



DEVELOPMENT PLANNING UNIT

UMZUMBE LM FINAL ANNUAL REPORT

2019/2020 FINANCIAL YEAR

Contents

1	Chapter 1 Mayor’s Foreword and Executive Summary	6
1.1	Municipal Managers Overview	8
1.2	Municipal Functions, Population and Environmental Overview	10
1.3	Service Delivery Overview	19
1.4	Financial Health Overview	21
1.5	Statutory Annual Report Process	25
2	Chapter 2 Governance.....	26
	Component A	26
2.1	Political and Administrative Governance	26
2.2	Administrative Governance	32
	Component B: Intergovernmental Relations.....	35
2.3	Intergovernmental Relations	35
	Component C: Public Accountability and Participation	36
2.4	Public Meetings	36
2.5	IDP Participation and Alignment.....	38
	Component D: Corporate Governance.....	38
2.6	Risk Management	38
2.7	Anti-Corruption and Fraud, Whistle blower’s hotline	56
2.8	Supply Chain Management.....	56
2.9	By-laws	56
2.10	Municipal Website	57
3	Chapter 3 – Service Delivery Overview & Performance.....	58
	Component A: Basic Services.....	58
3.1	Water Provision	58
3.2	Waste water (Sanitation) Provision.....	59
3.3	Electricity	60
3.4	Waste management (Refuse collection, waste disposal, street cleaning and recycling)	63
3.5	Housing	67
3.6	Free Basic Services and Indigent Support	69
	Component B: Road Transport	71
3.7	Roads.....	71
3.8	Transport (Vehicle licensing and public bus Operation.....	76
3.9	Waste Water (Storm water Drainage).....	76
	Component C: Planning and Development.....	78

3.10	Development Planning.....	79
3.11	Local Economic Development.....	83
	Component D: Community and Social Services & Fire Fighting Services	87
3.12	Libraries; Archive's, Museums, Galleries, Community Facilities; other	87
3.12.1	Child Care, Aged Care, Social Programmes	89
	Component E: Environmental Protection	90
3.13	Bio-diversity, landscape (Incl. Open Spaces): and Other (EG Costal Protection).....	90
	Component F: Health.....	90
3.14	Clinics	90
	Component G: Security and Safety.....	92
3.15	Free Basic Services and Indigent Support	93
3.16	Police.....	93
3.17	Fire	94
3.18	Disaster Management, Animal Licensing and Control, Control of Public Nuisances and other)	94
	Component H: Sport and Recreation	97
3.19	Sports and Recreation / Youth Development.....	97
3.19.1	Sports and Recreation	97
3.19.2	Youth Development	97
	Component I: Corporate Policy Offices and Other Services	100
3.20	Executive and Council	100
3.21	Financial Services	100
3.22	Human Resources Services.....	103
3.23	Information Communication Technology (ICT) Services	104
	Component K: Organizational Performance Scorecard.....	108
4	Chapter 4: Organisational Development Performance	123
	Component A: Introduction to the Municipal Personnel	123
4.1	Employees Totals, Turnover and Vacancies.....	123
	Component B: Managing the Municipal Workforce	125
4.2	Policies.....	125
4.3	Injuries, Sickness and Suspensions	125
4.4	Performance Rewards	126
4.5	Skills Development and Training	126
5	Chapter 5: Financial Performance.....	128
	Component A: Statement of Financial Performance	129

5.1	Statement of Financial Performance (Refer to AFS)	129
5.2	Grants	131
5.3	Asset Management.....	132
	Introduction to Asset Management.....	132
5.4	Financial Ratios Based on Key Performance Indicators.....	132
	Component B: Spending Against Capital Budget Introduction to Spending Against Capital Budget .	136
5.5	Capital Expenditure	136
5.6	Sources of Finance.....	136
5.7	Capital Spending on 5 Largest Projects	137
5.8	Basic Service and Infrastructure Backlogs Overview.....	138
5.9	Cash Flow Statement	138
5.10	Borrowings and Investments.....	138
5.11	Public Private Partnership.....	139
	Component D: Other financial Matters.....	139
5.12	Supply Chain Management.....	139
5.13	GRAP Compliance.....	139
6	Chapter 6 – Auditor General Audit Findings Introduction	140
	Component A: Auditor – General Opinion of Financial Statements Year-1	140
6.1	Auditor General Reports Year - 1 (Precious Year).....	140
	Component B: Auditor General Opinion Year 0 (Current Year).....	141
6.2	Auditor General Report Year 0 (Current Year of Reporting)	141
	Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the Council on Umzumbe Municipality	142
6.2.1	Umzumbe Corrective Action Plan 2019/2020 Financial Year.....	148
	Glossary	153
	Appendices.....	157
	Appendix A – Councillors Committee Allocation and Council Attendance	157
	Appendix B – Committees and Committee Purposes	160
	Appendix C – Third Tier Administrative Structure	161
	Appendix D – Functions of Municipality / Municipal Entity / Entity functions	162
	Appendix E – Ward Reporting.....	164
6.2.2	Audit Committee Chairman’s Report	170
6.2.3	Appendix F – Recommendations of the Municipal Audit Committee Year 0.....	180
	Appendix I - Revenue Collection Performance by Source	184
	Appendix J – Conditional Grants Received Including MIG.....	185

Appendix K – Revenue Collection Performance by Vote and by Source	186
Appendix L Conditional Grants Received: Excluding MIG.....	186
Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes.....	187
Volume ii Annual Financial Statement.....	188
Umzumbe Oversight Report 2019/20 FY	249
Annual Report 2019/2020 Council Resolution	283

1 Chapter 1 Mayor's Foreword and Executive Summary

Mayors Foreword and Executive Summary



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

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

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

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

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

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

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

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

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

Her Worship

Ms MPL Zungu

Mayor Umzumbe Local Municipality

1.1 Municipal Managers Overview

MUNICIPAL MANAGER'S OVERVIEW 2019/20 FINANCIAL YEAR



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

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

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

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

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

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

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

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

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

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

Yours in Service Delivery

Mr T P Cele

Municipal Manager

Umzumbe Local Municipality

1.2 Municipal Functions, Population and Environmental Overview

Municipal Functions

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

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

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

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

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.

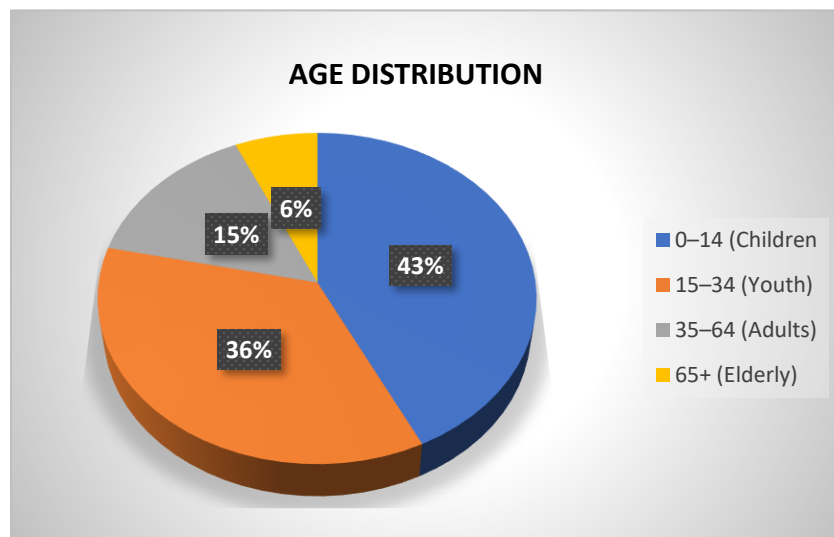
KZN213: Umzumbe	Male	Female	Total
	72501	79175	151676

Source: Stats SA Community Survey 2016

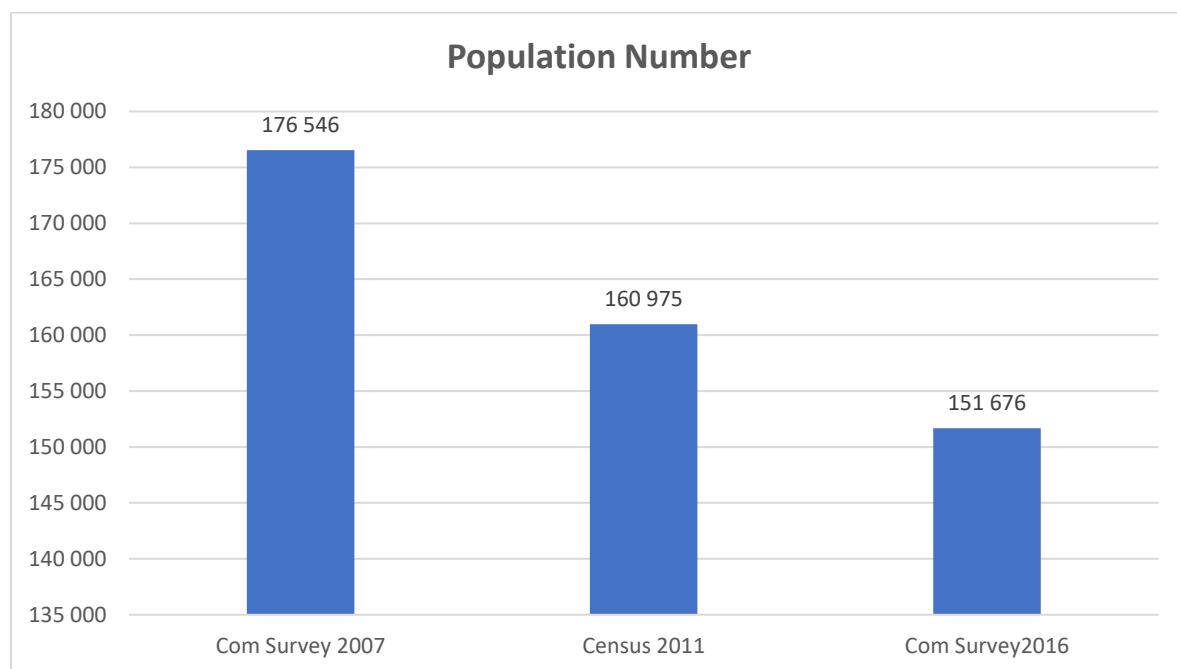
Ward Number	Population
Ward 1	7,681
Ward 2	5,977
Ward 3	10,094
Ward 4	9,090
Ward 5	9,517
Ward 6	6,870
Ward 7	8,935
Ward 8	6,104
Ward 9	8,624
Ward 10	6,742
Ward 11	7,116
Ward 12	6,699
Ward 13	6,730
Ward 14	7,740
Ward 15	8,243
Ward 16	8,504
Ward 17	8,856
Ward 18	7,733
Ward 19	7,135
Ward 20	8,017

Source: Stats SA Community Survey 2016

The South African Community Survey 2016 is the latest source of population statistics for Umzumbe Municipality wards and the municipality is awaiting the 2021 census to provide updated population statistics.



