual Report.

The MPAC has sat and reviewed the document and following the proposed amendments, the Oversight Report is submitted to Council to consider the following resolutions and then to be forwarded to the relevant Departments and Provincial Legislature:

- 6.1.** That Council having fully considered the Annual Report of Umzumbe Municipality for the 2018/2019 Financial Year, adopts the Oversight Report for the 2018/2019 Financial Year, a copy of which is attached.
- 6.2.** That Council approves the Annual Report of the Umzumbe Municipality for the 2018/2019 Financial Year.
- 6.3.** That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.
- 6.4.** That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.

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**Cllr JP Mtambo (MPAC Chairperson)**