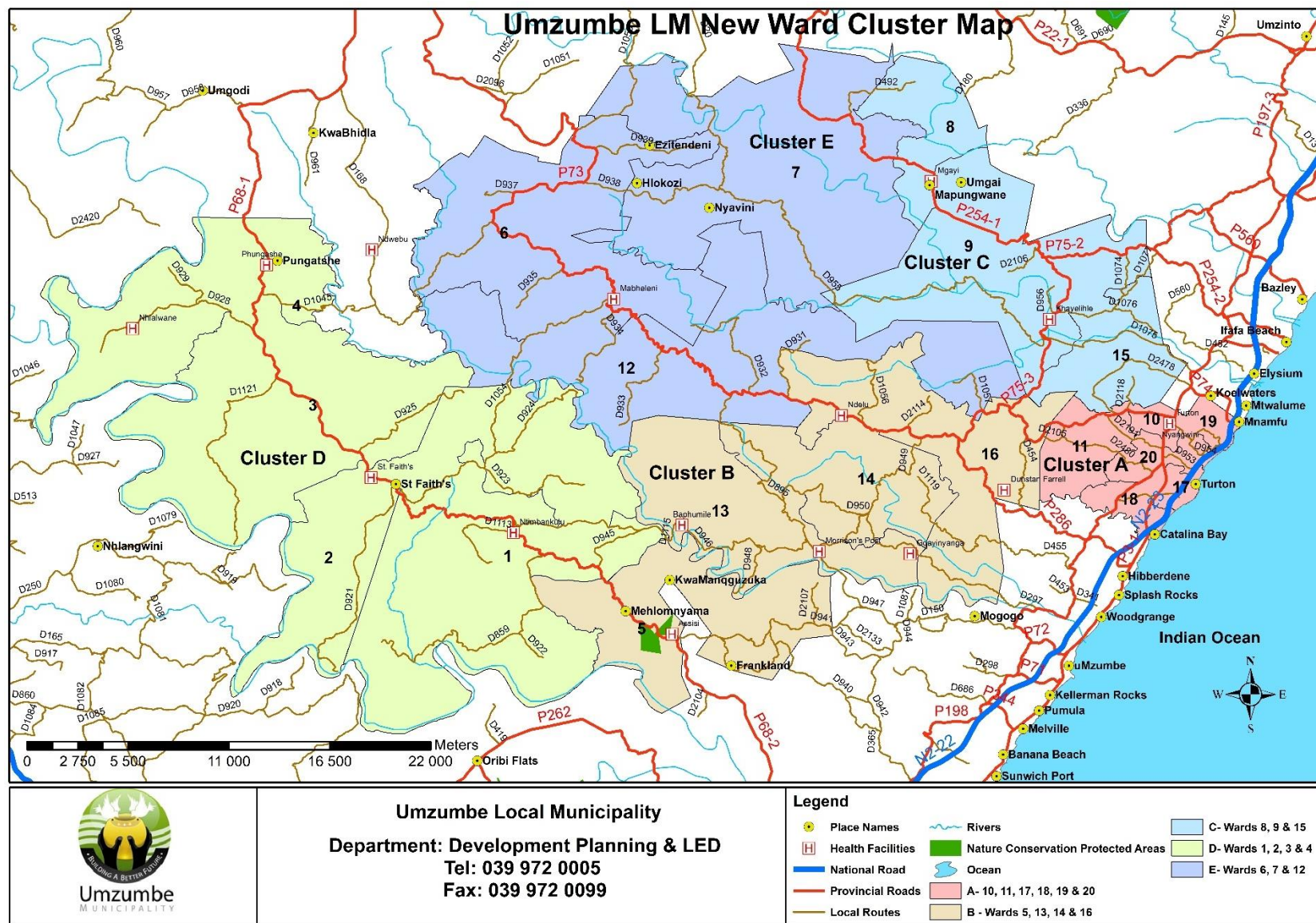
Source: Stats SA Community Survey 2016



Source: Stats SA

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

1: Umzumbe New Ward Cluster Map



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

Settlement Type	Ward No.
KwaMaqhikizane	7
Mthwalume	19
Maqikizane	7
Nyavini	7
Gugha	6
Gobhamehlo	6
Ngwenda	12
Umgayi	8/9
Mbiyane	9
Gubhuza	2
Umgai	8
KwaNtumeni	4
Eluphepheni	4
Imfomfo	4
Bhekameva	3
Nomageje	4
KwaMagugu	4
Sosibo	4
KwaNjongoma	6
Dunusa	3
Nhlengesi	3
Deyi	3
Phongolo	3
Goba	3
Ngcengesi	3
Qoloqolo	9
Inkulu	14
KwaBombo	12
Qurha	6
Isangqu	7
Ntabazu	12
Sipofu	12
Nyonyana	16
Ndunge	16
Ntengela	5
Gubhugubhu	9
Nkangala	15
Nomakhanzana	15
Dingimbiza	15

Settlement Type	Ward No
Mnamfu	19
Isiqungeni	11
Amahwaqa	11
Nhlalwane	4
Ncazolo	2
Odeke	14
Mbonje	13
KwaDweshula	1
Gcwalemini	1
Sunduza	1
Ngoleleni	2
Cathula	1
Dibi	14
Rosettenville	14
Cabhane	16
Velumemeze	16
Gqayinyanga	16
Nkalokazi	13
Ndumakude	13
Hlanzeni	13
Mayekeni	5
Mawuleni	1
Mehlomnyama	5
Gumatane	3
Mathulini	18
Thaleni	3
Ndlovuzulu	2
Thuntutha	5
Enkulu	5
Ncane	1

1.3 Service Delivery Overview

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

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

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

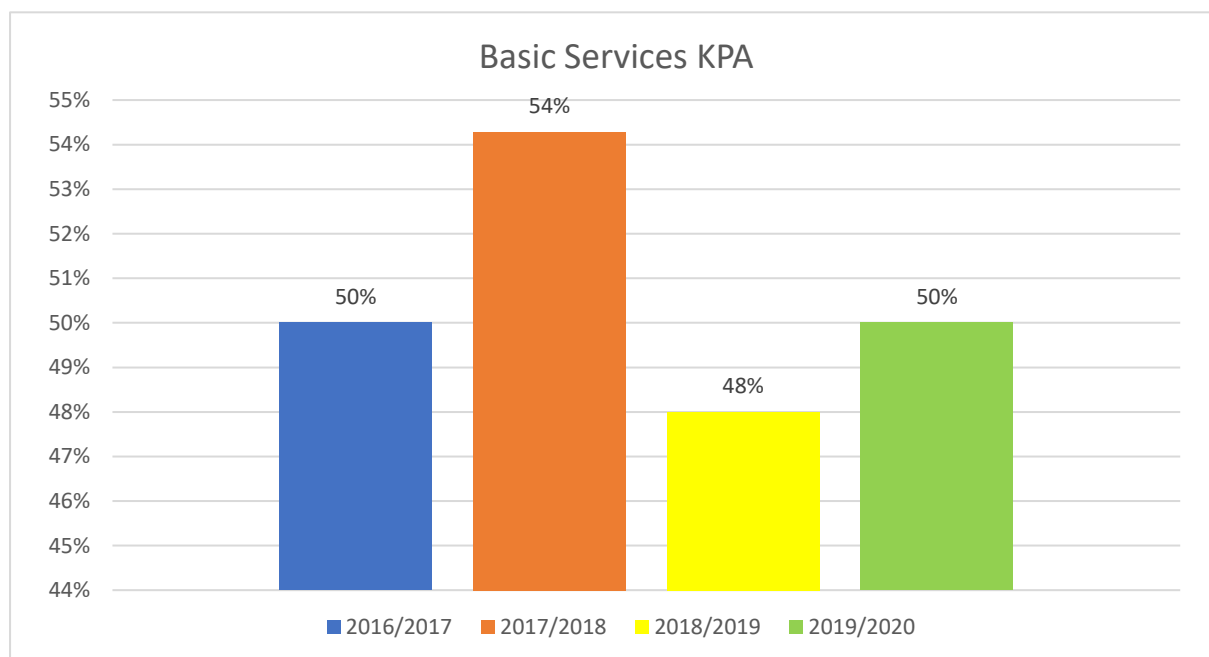
- Integrated Development Planning and Budgeting;
- Performance Management; and
- Working together with local citizens and partners

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

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

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

KPA Performance for 2019/2020 Financial Year



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

The Indigent Register 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 was implemented in the 2019/20 financial year. In 2019/20 financial year the municipality planned to review the indigent register however the target was not achieved due to capacity issues and the indigent register is set to be reviewed by the end of quarter 2 of 2020/21 financial year.

1.4 Financial Health Overview

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

Highlights:

Annual Financial Statements:

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

The annual financial statements for the year 2019/2020 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted by the 31 August deadline to the Auditor General. The municipality received an unqualified audit report with matters of emphasis. Accordingly, the municipality prepared a corrective action plan to address the audit queries. The audit report and corrective action plan was tabled to council.

The compilation of the annual financial statements for the financial year 2020/2021 is on track in terms of Generally Recognized Accounting Practice (GRAP) and is on target to be submitted by the 31 August deadline.

Monthly Financial Reports:

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

The monthly financial reports were prepared timeously and submitted to portfolio committees such as the Executive and Finance as well as Treasury.

Mid-year adjustment budget and performance assessment:

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

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

Annual budget:

The annual budget for the 2020/2021 financial year was successfully compiled and adopted by council as per the MFMA deadline. MSOCA processes and formats were utilised in compiling the annual budget. The MSCOA annual budgets were successfully loaded onto the National Treasury portal within the

deadline.

Accounting processes:

All monthly accounting processes were completed.

Compliance to the Supply Chain Management (SCM) Policy:

The municipality is using Sage Evolution which functions as an enterprise resource planning system. This system has assisted in the facilitating of procurement processes such as electronic requisitions and orders.

Separate files were opened for each individual contract which contained details of the contractor, evaluation and adjudication reports, payments details etc. The annual procurement plan was also compiled. The SCM policy was also reviewed during the year.

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

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

Compilation of the Assets Register:

The municipality compiled the fixed assets register for the 2019/2020 financial year in accordance with GRAP 17. The asset register will also further be reviewed and forms part of the processes of the preparation of the annual financial statements.

Municipal Property Rates:

As of 1 July 2009, the municipality began charging for property rates in terms of the Municipal Property Rates Act. The valuation roll was compiled and the property rates billing system was integrated with the general ledger system. During the year the supplementary valuation rolls were advertised and updated on the system. The rates tariffs have also been published in the gazette. There has been a reduction of government debt however there are still challenges with regard to debt recovery due to the dynamics of the geographical area within Umzumbe.

MSCOA implementation:

The municipality has successfully prepared the 2019/2020 and 2020/2021 budget in the MSCOA format and had successfully uploaded it onto the National Treasury Local Government Portal. The municipality is in line with its MSCOA implementation plan and started transacting on the MSCOA system from 1 July 2017. The Municipality will continue to monitor and evaluate the MSCOA implementation and anticipates that there will be no challenges.

Challenges:

- The requirements of GRAP 17 posed challenges such as componentizing of infrastructure assets which required specialized knowledge.

- The physical verification of the assets was also challenging due to assets being spread over the large geographical area of Umzumbe.
- The municipality faced challenges of debt recovery regarding non - payment of rates.
- 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.
- 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

Table Showing Operating Ratios

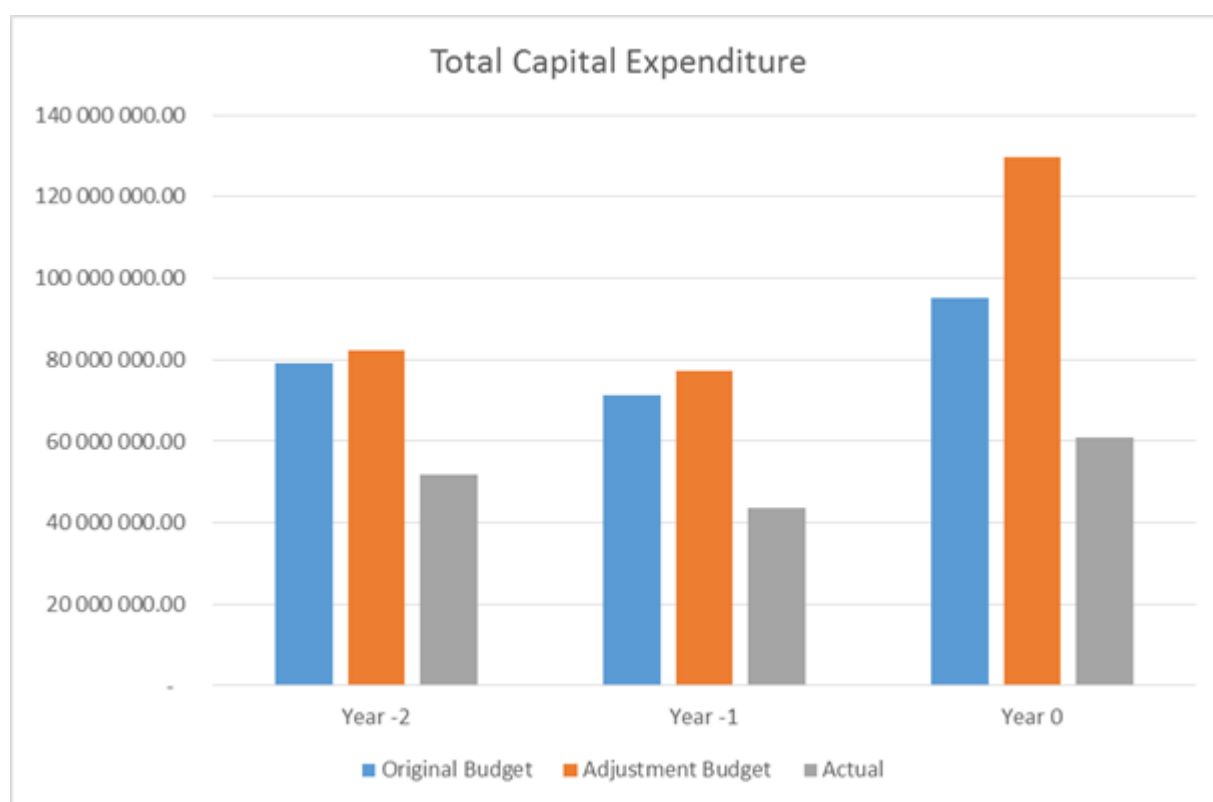
Operating Ratios	
Detail	%
Employee Cost to total cost	35%
Repairs & Maintenance to PPE	2%
Finance Charges & Impairment	0%

The table above reflects the operating ratios that are related to employee costs, repairs & maintenance to PPE and Finance Charges & Impairment.

Table Showing Budget allocation

Total Capital Expenditure: Year -2 to Year 0			
Detail	Year -2 (2017/18)	Year -1 (2018/19)	Year 0 (2019/20)
Original Budget	79 080 589.10	71 392 040.00	95 273 727
Adjustment Budget	82 198 880.50	77 396 040.00	129 641 615
Actual	51 733 349.09	43 807 120.00	60 929 896

The table above reflects the original budget allocation and the adjusted budget for 2019/2020 and the previous two financial years and the actual expenditure for these financial years.



The graph above reflects the original budget allocation and the adjusted budget for 2019/2020 and the previous two financial years and the actual expenditure for these financial years.

1.5 Statutory Annual Report Process

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

2 Chapter 2 Governance

Component A

2.1 Political and Administrative Governance

Introduction to Political and Administrative Governance

Umzumbe Municipality Political governance is led by the Mayor who is the head of the political side, chairing the Executive committee as well as the Finance portfolio committee. As a municipality we pride ourselves as having a female Mayor and Speaker. The Deputy Mayor 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 established a section 79 committee Municipal Public Accounts Committee (MPAC) made up of five (5) non- executive committee members. There are Six (6) portfolio committees and Section 79 Committees in place within the municipality:


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

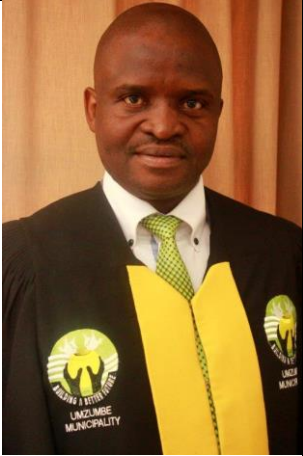
In assisting the MPAC and the Council, an external Audit Committee through a shared services approach has been established. In the 2019/20 financial year, Mr. Paul Preston's contract came to an end and was replaced by Ms. Leah Thabisile Khumalo. The Audit Committee comprises of the following members;



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





Name of Member	Qualifications	Appointed
Ms. Leah Thabisile Khumalo	<ul style="list-style-type: none"> • LLB • Bachelor of Luris • Project Management • Professional Legal Training • Oil Training Course 	2020

Political Governance

	<p>POLITICAL STRUCTURE</p> <p>MAYOR</p> <p>Cllr M.P.L. Zungu</p> <p>EXCO. Chair and Head FBCC and Finance Portfolio Committee</p>	<p>Function</p> <p>In terms of Section 49 of Municipal Structures Act and Regulations 117 of 1998 the Executive Mayor presides at meetings of the executive committee; and performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by municipal council or the executive committee.</p> <p>S56(2): The executive mayor must:</p> <ol style="list-style-type: none"> Identify the needs of the municipality, Review and evaluate those needs in order of priority, Recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and Recommend or determine the best way, including partnerships and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community. <p>MFMA S54:</p>
---	---	--

		<ul style="list-style-type: none"> a. Must provide general political guidance over the fiscal and financial affairs of the municipality; 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; 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; 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 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>DEPUTY MAYOR</p> <p>Cllr S.R. Cele</p> <p>Head: Human Settlement and Infrastructure Portfolio Committee</p>	<p>The Deputy Mayor exercises the powers and performs the duties of the mayor if the mayor is absent or not available or if the office of the mayor is vacant. The Mayor may delegate duties to the Deputy Mayor (Municipal Structures Act 1998, S49).</p>

	<p>SPEAKER</p> <p>Cllr M.P. Shoji</p> <p>Chairperson of Council</p>	<p>In terms of Section 37 of the Municipal Structures Act and Regulations 117 of 1998 The Speaker of a Municipal Council-</p> <ul style="list-style-type: none"> a. Presides at meetings of the council. 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). c. Must ensure that the council meets at least quarterly; d. Must maintain order during meetings 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 f. Must ensure that the council meetings are conducted in accordance with the rules and orders of the council.
	<p>EXECUTIVE COMMITTEE</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>

	Cllr M.S. Mdletshe	Member of Exco and Chairperson of Youth Development Committee.
	Cllr N.Y. Mweshe Corporate Services 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 and Community Services Portfolio	Member of Exco and Chairperson of Social and Community Services Committee.

Council

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

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

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. 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 positions being filled at this level of management. Each manager is responsible for the department as asserted below in the report. The second level of management is managers that report to the section 56 managers. This forms the Top MANCO of the municipality.

	<p>MUNICIPAL MANAGER Mr T P Cele</p>	<p>Function</p> <p>The office of the Municipal Manager is responsible for the following services: Development Planning and Local Economic Development, Communications & Mayoralty, Youth Development, Special Programmes and Internal Audit.</p> <p>Development Planning – 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>Local Economic Development- 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>Communications, Mayoralty, Youth Development and Special Programmes – main functions of the department are to plan, develop and implement strategies and projects in order to achieve a co-ordinated internal and external communication process, support the administrative functioning of the Mayor's Office and advance the interest of special groups and young people within Umzumbe.</p> <p>▪ Internal Audit: developing a flexible annual audit schedule and long-term audit plan using an appropriate risk- based methodology, in</p>
--	--	--

		<p>consultation with Management and for approval by the Audit Committee</p> <ul style="list-style-type: none"> implementing approved annual audit schedule(s), including as appropriate any special tasks or projects requested by Management and approved by the Audit Committee; maintaining a professional audit staff with sufficient knowledge, skills and experience to meet requirements; and issuing periodic (quarterly) reports to the Audit Committee and Management summarizing the results of audit activities and the benefits derived; <p>The Internal Audit function will comply with the International Standards for Professional Practice of Internal Auditing as set by the Institute of Internal Auditors'.</p>
	<p>CHIEF FINANCIAL OFFICER: Mr K Audan</p>	<p>The Department is responsible for managing the financial administration of the municipality. It comprises sub departments i.e. Expenditure and Assets, Budget, Treasury and Revenue and Supply Chain Management.</p>
	<p>DIRECTOR SOCIAL DEVELOPMENT & COMMUNITY SERVICES : Mrs ZAN Lushaba</p>	<p>The Department comprises of three units namely, Community Services, Disaster Management and Waste Management Unit. 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>DIRECTOR CORPORATE SERVICES:</p> <p>Mr B G Nyuswa</p>	<p>Corporate Services Department is composed of three sections. These are Human Resources, Administrative Support, Information and Communication Technology and Legal Services Sections with different legislative mandate. The department is mainly operational in nature. It provides strategic direction and support to the services' departments, by ensuring that human/physical resources are in place to enable the municipality to meet its service delivery objectives.</p>
	<p>DIRECTOR TECHNICAL SERVICES:</p> <p>(Vacant)</p>	<p>This is the department that has been entrusted with delivery of basic services through operations and maintenance of existing infrastructural services as well as delivering new services so as to reduce backlog in the municipality. It consists of two units namely, Housing Unit and Project Management Unit.</p>

Component B: Intergovernmental Relations

Introduction to Co-operative Governance and Intergovernmental Relations

In aligning our municipality with the transcripts that governs Co-operative Governance and Intergovernmental Relations there are structures that have been established that involve different relevant stakeholders of each respective structure or forum.

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 3rd. quarter of the financial cycle. Due to the COVID-19 pandemic and the national lockdown, the IDP & Budget Roadshows were incorporated to the mayoral radio slots. These initiatives gave communities a platform to raise their needs as well as their suggestions to the municipality. Mayoral Izimbizos were the vehicle in communicating progress on what has been promised by the council during its budget road shows. The ward committee functionality gave the municipality to advance and process community needs.

2.4 Public Meetings

Communication, Participation and Forums

As the municipality at the beginning of each financial year a clear process plan on IDP and Budget issues were tabled. During the review of the IDP, a draft IDP was taken to public for comments and placed in strategic areas within the municipality area of jurisdiction, for members of community to comment and make meaningful contributions. The draft IDP was placed at the following community facilities: Morrison Post, Mehlomnyama 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, Junction ward 2, Joyisi (ward 6), Mngomeni High (ward 7), Bambumoya (Ward 3) and Mtwalume Clinic (Ward 09).

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

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

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

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

2.5 IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

Component D: Corporate Governance

2.6 Risk Management

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

Enterprise Risk Management Encompasses:

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

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

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

The top 10 risks are:

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

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

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

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

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

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

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

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

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

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

Risk Report

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

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

6	Community Development: Development Planning	Uncoordinated developments (Illegal developments).	<ul style="list-style-type: none"> a) Awareness campaigns on land use. b) By-laws. c) Geographic Information System (GIS). d) Land use scheme. e) Municipal Planning Tribunal. f) Spatial Development Framework. 	<ul style="list-style-type: none"> a) Conduct Land Audit. b) Ongoing campaigns with Amakhosi and community on land development. 	<ul style="list-style-type: none"> a) 30 June 2020 b) Ongoing
7	Political Office Bearers: Speakers Office	Political interference in the administration of the municipality.	<ul style="list-style-type: none"> a) Councillors Code of Conduct. b) Councillors Training Programs. c) Declaration of interest. d) Municipal Public Accounts Committee. e) Newsletter. 	<ul style="list-style-type: none"> a) Conduct councillor's training and induction. b) Review Disclosure of Interest Form. c) Conduct councillors training and induction. 	<ul style="list-style-type: none"> a) Ongoing b) 30 June 2019 c) Ongoing
8	Business Support: Compliance	Non compliance with legislation.	<ul style="list-style-type: none"> a) Compliance checklist. b) Internal Audit Unit. c) Oversight structures. d) Regular Updates by Legal Section. e) Reports to Treasury and f) Cooperative of Governance and Traditional Affairs. 	<ul style="list-style-type: none"> a) Regular reporting on compliance. b) Submit compliance checklist quarterly to oversight structures. 	<ul style="list-style-type: none"> a) Ongoing b) 30 September 2019

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

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

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

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

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

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

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

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

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

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

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

7	Financial Management: Revenue and Debt Management	Inability to collect debts owed to the municipality.	<ul style="list-style-type: none"> a) Inability to collect debts owed to the municipality. b) Credit and Debt Collection Policy. c) Credit Control and Debt Collection Policy. d) Monitoring of Government Debts. 	<ul style="list-style-type: none"> a) Escalating relevant intergovernmental relations (IGR) Forum and MuniMEC. 	a) Ongoing
8	Financial Management: Valuation	Inaccurate valuation roll.	<ul style="list-style-type: none"> a) Continuous monitoring of Timeframe Over 5 years. b) Reports to Cooperative Governance and Traditional Affairs. 	<ul style="list-style-type: none"> a) Conduct Land Audit. b) Develop/review Service Level Agreement with Valuers. 	<ul style="list-style-type: none"> a) 30 June 2020 b) 30 September 2019
9	Financial Management: Asset Management	Poor safeguarding of municipal assets.	<ul style="list-style-type: none"> a) Annual Asset Verification. b) Asset Inventory Sheet. c) Asset Management Policy. d) Asset Register. e) Dedicated Asset Officer. f) Security caretakers locks. 	<ul style="list-style-type: none"> a) Conduct ongoing awareness on Asset Management Policy. b) Enforce security guards at the entrance points to check assets. 	a) 30 September 2019
10	Financial Management: Asset Management	Abuse of municipal assets (telephone, laptops, cell phones, office equipment etc.)	<ul style="list-style-type: none"> a) Asset Management Policy. b) Code of Conduct. c) Furniture Policy 	<ul style="list-style-type: none"> a) Review and workshop policies to all municipal officials. b) Implement Consequence Management. 	<ul style="list-style-type: none"> a) 30 June 2020 b) Ongoing
11	Financial Management: Salaries	Late payments of salaries to employees.	<ul style="list-style-type: none"> a) Business Continuity Plan. b) Cut-off dates. c) Human Resource Policy. 	<ul style="list-style-type: none"> a) Review business continuity plan to incorporate financial system off-site. 	a) 30 September 2019

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

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

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

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

2.8 Supply Chain Management

The Municipality has a supply chain management unit which falls within the Finance Department. The unit is responsible for ensuring that the goods and services are procured in a manner which is transparent, competitive, equitable, cost effective and fair, through proper implementation of the SCM policy. The municipality's SCM policy is reviewed on an annual basis.

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

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

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

2.9 By-laws

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

2.10 Municipal Website

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

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	4 March 2020/ 12 June 2020
All current budget-related policies	Yes	12 June 2020
The previous annual report (Year -1)	Yes	24-Jan-19
The annual report (Year 0) published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	18 Dec 2019
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	No	
All supply chain management contracts above a prescribed value (give value) for Year 0	No	
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	No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No	

3 Chapter 3 – Service Delivery Overview & Performance

Component A: Basic Services

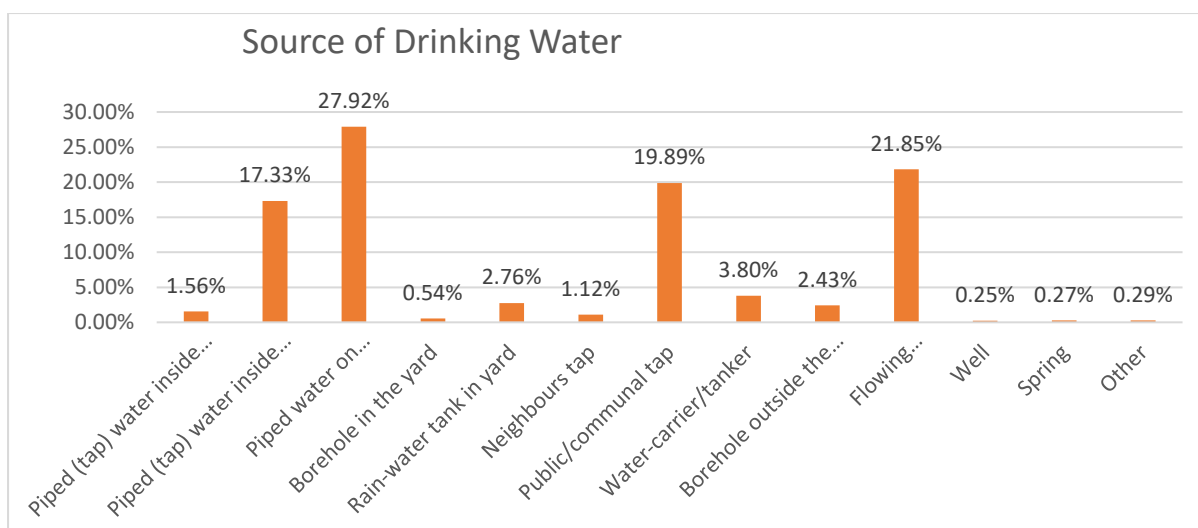
3.1 Water Provision

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%



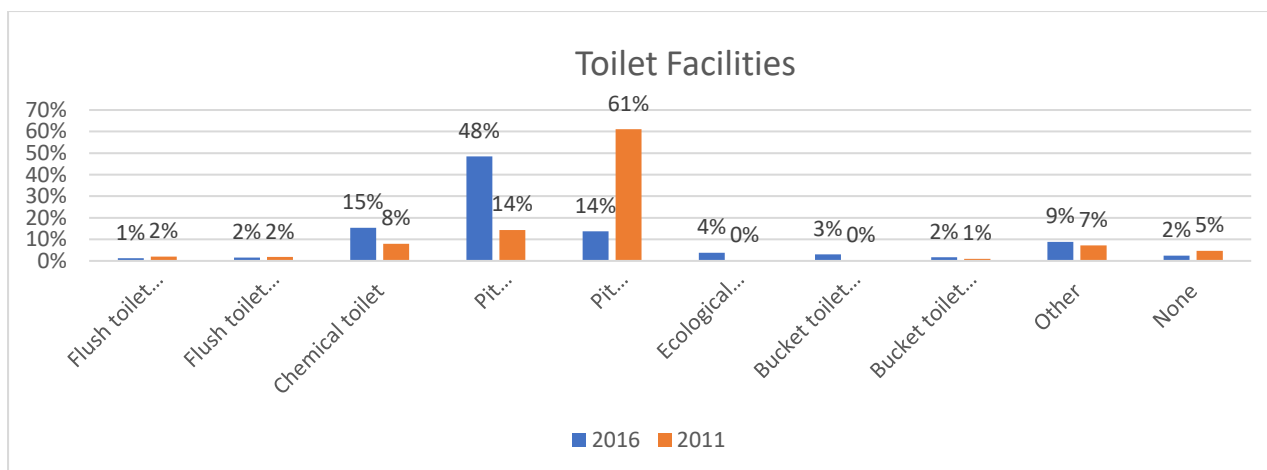
Source: Stats SA Community Survey 2016

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

The Energy Master Plan was last adopted during the 2017/18 Financial year. The Energy Master Plan indicated that 19130 households out of 28132 households are serviced and it also stated that the backlog is 9002 households. In the 2019/20 financial year 522 households were connected and a total of 28654 households are currently service and leaving a backlog of 8480 households.

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

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

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

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

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

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

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

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

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

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

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

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

The Unit had an annual target of conducting 200 collections and was able to collect a total of 202 collections during the 2019/20 financial year.

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

Solid Waste Service Delivery Levels		
Description	Households	
	Year -1	Year 0
	Actual	Actual
	No.	No.
<i>Solid Waste Removal: (Minimum level)</i>		
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%
<i>Solid Waste Removal: (Below minimum level)</i>		
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
Total number of households	28666.00	28666.00

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

Waste Management Service Policy Objectives Taken From IDP						
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Universal Access to Basic Services	Solid Waste / Refuse removals	200	300	200	200	202

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

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	1	1	1	0	0%
7 - 9	10	20	19	1	10%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	11	12	20	2	17%

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

Capital Expenditure Year 0: Waste Management Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	250000	227873.67	R190234.24	-91%	
Solid Waste Collection	R 250 000.00	R227873.67	R190234.24	-91%	R190234.24

3.5 Housing

The Municipality is a deep rural Municipality and it uses the rural instrument in term of housing development for example: the in-situ upgrade instrument, where the beneficiaries are not relocated but their existing homesteads are upgraded. The wards of Umzumbe Local Municipality are divided into 5 cluster, and funding to implement housing projects is from the Department of Human settlement. During the 2017/18 financial year the municipality under took a process of reviewing and adopting the municipal Housing Sector plan. The Housing Sector Plan indicates the municipal backlog currently sitting at 9662 households.

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

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

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

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

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

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

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

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

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

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

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	1	100%
10 - 12	0	0	0	0	#DIV/0!
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	2	2	2	1	50%

3.6 Free Basic Services and Indigent Support

In aligning with the International, National and Provincial policy objectives on poverty alleviation and the constitutional mandate to ensure citizens have equal rights and access to basic services. The Council of Umzumbe committed itself to developing poverty alleviation initiatives that would improve the quality of life for the community of Umzumbe. In doing so the Community Services Unit Compiled the Indigent support policy with an objective to dignify the quality of life of these households.

This Indigent support policy provides guidelines and procedures in terms of the implementation of these programmes and initiatives to address the challenges of poverty. In terms of the support given to the impoverished communities, the municipality has updated its indigent policy and provides free basic services across the spectrum. The Indigent register was adopted by council and includes all the households in need of support.

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

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

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

Component B: Road Transport

3.7 Roads

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

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

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

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

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



Photos: Ncazolo Access Road ward 01

The Project Management Unit had planned to complete 2.5 km of Ncazolo access road (as shown in the picture above) and the target was not achieved with only 75% construction progress.



Photo: Guquka Bridge Sod Turning

The picture above shows the Mayor, the Deputy Mayor and community of Umzumbe during the sod turning of the Guquka bridge at ward 15 which was affected by a natural disaster.

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

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



Photo: Morrison Shelter's Sod Turning

The picture above shows the Mayor, the Deputy Mayor and community of Umzumbe during the sod turning of the Morrison taxi rank shelters at ward 13.

Road Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	Year -1		Year 0		
		Target	Actual	Target		Actual
<i>Service Indicators</i>		*Previous Year		*Previous Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
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 2019/20 financial year

Employees: Road Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1			0%
4 - 6	4	5			0%
7 - 9	1				0%
10 - 12	9	11	9	2	18%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	15	17	9	2	12%

In the turnaround strategy that was adopted by council during the 2019/20 financial year, the council resolved that the Project management Unit should prioritise the Labour-Intensive Construction (LIC) programme that seeks to create job opportunities whilst ensuring proper access roads that are sustainable. Luthuli access road is one of the roads that are part of this programme. At the end of 2019/20 financial year, this project was sitting on 75% of construction progress. LIC is a pilot programme which started with the following roads (Shezi, Luthuli & Dark City Access roads)



Photo: Luthuli Access Road (LIC)

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	0.3	0.3	0.1
Year -1	20	7.0	5.0	3.0
Year 0	20	15	8	20

Table indicating Stormwater Infrastructure during the 2019/20 financial year

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	2	2	2	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%

Component C: Planning and Development

Introduction to Development Planning and Local Economic Development

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

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

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

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

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

In the 2019/20 financial year the municipality had planned to develop a Local Area Plan for Umgai locality which was also identified as a secondary node by the municipal SDF as an area which has potential growth and improved service delivery. Umgai Local Area Plan could not be developed due to the Covid 19 pandemic and lockdown regulations which disrupted the tender process, this project has been rolled over to the 2020/21 financial year.

Umzumbe Land Audit

A lack of land ownership by the municipality becomes a challenge when enforcing land use clauses. In addressing the matter, the Development Planning Unit planned has conducted a Land Audit, to assist the municipality in obtaining up-to-date information on land ownership. This has been done with the assistance of an external service provider, Ziphelele Planning & Environmental consultancy. This process commenced in the 2019/20 financial year and will be finalized in the 2020/21 financial year. Ward level analysis and site inspections are the only outstanding exercises left before completion of this project. However, an implementation plan has been done to guide the municipality on steps and procedure to undergo the process of land acquisition and development.

3.10 Development Planning

The Development Planning Section is responsible for the development and implementation of Integrated Development Plan, Organizational Performance Management System and implementation of the Spatial Development Framework. The preparation of the Five year (2017/18 – 2021/2022) Integrated Development Plan of the municipality was an integrated participatory process that began July 2019 with the development of the IDP/Budget/PMS process plan following which the process plan was presented in the Top Management Committee, Planning Portfolio Committee, Executive Committee, IDP Representative Forum and Council. Members of the Community were afforded an opportunity to comment on the Plan through local newspapers and the municipal website. It was followed by annual reviews each financial year in the 4th generation as per section 34 of the Municipal Systems Act No. 32 Of 2000 and the 2019/20 IDP review was compiled and adopted to council in May 2019. The municipality has been able to conduct measurement on quarterly basis where the performance targets were evaluated against the planned targets as per the Service Delivery and Budget Implementation Plan during the 2019/20 financial year.

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

2: Mayoral Imbizo's



Photo: Nhlanhleni Rank (Ward 9)

Due to the COVID 19 pandemic and national lockdown, the IDP/ budget roadshows were incorporated in the mayoral radio slots in March/April 2020 and provisions for community participation was also encouraged through the local newspaper advertisements.

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

Development Planning

Cluster	Project Name	Progress
Cluster D	St Faiths Local Area Plan	Planning Phase
Cluster E	Umgai Local Area Plan	In progress
Cluster B	Morrison Post Local Area Plan	Planning Phase
Cluster E	Hlokozi Local Area Plan	Planning Phase

Table indicating Capital Expenditure during the 2019/20 financial year

Capital Expenditure Year 0: Planning Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2040000	2040000	0	0%	
Umzumbe Land Audit	1840000	1840000	1840000	0%	1840000
Umzumbe IDP	200000	200000	200000	0%	200000

Table Indicating Vacancy rate for Planning

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	1	100%
4 - 6	3	3	2	1	33.33%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	4	2	2	0%

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

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

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 strong emphasis on empowering women is hoped to boost this sector due to the resilient nature and being on the receiving end of poverty of women as opposed to men. Cooperatives and SMME support are programmes offered by the municipality to resolve the inequality problem experienced by previously disadvantaged communities with the Municipality. In boosting tourism, the municipality has in the past financial year committed to developing Ntelezi Msane heritage site.

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

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

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

SMME Development

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

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

Co-operatives Developments

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

Arts and Craft Development

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

Informal Economy

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

Agriculture Support Programme

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

Tourism Development

This programme is focusing on identifying tourism opportunities and nodes that have potential for promoting tourism and develop them into packages while assisting beneficiaries in doing feasibility celebration events. One of the objectives to this project is to restore and preserve local history and cultural development.

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

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

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

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

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 2019/20 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	24000000	24000000	1219780	0%	
Kwa Market Stalls Phungashe Renovations	50000	50000	35000	0%	163350
Arts & Crats Development	350000	350000	208487	0%	208487
SMME Incubation	900000	900000	597793	0%	597793
Co-ops Incubation	800000	800000	98500	0%	98500
Talent Search (Music) Competition	300000	300000	280000	0%	280000

Component D: Community and Social Services & Fire Fighting Services

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

The Social and Community Services Department is responsible for the maintenance, administration and development of community facilities. The municipality has 29 community halls, 74 sport fields and 2 unregistered cemeteries. Out of the 74 sportsfields, only 34 were maintained by the municipality in the 2019/20 financial year and the municipality is in the process of formalising the 2 unregistered cemeteries. During the 2019/20 financial year, the municipality continued the construction of Rossetenville hall in ward 14 and Mnafu hall in ward 19 are currently under construction and will be completed in the 2020/21 financial year. Below are the pictures showing construction progress of the two community halls.



Photo: Mnafu Hall ward 19

The picture above shows the construction progress for Mnafu community hall located in ward 19 in Cluster A of Umzumbe Local Municipality which is at 90% construction progress as at end of 2019/20 financial year. Projected completion of the community hall is during the 2020/21 financial year



Photo: Rossetenville ward 14

The picture above shows progress for Rossetenville community hall located in ward 14 in Cluster B of Umzumbe Local Municipality which is at 76% construction progress as at the end of 2019/20 financial year. Projected completion of the community hall is during the 2020/21 financial year

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

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	2	1	1	50%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	3	2	1	33%

3.12.1 Child Care, Aged Care, Social Programmes

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	Year -1		Year 0		
		Target	Actual	Target		Actual
<i>Service Indicators</i>		*Previous Year		*Previous Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
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	Target Achieved
	implement Senior Citizens programmes	Golden Games	Target Achieved	Golden Games	Target Achieved	Target Achieved
	Roll out HIV/AIDS programmes	Ward Aids Campaign	Target Achieved	Ward Aids Campaign	Target Achieved	Annual target was not achieved due to COVID 19
	Roll out Disability programmes	Disability Day	Target Achieved	Disability Day	Target Achieved	Target not achieved

Component E: Environmental Protection

3.13 Bio-diversity, landscape (Incl. Open Spaces): and Other (EG 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
TOTAL	35

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
TOTAL	92

Component G: Security and Safety

3.15 Free Basic Services and Indigent Support

In aligning with the International, National and Provincial policy objectives on poverty alleviation and the constitutional mandate to ensure citizens have equal rights and access to basic services. The Council of Umzumbe committed itself to developing poverty alleviation initiatives that would improve the quality of life for the community of Umzumbe. In doing so the Community Services Unit Compiled the Indigent support policy with an objective to dignify the quality of life of these households.

This Indigent support policy provides guidelines and procedures in terms of the implementation of these programmes and initiatives to address the challenges of poverty. In terms of the support given to the impoverished communities, the municipality has updated its indigent policy and provides free basic services across the spectrum. Indigent policy was adopted by council, advert was issued for community members to apply to be part of the indigent register. Currently the Department is in the process of verifying and compilation of the register.

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

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

The Social & Community Services Department is committed in ensuring the implementation of the adopted strategies of implementation of children programmes, provision of free basic electricity, agriculture and poverty alleviation. In the 2019/20 financial year The Department had planned to implement the following projects and programmes as shown in the table above, Dress a child, Free Basic electricity provided in the form of tokens, gels and stoves and indigent support.

3.16 Police

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

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

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

3.17 Fire

Fire Fighting Services

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

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

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

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

Below are the programs and projects that were implemented, successes and challenges met and how those were approached and dealt with.

Programmes

Mitigation of Disasters in Municipal Events

The section has a big role to play in ensuring safety of community, principals and fellow co-workers during events that are hosted by the municipality and also giving advice in events that are hosted by

other stakeholders within the jurisdiction of Umzumbe municipality. The section develops disaster management, floor and security plans to ensure that the events are free from incidents.

The section participated in all events that were hosted by the municipality.

Awareness Campaigns

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

Stakeholders Advisory Forum

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

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

Volunteer Program

The aim of this programme was to broaden the manpower since the disaster management office is challenged. This programme assists with the reporting of incidents that occur in our communities so as to make the stipulated 72 hours response time and to ensure that all reported cases are attended to. These volunteers also assist with dissemination of information as they attend meetings within wards and go to other places like clinics, tribal courts, etc. An annual target of 4 reports was achieved by the Disaster Management Unit.

Trainings/ Capacity Building

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

Challenges

Understaffing and Resources

There are 4 key performance areas of Disaster Management (Institutional Capacity, Disaster Risk Reduction, Disaster Risk and Recovery and Public Awareness, Education, Training and Research); this means that work is still done below standard. The increased staff will only mean necessary focus is given to all areas as they are equally important and complement each other to create a vibrant disaster management section.

Resources

The section is dealing with emergencies e.g., fires, Motor Vehicle Accidents (MVA)s and other related incidents. The section also has a target of 72 hours response time that has to be met and this requires resources in a form of space, vehicles, etc. The unavailability of resources means the practitioner has to wait until rain subsides so that assessments can be done. The lack of storage space also means that practitioner needs to collect relief material from UGu Disaster Centre so that they can respond to affected families.

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

Component H: Sport and Recreation

3.19 Sports and Recreation / Youth Development

3.19.1 Sports and Recreation

The Community Services Unit is responsible for the maintenance and renovation of sport facilities together with the Technical Services Department which is responsible for the design and construction. The Youth Development Unit with the assistance of the Sports Confederation Committee, administer the utilisation procedures of these facilities. The Umzumbe Sport Confederation Committee is fully functional and regularly meets monthly to assist the office for sport programmes implementation. Sitting of the committee was interrupted by the COVID 19 pandemic and the national lockdown regulations which lead to disruptions in municipal operation which resulted in to only four (4) out of ten (10) sittings.

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

- Mayoral Cup Games
- SALGA Games
- Umzumbe Beach Games

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

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

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

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

3.19.2 Youth Development

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

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

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

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

Table indicating employee composition within the Youth Development Unit

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

Sport and Recreation Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	Year -1		Year 0		
		Target	Actual	Target		Actual
<i>Service Indicators</i>		*Previous Year		*Previous Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
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 Not Achieved	Target Not Achieved
		Beach Games (festival)	Target Achieved	Beach Games (festival)	Target Achieved	Achieved
		SALGA Games	Target Achieved	SALGA Games	Target Not Achieved	Target Not Achieved

Component I: Corporate Policy Offices and Other Services

3.20 Executive and Council

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

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

The capital projects identified are aligned to the municipal strategic objective and government priorities. The Mhlabashane Dam construction, Beach development and Ntelezi Msane Memorial.

3.21 Financial Services

In terms of section 62 of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality. The management of the municipal finances involves both a strategic and operational component. Strategically, the finances must be managed to accommodate fluctuations in the economy and the resulting changes in costs and revenues. Operationally, the municipality must put in place clear financial goals, policies and tools to implement its strategic plan.

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

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

Expenditure & Assets

Budget, Revenue & Treasury

Supply Chain Management

Functions of the Financial Services Department:

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

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

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

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

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	2	1	33%
4 - 6	12	12	12	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	16	16	15	1	6%

3.22 Human Resources Services

The Municipal workforce plays a pivotal role in ensuring that the municipality achieves its development goals and bettering service delivery to the community. The municipality therefore prides its self in employing and developing suitable candidates, while providing a safe working environment for its staff through effective implementation of the Human Resource Policy. In doing so the municipality had planned to employ the Occupational Health & Safety personnel however due to the COVID 19 pandemic and national lockdown, all the recruitment processes were delayed and it will be finalised in 2020/21 financial year.

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	3	1	2	67%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	4	2	2	50%

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

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

3.23 Information Communication Technology (ICT) Services

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

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

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

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

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

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

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

2 x Virtual Servers

7 x Servers

16 x POE Switches

130 x Active Directory User Accounts

+/- 60 Printers

+/- 140 Desktops / Laptops

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

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

ICT Services Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		Year 0			Year 1	Year 2	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>Software Licenses</i>		450 000	296 000	450 000	940 000	900 000	996 400	1 056 184	
<i>IT Upgrade</i>		1 267 000	371 000	1 267 000	636 200	545 000	674 372	714 834	
<i>Internet Connectivity</i>		200 000	470 000	200 000	470 000	405 000	498 000	528 000	
<i>New Software and Hardware</i>		950 000	805 000	950 000	810 000	626 113	760 000	760 000	

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

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

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

Financial Performance Year 0: ICT Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	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%
Total Operational Expenditure	915	1281	1281	1227	-4%
Net Operational Expenditure	38	0	0	399	100%

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

Capital Expenditure Year 0: ICT Services					
R' 000					
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

ICT is trying its best under circumstances, for instance our Municipality is rural and there is no optical fibre for internet connectivity which results in slow network. Eskom's Load shedding poses problems on our operations as our connectivity gets affected. Budget cuts result in Users having to use laptops and desktops that have gone beyond their end-of-life period.

Component K: Organizational Performance Scorecard

UMZUMBE ANNUAL PERFORMANCE REPORT FOR 2019/20 FINANCIAL YEAR																	
STRATEGIC GOALS	STRATEGIC OBJECTIVES	STRATEGIES	KPI MEASURE	INDICATOR	2018/19 (TARGET)	2018/19 (ACTUAL)	DEMAND	BACKLOG	2019/20 (TARGET)	2019/20 (ACTUAL)	STATUS (ACHIEVED/ NOT ACHIEVED)	REASONS FOR DEVIATION	MEASURES TAKEN TO IMPROVE PERFORMANCE	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPARTMENT/STAKEHOLDERS		
KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT																	
1.1	Effective and Efficient Human Resource	1.1.1	Review of Human Resource Policy	Date	Develop and adopt Employee Transfer Policy by 30 June 2020	Employee Transfer Policy by 31 March 2019	Target not met: Draft Policy Developed but awaiting Council adoption	1	0	Develop and adopt Employee Transfer Policy by 30 June 2020	Target Achieved: transfer Policy adoptedby Council on the 29th of June 2020	ACHIEVED	N/A	N/A	Q2-Topmanco Resolution and Q4-Council Resolution	Corporate Services	
					N/A	N/A	N/A			N/A	N/A						
				Date	Review and adopt Employee HR Policy by 30 June 2020	N/A	N/A	1	1	Review and adopt Employee HR Policy by 30 June 2020	Target not Achieved	NOT ACHIEVED	Policy Reviewcommittee was disturbed by Lockdown	Policy to be reviewed and adopted in Q2 & Q4 2020/21FY	Q2-Topmanco Resolution and Q4-Council Resolution	Corporate Services	
					N/A	N/A	N/A			N/A	N/A						
				Date	Review and adopt Employee Leave Policy by 30 June 2020	N/A	N/A	1	1	Review and adopt Employee Leave Policy by 30 June 2020	Target not Achieved	NOT ACHIEVED	Policy Reviewcommittee was disturbed by Lockdown	Policy to be reviewed and adopted in Q2 & Q4 2020/21FY	Q2-Topmanco Resolution and Q4-Council Resolution	Corporate Services	
					N/A	N/A	N/A			N/A	N/A						
			Review of the Organogram	Date	Reviewed Records Management Policy by 30 June 2020	Reviewed Records Management Policy by 30 June 2019	Target not met: Draft Records Management Policy reviewed but awaiting Council adoption	1	0	Reviewed Records Management Policy by 30 June 2020	Target Achieved Council adopted the policy on the 6th of December 2019	ACHIEVED	N/A	N/A	Q3-Topmanco Resolution and Q4-Council Resolution	Corporate Services	
					N/A					N/A	N/A						
			1.1.2	Review of the Organogram	Date	Review of the Organogram by 30 May 2020	Review and Adopt Organogram by 30 June 2019	Target not met: Draft reviewed Organogramand has been recommended to Council by LLF.	11	0	Review of the Organogram by 30 May 2020	Target Met: Council approved organogram on 27th of May 2020	ACHIEVED	N/A	N/A	Council Resolution & Organogram	Corporate Services
						N/A	N/A	N/A			N/A	N/A					
			1.1.3	Staff Recruitment and Selection (filling of Vacant Posts)	Number	Fill Vacant Posts within 4 months (120 days) from the date of vacancy: 09	Fill Vacant Posts: 04	Target Met: 16 Employees appointed	31	0	Fill Vacant Posts within 4 months (120 days) from the date of vacancy: 09	Target Achieved: 31 vacant posts were filled	ACHIEVED	N/A	N/A	Q1-Q3: Appointment Letters	Corporate Services
							N/A	N/A	N/A			N/A	N/A				
		Number			10 Unemployed Graduates	10 positions for Unemployed Graduates	Target not achieved	10	6	10 Unemployed Graduates	Target not Met: 4 graduates were appointed	NOT ACHIEVED	Recruitment process resulted in only 4 suitable graduates appointed.	New set of graduates to be appointed in Q1 of 2020/21 FY	Appointment Letters	Corporate Services	
						N/A	N/A	N/A			N/A	N/A					
		Number			Short Term Employee Training: 32	N/A	N/A	32	27	Short Term Employee Training: 32	Target not Met: 5 employees were trained	NOT ACHIEVED	Trainings were disturbed by Lockdown announced by President	Trainings to be conducted in Q1 & Q3 FY 2020/21	Proof of Payment & Attendance Register	Corporate Services	
						N/A	N/A	N/A			N/A	N/A					
		1.1.4	Capacity Building and Training of Workforce	Number of Training	Long Term Employee Training: 11	Employee Training: 33	Target Met: 49 employees trained	12	0	Long Term Employee Training: 11	Target not achieved: 12 employees were trained	NOT ACHIEVED	Project was not smart, insufficient POEs were submitted	SMART Principles to be applied when crafting projects for the 2020/21 FY	Proof of Payment & Attendance Register	Corporate Services	
						R400 000.00	R360 000.00	R700 198			R400 000.00	N/A					
					Date	2019/2020 Workplace Skills Plan	2019/20 Workplace Skills Plan	Target Met: WSP adopted and submitted to LGSeta on 30 April 2019	1	0	2019/2020 Workplace Skills Plan	Target not Achieved	NOT ACHIEVED	Project was not smart, insufficient POEs were submitted	SMART Principles to be applied when crafting projects for the 2020/21 FY	Q1: Training Plan , Q2: Skills Audit Report, Q3: Exco Resolution Q4: Letter of Acknowledgement of receipt from LGSETA	Corporate Services
					N/A	N/A	N/A			N/A	N/A						
				Number of Reports for Councillor Training	4 Reports of Councillors trained	39 ward Councillors trained	Target Not Met: 10 Councillors trained	4	0	4 Reports of Councillors trained	Target Achieved	ACHIEVED	N/A	N/A	Q1-Q3: Reports	Corporate Services	
						R371 330.00	R360 500.00	R28 000			R371 330.00	R 152 550.00					
		1.1.5	Capacity Building and Training of Councillors	Number	Staff induction (Induct 9 new employees)	Staff induction (Induct 4 new employees)	Target Met: 6 Employees inducted	9	0	Staff induction (Induct 9 new employees)	Target Achieved	ACHIEVED	N/A	N/A	Q1-Q3: Attendance Registers	Corporate Services	
						N/A	N/A	N/A			N/A	N/A					
				Number of Reports	4 Reports on Discipline at work	Discipline at workplace: Work Reports	Target met: 4 reports on discipline at workplace compiled	4	0	4 Reports on Discipline at work	Target not Achieved	NOT ACHIEVED	Project was not smart, insufficient POEs were submitted	SMART Principles to be applied when crafting projects for the 2020/21	Q1-Q4: Manco Resolutions	Corporate Services	
						N/A	N/A	N/A			N/A	N/A					
					Date of Campaign	Employee Wellness Awareness Campaign	N/A	N/A	1	0	Employee Wellness Awareness Campaign	Target Achieved	ACHIEVED	N/A	N/A	Attendance Register	Corporate Services
							N/A	N/A	N/A			N/A	R 0.00				
		1.1.6	Employment Equity compliance	Number of Employment Equity Reports	1 Employment Equity Report	Employment Equity Reports	Target Met: Employment Equity Report submitted to Dept of Labour on 15th January 2019	1	0	1 Employment Equity Report	Target not Achieved	NOT ACHIEVED	Project was not smart, insufficient POEs were submitted	SMART Principles to be applied when crafting projects for the 2020/21	Letter of acknowledgement & LLF Resolution	Corporate Services	
						N/A	N/A	N/A			N/A	N/A					

1.3.1	Administration and Fleet Management	Construction and Maintenance of Municipal Offices	Number	Office Building Maintenance: 2	Office Building Maintenance: 2 (Reports)	Target Met: 4 reports on building maintenance compiled	2	0	Office Building Maintenance: 2	Target Achieved	ACHIEVED	N/A	N/A	Q1-Q4: Reports	Corporate Services
				R 300 000.00	R300 000.00	R46 165			R 300 000.00	R39 483.00					
			Date of Installation	Office Building Upgrade (Installation of Ramps)	Office Building Maintenance: 2	Target Met: Tiling of offices done	1	0	Office Building Upgrade (Installation of Ramps)	Target Achieved	ACHIEVED	N/A	N/A	Q3: GRN	Corporate Services
				R 120 000.00	R200 000.00	R103 000.00			R 120 000.00	R 36 850.00					
			Date of Purchase	Procurement of Backup Generator	Backup Generator	Target not met: Development of document done but procurement not yet finalised.	1	1	Procurement of Backup Generator	Target not achieved:	NOT ACHIEVED	Sitting of Bid Committee meetings was disturbed by Lockdown	Target to be achieved in Q2 of 2020/21 FY	Q4: Appointment letter and Log books	Corporate Services
				R 800 000.00	R800 000.00	R0.00			R 800 000.00	N/A					
			Date of Purchase	Procurement of Backup Generator's Shelter	Backup Generator's shelter	Target not met: Development of document done but procurement not yet finalised.	1	1	Procurement of Backup Generator's Shelter	Target not achieved:	NOT ACHIEVED	Procurement of shelter is dependant on procurement of generator in term of specs so delay in generator procurement resulted in delay in shelter procurement	Target to be achieved in Q2 of 2020/21 FY	Q4: GRN	Corporate Services
				R 150 000.00	R100 000.00	R0.00			R 150 000.00	N/A					
			Meters and Number	New Offices Construction: 270m of stormwater pipes installed, 100m of sewerage pipe and 169 piles	0	Target not met (Site Establishment: 100%; Earthworks: 100% completed; 169 piles :100% completed; Ground beams: 100%; Columns: 100%; Bulk Earthworks: 270m Stormwater pipes: 0%; 100m of sewerage pipe: 0%)	1	0	New Offices Construction: 270m of stormwater pipes installed, 100m of sewerage pipe and 169 piles	Target met (New Offices Construction:270m of stormwater pipes installed,100m of sewerage pipe and 169 piles)	ACHIEVED	N/A	N/A	Q1: Phase 2 -Completion certificate	Technical Services Department
				R 8 000 000.00	R8 438 670.76	R4 758 481.18			R 8 000 000.00	R6 493 477.13					
			Number	Branding	Branding: Stationery, Government faces, Community Halls.	Target Met	1	0	Branding	Annual Target was not met. Only stationary, govt faces, halls and fleet were achieved.	NOT ACHIEVED	Municipal Boundries Target was not met	The municipal boundries project is budgeted for in 20/21 FY Q4	Q1: GRN	Office of the Municipal Manager /Communications Unit
				R 550 000.00	R560 000.00	R560 000.00			R 550 000.00	R321,165.42					
		1.3.2	Number	Fleet Procurement: 1 Tipper Truck	N/A	N/A	1	1	Fleet Procurement: 1 Tipper Truck	Procurement of 10M3 Tipper Truck not Aclieved	NOT ACHIEVED	Procurement process delayed due to National Lockdown, Target not achieved	To speed up procurement process since lockdown regulation lifted, target will be achieved in Q1 2020/21 FY	Q4: Goods received note/logbook	Technical Services Department
				R 1 500 000.00	N/A	N/A			R 1 500 000.00	R 0.00					
			Number	Fleet Procurement: 1 Tractor	Fleet Procurement: 1 Tractor	Target not met	1	1	Fleet Procurement: 1 Tractor	Target not achived	NOT ACHIEVED	Appointment of service provider happened in last week of March and supply was disturbedby Lockdown	Target to be achieved in Q1 & Q3 of 2020/21 FY	Appointment letter and log book	Corporate Services
				R900 000.00	R450 000.00	R0.00			R900 000.00	N/A					
			Number	Fleet Procurement: 7 Vehicles and Loudhailer	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.	7	7	Fleet Procurement: 7 Vehicles and Loudhailer	Target not achived	NOT ACHIEVED	Sitting of Bid Committee meetings was disturbed by Lockdown however appointment of service provider 3 vehicles happened though service provider had challenges in bid offer.	Target to be achieved in Q2 & Q3 of 2020/21FY	Q4: Appointment letter and Log books	Corporate Services
				R 4 338 000.00	R2 250 000.00	R161 799.95			R 4 338 000.00	R0.00					
1.4	Batho Pele Programme Implementation	1.4.1	Number	8 Awareness Campaigns	8 Awareness Campaigns	Target Met: 8/8 Campaigns Received	8	2	8 Awareness Campaigns	Target not Achieved 6 campaigns were held out of eight	NOT ACHIEVED	Annual target was not met because the campaigns are done with zimbuso and COVID 19 disrupted the plan	Batho Pele Campaigns will be integrated to Mayoral Radio Slots during the pandemic	Q1-Q4: Attendance Register and Programme	Office of the Municipal Manager
				R 50 000.00	R50 000.00	R32 010.00			R 5 000.00	R5 000.00					
			Number of charter signs	Charter signs	Charter signs	Target Met	1	0	Charter signs	Annual Target was met	ACHIEVED	N/A	N/A	GRN	Office of the Municipal Manager
				R50 000	R50 000.00	R49 200.00			R50 000	R76,350.00					
			Date	Municipal Service Week by 31 December 2019	Municipal Service Week by 31 December 2018	Target Met in December 2018	1	0	Municipal Service Week by 31 December 2019	Target was met in quarter 2 on 12 December 2019	ACHIEVED	N/A	N/A	Attendance register	Office of the Municipal Manager
				R50 000	R50 000.00	R9 600.00			R50 000	N/A					
			Date	Development of Service Delivery Improvement Plan (SDIP) by 30 June 2020	N/A	N/A	1	1	Development of Service Delivery Improvement Plan (SDIP) by 30 June 2020	Target was not achieved	NOT ACHIEVED	The completion of SDIP required a workshop which was supposed to be coordinated by Ugu District Municipality	To review the existing SDIP by 31 Dec 2020	Top Manaco Resolution and the Plan	Office of the Municipal Manager
				N/A	N/A	N/A			N/A	N/A					
		1.5.1	Number	4 Legislative awareness Reports	4 Legislative awareness Reports	Target Achieved: 4 reports on legislative awareness compiled	4	0	4 Legislative awareness Reports	Target Achieved	ACHIEVED	N/A	N/A	Q1-Q4: Reports	Corporate services
				N/A	N/A	N/A			N/A	N/A					
			Number	Review legislation checklist: 4 Reports	Develop legislation checklist: 4 Reports	Target Achieved: 4 reports on legislation checklist compiled	4	0	Review legislation checklist: 4 Reports	Target Achieved	ACHIEVED	N/A	N/A	Q1-Q4: Reports	Corporate services
				N/A	N/A	N/A			N/A	N/A					
			Number	4 Litigation Reports	4 Litigation Reports	Target Achieved: 4 reports on litigations compiled	4	0	4 Litigation Reports	Target Achieved	ACHIEVED	N/A	N/A	Q1-Q4: Reports	Corporate services
				N/A	N/A	N/A			N/A	N/A					
			Number	Compliance Checklist Reports: 4	Compliance Checklist Reports: 4	Tartget not Achieved: 2 out of 4 Reports done	4	0	Compliance Checklist Reports: 4	Target Achieved	ACHIEVED	N/A	N/A	Q1-Q4: Top Resolutions	Corporate Services
				N/A	N/A	N/A			N/A	N/A					
	1.5	Legal Compliance and Risk Management	Date	Risk Register by 31 May 2020	N/A	N/A	1	1	Risk Register by 31 May 2020	Target not met: Draft Risk Register was developed but not yet adopted by council.	NOT ACHIEVED	There is no dedicated personnel concerning risk management activities.	Managment to consider allocating an FMG intern to be responsible for risk management processes.	Q1: Council Resolution	Office of the Municipal Manager/ Internal Audit
				N/A	N/A	N/A			N/A	N/A					

2	To improve the overall financial management in the Municipality by developing and implementing appropriate financial	2.1	To ensure that the municipality is complying with the budget, reporting & SCM statutory requirements.	1.5.1	Legal Compliance and Management	Date	Risk Management Policy Review by 30 June 2020	Risk Management Policy Review by 30 June 2019	Target not met: The policy was reviewed but was not taken to council for adoption	1	1	Risk Management Policy Review by 30 June 2020	Target not met	NOT ACHIEVED	There is no dedicated personnel concerning risk management activities.	Management to consider allocating an FMG intern to be responsible for risk management processes.	Council Resolution	Office of the Municipal Manager/ Internal Audit				
							N/A	N/A	N/A			N/A	N/A									
						Date	4 Risk Management monitoring reports	4 Risk Management monitoring reports	Target not met	4	4	4 Risk Management monitoring reports	Target not met	NOT ACHIEVED	There is no dedicated personnel concerning risk management activities.	Management to consider allocating an FMG intern to be responsible for risk management processes.	Audit Committee Resolution	Office of the Municipal Manager/ Internal Audit				
							N/A	N/A	N/A			N/A	N/A									
						1.6	Effective Performance Management System	1.6.1	Review and Implementation of Performance Management Policy Framework	Date of Adoption	PMS Policy Framework by 30 June 2020	PMS Framework Policy 30 June 2019	Target met	1	0	PMS Policy Framework by 30 June 2020	Target Achieved: PMS Policy adopted 29 May 2020	ACHIEVED	N/A	N/A	Q3-Q4: Council Resolution	Office of the Municipal manager/ Development Planning Unit
											N/A	N/A	N/A			N/A	N/A					
								1.6.2	Monitor and Evaluate Municipal Performance	Number	4 Quarterly Reviews	4 Quarterly Reviews	Target Met	4	0	4 Quarterly Reviews	Target Achieved: 4/4 Reviews conducted	ACHIEVED	N/A	N/A	Q1-Q4: Attendance Register and Minutes	Office of the Municipal manager/ Development Planning Unit
											R 89 888.00	R88 400.00	R106 550.00			R 89 888.00	R 27 512.00					
								1.6.3	Compile Statutory Performance Reports (APR, MPR, AR)	Date	2018/2019 Annual Performance Report by 31 August 2019	2017/2018 APR	Target Met	1	0	2018/2019 Annual Performance Report by 31 August 2019	Target Achieved: 2018/19 APR adopted by Council on 28 August 2019	ACHIEVED	N/A	N/A	Q1: Council Resolution	Office of the Municipal manager/ Development Planning Unit
											N/A	N/A	N/A			N/A	N/A					
Date	Adopt 2018/2019 Annual Report by 31 March 2020	Adopted 2017/2018 Annual Report by 31 March 2019	Target Met	10						Adopt 2018/2019 Annual Report by 31 March 2020	Target Achieved: AR and Oversight Report Adopted by Council on 26 March 2020	ACHIEVED	N/A	N/A	Q3-Q4: Council Resolution	Office of the Municipal manager/ Development Planning Unit						
	R 175 000.00	R200 000.00	R175 000.00							R 175 000.00	R 175 000.00											
Number	4 Back to Basics Reports	4 Back to Basics Reports	Target Met. 4 Back to Basics Reports submitted to Council	4	0	4 Back to Basics Reports	Target Achieved 4/4 reports compiled and submitted to Provincial CoGTA	ACHIEVED	N/A	N/A	Q1-Q4: Back to Basics Reports	Office of the Municipal manager/ Development Planning Unit										
	N/A	N/A	N/A			N/A	N/A															
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																						
2	To improve the overall financial management in the Municipality by developing and implementing appropriate financial	2.1	To ensure that the municipality is complying with the budget, reporting & SCM statutory requirements.	2.1.1	Preparation of Annual Budget	Date 2020/2021 Annual Budget approved	Approved 2020/2021 Annual Budget by 31 May 2020	Approved 2020/2021 Annual Budget by 31 May 2019	Target achieved. Adopted by Council on the 29 May 2019	1	0	Approved 2020/2021 Annual Budget by 31 May 2020	Target Achieved: Adopted final budget on the 29th May 2020	ACHIEVED	N/A	N/A	Q1,Q3,Q4: Council Resolutions	Finance Department / Budget,Revenue & Treasury unit				
							N/A	N/A	N/A			N/A	N/A									
						2.1.2	Preparation of mid-year performance assessment and adjustment budget	Date 2019/2020 Mid Year performance assessment and adjustment budget approved	Approve 2019/2020 Mid Year performance assessment by 25 January 2020 and adjustment budget by 28 February 2020	Approve 2019/2020 Mid Year performance assessment by 25 January 2020 and adjustment budget by 28 February 2019	Target achieved. Adopted by Council on the 23 January 2019	1	0	Approve 2019/2020 Mid Year performance assessment by 25 January 2020 and adjustment budget by 28 February 2020	Target achieved. Mid Year performance assessment adopted on 23 January 2020 and adjustment budget adopted on 26 February 2020	ACHIEVED	N/A	N/A	Q3:Council Resolution	Finance Department / Budget,Revenue & Treasury unit		
									N/A	N/A	N/A			N/A	N/A							
						2.1.3	Preparation of monthly budget statements in terms of section 71 of the MFMA	No of Monthly Financial Reports Submitted to the EXCO	12 Monthly Financial reports submitted to the EXCO	12 Monthly Financial reports submitted to the EXCO	Target achieved, 12 were submitted	12	0	12 Monthly Financial reports submitted to the EXCO	Target achieved overall, 12 were submitted	ACHIEVED	N/A	N/A	Q1-Q4:EXCO Resolutions	Finance Department / Budget,Revenue & Treasury unit		
									N/A	N/A	N/A			N/A	N/A							
						2.1.4	Preparation of GRAP compliant annual financial statements	Date of submission of Annual Financial Statements for 2018/2019	Annual Financial Statements for 2018/2019 submitted by 31 August 2019	Annual Financial Statements for 2018/2019 submitted by 31 August 2018	Target Achieved	1	0	Annual Financial Statements for 2018/2019 submitted by 31 August 2019	Target achieved overall, AFS 2018/2019 was submitted on 30 August 2019	ACHIEVED	N/A	N/A	Q1: Acknowledgement of Receipt and copy of AFS 2018/2019	Finance Department / Budget,Revenue & Treasury unit		
									R195 000.00		R182 537.00			R195 000.00	R141 058.00							
						2.1.5	Addressing AG audit queries through formulation of corrective action plan	Date of Submission	Submit 2018/2019 Audit Report and Corrective action plan to Council by 31 January 2020	Submit Audit Report and Corrective measures to Council by 31 January 2019	Target achieved. Tabled in Council on the 23 January 2019	1	0	Submit 2018/2019 Audit Report and Corrective action plan to Council by 31 January 2020	Target achieved overall, Audit Report and corrective action plan was tabled to Council on 23 January 2020	ACHIEVED	N/A	N/A	Q3:Council Resolution	Finance Department / Budget,Revenue & Treasury unit		
									N/A	N/A	N/A			N/A	N/A							
						2.1.6	Recording all transactions accurately and completely	Number of cash books	12 Updated cash books	12 Updated cash books	Target achieved, 12 were done.	12	0	12 Updated cash books	Target achieved overall, 12 were done.	ACHIEVED	N/A	N/A	Cash book (Q1-Q4)	Finance Department / Expenditure & Assets unit		
									N/A	N/A	N/A			N/A	N/A							
								Number of updated General Ledger	12 Updated General Ledger	12 Updated General Ledger	Target achieved, 12 were done.	12	0	12 Updated General Ledger	Target achieved overall, 12 were done.	ACHIEVED	N/A	N/A	General Ledger (Q1-Q4)	Finance Department / Expenditure & Assets unit		
									N/A	N/A	N/A			N/A	N/A							
								Number of Bank reconciliations	12 Bank reconciliations	12 Bank reconciliations	Target achieved, 12 were done.	12	0	12 Bank reconciliations	Target achieved overall, 12 were done.	ACHIEVED	N/A	N/A	Bank Reconciliation (Q1-Q4)	Finance Department / Expenditure & Assets unit		
N/A	N/A	N/A			N/A				N/A													
Number of Creditors Reconciliations	12 Creditors reconciliations	12 Creditors reconciliations	Target achieved, 12 were done.	12	0	12 Creditors reconciliations	Target achieved overall, 12 were done.	ACHIEVED	N/A	N/A	Creditors Reconciliation (Q1-Q4)	Finance Department / Expenditure & Assets unit										
	N/A	N/A	N/A			N/A	N/A															
Number of Debtors Reconciliations	12 Debtors reconciliations	12 Debtors reconciliations	Target achieved, 12 were done.	12	0	12 Debtors reconciliations	Target achieved overall, 12 were done.	ACHIEVED	N/A	N/A	Debtors Reconciliation (Q1-Q4)	Finance Department / Budget,Revenue & Treasury unit										
	N/A	N/A	N/A			N/A	N/A															
Number of VAT 201 returns submitted	Submission of 12 VAT 201 returns to SARS	Submission of 12 VAT 201 returns to SARS	Target achieved	12	0	Submission of 12 VAT 201 returns to SARS	Target achieved overall, 12 were done.	ACHIEVED	N/A	N/A	VAT Returns and SARS statement (Q1-Q4)	Finance Department / Expenditure & Assets unit										
	N/A	N/A	N/A			N/A	N/A															

	management policies, procedures and systems					Percentage	100% Adjudication of projects within 90 days of closing date	100% Adjudication of Projects within 90 days of closing date	Target Achieved	1	1	100% Adjudication of Projects within 90 days of closing date	Target not achieved overall.	NOT ACHIEVED	Target could not be achieved overall due to not being able to meet the target for the 3rd & 4th Quarter. The bid committees could not function effectively due to reviewing and consultation of bid committees structures as per AG recommendations as well as delays due to beginning of lockdown period in which the operations were seriously affected.	Validity periods have been extended where possible. Projects were fast tracked for the next quarter as the municipality resumed operations.	Q1-Q4: Bid Committee Reports (4)	Finance Department / Supply Chain Management unit
			2.1.7	Implementation of Supply Chain Management Policy		Date of adoption of Reviewed SCM Policy	Adopt Reviewed SCM Policy by 30 June 2020	Adopt Reviewed SCM Policy by 30 June 2019	Target Achieved	1	0	Adopt Reviewed SCM Policy by 30 June 2020	Target achieved overall Adopted on the 29th May 2020.	ACHIEVED	N/A	N/A	Q4:Council Resolution	Finance Department / Supply Chain Management unit
						No. of quarterly Deviations & UIFW expenditure registers submitted to COGTA	4 Quarterly Deviations & UIFW expenditure registers submitted to COGTA	4 Quarterly UIFW expenditure registers submitted to COGTA	Target achieved, 4 were submitted	4	0	4 Quarterly Deviations & UIFW expenditure registers submitted to COGTA	Target achieved overall, 4 registers were compiled and submitted.	ACHIEVED	N/A	N/A	Q1-Q4:Quarterly registers	Finance Department / Supply Chain Management unit
							N/A	N/A	N/A				N/A					
			2.1.8	Development of Annual Procurement Plan	Date of approval of Procurement Plan	Approved Procurement Plan by 30 June 2020	Approved Procurement Plan by 30 June 2019		Target Achieved	1	0	Approved Procurement Plan by 30 June 2020	Target achieved overall. Approved on the 19 June 2020.	ACHIEVED	N/A	N/A	Topmanco Resolution	Finance Department / Supply Chain Management unit
							N/A	N/A	N/A				N/A					
			2.1.9	Timeous payment of service providers upon receipt of invoices (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	100% payment of service providers within 30 days on receipt of invoice		Target not achieved overall	1	1	100% payment of service providers within 30 days on receipt of invoice	Target could not be achieved overall. An overall average of 97% of invoices were paid within 30 days.	NOT ACHIEVED	Minor delays in submission of documents such as bank account confirmation, supplier statements, internal documents	Suppliers were requested to provide updated banking details and supplier statements; register in place to track documents. This was done within an a two day turnaround time.	Q1-Q4: Payment vouchers report	Finance Department / Expenditure & Assets unit
							N/A	N/A	N/A				N/A					
	2.2	To ensure accurate billing and improved revenue collection	2.2.1	Maintenance of valuation roll	Number of post billing reports and valuation rolls	4 post billing reports and 1 approved General valuation roll	4 post billing reports and 1 approved General valuation roll		Target Achieved	4	0	4 post billing reports and 1 approved General valuation roll	Target achieved overall.	ACHIEVED	N/A	N/A	Q3: 1 Soft copy of Valuation roll Q1-Q4: 4 Billing reports	Finance Department / Budget,Revenue & Treasury unit
							R600 000.00	R500 000.00	R128 190.24				R600 000.00	R500 000.00				
	2.3	To ensure sound asset management	2.3.1	Update GRAP compliant assets register corresponding to the General Ledger	Date of finalisation of GRAP compliant asset register	GRAP compliant asset register by 31 August 2019	GRAP compliant asset register by 31 August 2018		Target Achieved	1	0	GRAP compliant asset register by 31 August 2019	Target achieved overall. Prepared and submitted by the 31 August.	ACHIEVED	N/A	N/A	Q1:Soft copy assets of Register	Finance Department / Assets & Expenditure
							R650 000.00	R650 000.00	R589 601.00				R650 000.00	R465 627.02				
BASIC SERVICES AND INFRASTRUCTURE DELIVERY																		
3			3.1			Percentage completion of access road constructed	50% completion of Siyakhula access road (2.5kms)	N/A	N/A	50%	40%	50% completion of Siyakhula access road (2.5kms)	Target Not Achieved: 10% of Construction progress achieved	NOT ACHIEVED	Project handover meeting was in March 2020, due to National Lockdown the contractor couldnot establish on site, their for the target was not achieved. There are existing services(Eskom Poles) within the road prism which are hindering the contractor from fully executing his works.	The contractor to work long hours and add resources to recover time lost during National Lockdown, project to be completed in quarter 3 of 2020/2021 FY.	Q3: Progress report, Q4: Progress report	Technical Services Department
							R3 000 000.00	N/A	N/A				R3 000 000.00	R561 572.90				
						Percentage completion of access road constructed	30 % completion of Ndunge access road (Construct 2.5kms)	N/A	N/A	30%	30%	30 % completion of Ndunge access road (Construct 2.5kms)	Target not Achieved: 0% completion of Ndunge Access Road, however (Contractor Appointed in March 2020)	NOT ACHIEVED	Due to National Lockdown the contractor could not establish on site .	The contractor to work long hours and add resources to recover time lost during National Lockdown, project to be completed in quarter 4 of 2020/2021 FY.	Q4: Progress report	Umzumbe Municipality- Technical Services
							R2 310 336.10	N/A	N/A				R2 310 336.10	R0.00				
						Percentage completion of access road constructed	100 % completion of Nqapheni Access Road (Construct 2kms)	Construct 2 km of Nqapheni Access Road	Target not met (The project was re-advertised on the 29th of March 2019, it is on the procurement stage)	100%	60%	100 % completion of Nqapheni Access Road (Construct 2kms)	Target not achieved: 40% completion of Nqapheni Access Road	NOT ACHIEVED	Delay in implementation due to National Lockdown the contractor could not meet the target .	The contractor to work long hours and add resources to recover time lost during National Lockdown, project to be completed in quarter 4 of 2020/2021 FY.	Q3 Progress report, Q4: Practical Completion certificate	Umzumbe Municipality- Technical Services
							R 2 290 893.03	R2 131 435.32	R0.00				R 2 290 893.03	R 611 885.27				
			3.1.2	Construction and Maintenance of community access roads	Percentage completion of access road constructed	100 % completion Ncazolo Access Road (Construct 2,5 kms of subbase)	Construct 2,5 kms of subbase layer (Ncazolo Access Road) Phase1	Target Not Met (Site Establishment:100%; Setting out:100%; Clearing and grading of the road:65%; Earthworks:41%; Excavation to road bed:44%; Subsoil section G7: 100%; Dumptruck processing:80%; Selected layer 0%; Stormwater drainage:10%; Headwalls and catchpit:0%; Subbase layer: 32%; Finishing road reserve:0%;Asphalt layer: 0%)		100%	25%	100 % completion Ncazolo Access Road (Construct 2,5 kms of subbase)	Target not Achieved: 75% completion Ncazolo Access Road	NOT ACHIEVED	1.) Slow progress on blasting activity due to inclement weather condition. 2.)Slow progress from channage (800m-2000m) in protected forest due to construction methodology inline with the approved environmental authorisation of 12.5m corridor, the contractor require between 25-35m corridor to work safely 3.)additional delay due to National Lockdown the contractor could not meet the target .	1.)The contractor to work weekends to recover time lost due to inclement weather condition 2) The consultant to constantly engage with the department of environmental affairs for the approval of the amendment to the authorisation. 3.)The contractor to work long hours and add resources to recover time lost during National Lockdown. Project to be completed in quater 3 of 2020/2021 FY	Q1:Progress Report, Q2: Progress Report, Q3-Progress Report ,Q4-Practical Completion Certificate	Umzumbe Municipality- Technical Services
							R 16 000 060.00	R6 072 509.09	R9 310 414.86					R 16 000 060.00	R 7 319 584.56			
						Percentage completion of access road constructed	100 % completion Mavana Access Road (Construct 2.1kms of new access road)	Construct 2.1kms of new access Mavana Access Road	Target not met (The Contractor was appointed on the 29th of July 2019)	100%	0%	100 % completion Mavana Access Road (Construct 2.1kms of new access road)	Target Achieved: 100 % completion Mavana Access Road (Construct 2.1kms of new access road)	ACHIEVED	N/A	N/A	Q3 Progress report Q4: Practical Completion Certificate	Umzumbe Municipality- Technical Services
							R 3 100 000.00	R1 732 389.98	R0.00					R 3 100 000.00	R 1 695 168.69			

3. Efficient and integrated infrastructure and basic services	Universal Access to basic services	3.1.3	Construction and Maintenance of Community Facilities (Community Halls, Libraries, Parks, Cemeteries etc.)	Km of new access road constructed	Construct 2.1kms of new access road Mkhize Access Road	Construct 2.1kms of new access road Mkhize Access Road	Tender not met (The project was re-advertised on the 29th of March 2019, it is on procurement phase)	100%	100%	Construct 2.1kms of new access road Mkhize Access Road	Target Achieved: 100% Completion Mkhize Access Road (Construct 2.1kms of new access Road)	ACHIEVED	N/A	N/A	Q2: Appointment letter, Q3: Progress report Q4: Practical Completion Certificate	Umzumbe Municipality- Technical Services
					2 285 109.85		0			2 285 109.85	R 2 253 425.11					
				Percentage completion of access road constructed	100 % completion of Mpelazwe Access Road (Construct 2.3 kms)	(Construct 1.5 kms of new access road Mpelazwe Access Road)	Target not met (The project was re-advertised on the 29th of March 2019, it is on the procurement phase)	100%	25%	100 % completion of Mpelazwe Access Road (Construct 2.3 kms)	Target Not Achieved: 60 % completion of Mpelazwe Access Road (Construct 2.3 kms)	NOT ACHIEVED	Due to National Lockdown the contractor could not meet the target	The contractor to work long hours and add resources to recover time lost during National Lockdown, project to be completed in quarter 3 of 2020/2021 FY.	Q3: Progress Report Q4: Practical Completion Certificate	Umzumbe Municipality- Technical Services
					R 2 885 756.74	R1 803 619.65	R163 990.05			R 2 885 756.74	R 1 741 113.43					
				Percentage of Roads Regravellled and Stormwater	100% Completion of 3km LIC road construction on Shezi ward 17; Darkicity ward 19; Luthuli ward 18)	N/A	N/A	100%	25%	100% Completion of 3km LIC road construction on Shezi ward 17; Darkicity ward 19; Luthuli ward 18)	Target Not Achieved: 75% Completion of 3km LIC road construction on Shezi ward 17; Darkicity ward 19; Luthuli ward 18)	NOT ACHIEVED	Due to National Lockdown the contractor could not meet the target	The contractor to work long hours and weekends to recover time lost, project to be completed in quarter 1 of 2020/2021 FY.	Q2-Q3: Progress Report Q4: Close Out Report	Technical Services
					R3 944 221.07	N/A	N/A			R3 944 221.07	R 4 221 797.57					
		3.1.4	Construction and Maintenance of Sports facilities	100 % Completion	100 % Completion (Construction of Mnafu Hall)	Construction of Mnafu Hall	Target not met (Site Establishment:100%; Site clearing and removal of top soil (Hall & Toilet):100%; Earthworks and platform (Hall & Toilet):100%; Trenches excavation (Hall & Toilet): 100%;Blinding reinforcement Toilet: 100%; Blinding reinforcement Hall: 60%; Foundations brick work toilet:100 %; Brick work toilet: 30%; Access road:40%; Parking 60%)	100%	10%	100 % Completion (Construction of Mnafu Hall)	Target Not Achieved: 90 % Completion (Construction of Mnafu Hall)	NOT ACHIEVED	Due to National Lockdown the contractor could not meet the target	The contractor to work long hours and add resources to recover time lost during National Lockdown, project to be completed in quarter 1 of 2020/21FY.	Q1: Progress Report, Q2: Progress Report, Q3: Progress Report, Q4: Practical Completion certificate	Umzumbe Municipality: Technical Services Department
					R 3 528 982.41	R5 353 457.25	R5 353 457.25			R 3 528 982.41	R 2 952 541.45					
				100 % Completion	100 % Completion (Construction of Rossetenville Hall)	Construction of Rossetenville Hall	Target not met (The Contractor was appointed by end of March 2019, Site Establishment:100%; Site Clearing: 100%; Bulk Earthworks: 100%; Foundation trench: 100%; Blinding:100%; reinforcement on foundation:100%; Concrete footing:100%; Foundation walls: 100%; Soil poisoning:100%)	100%	24%	100 % Completion (Construction of Rossetenville Hall)	Target Not Achieved: 76 % Completion (Construction of Rossetenville Hall)	NOT ACHIEVED	Due to National Lockdown the contractor could not meet the target	The contractor to work long hours and add resources to recover time lost during National Lockdown, project to completed in quarter 2 of 2020/2021 FY.	Q1: Progress Report, Q2: Progress Report, Q3: Progress Report, Q4: Practical Completion certificate	Umzumbe Municipality: Technical Services Department
					R 9 393 740.56	R5 353 457.25	R5 353 457.25			R 9 393 740.56	R 4 090 208.22					
				Number of Community Halls	Securing 5 Community Halls (Burglar Guards) (Dunuse, Frankland, KwaFica, Mpumaza, Ngusa)	N/A	N/A	5	0	Securing 5 Community Halls (Burglar Guards) (Dunuse, Frankland, KwaFica, Mpumaza, Ngusa)	Target Achieved: 5 Community Halls are secured with burglar guards. Frankland Hall was replaced with Genyaneni due to service provider of Frankland financial challenges.	ACHIEVED	N/A	N/A	Q2-Q4 Report of Secured Facilities & GRN	Umzumbe Municipality-Social and Community Services
					R400 000.00	N/A	N/A			R400 000.00	R219 000.00					
				Number	4 Community facilities Repaired	Repairs of Community facilities	Target met: Reports are submitted (8 Facilities were repaired. Service provider is still working on the 9th hall (Shanini)	4	0	4 Community facilities Repaired	Target met: 4 Reports are submitted 6 Community halls were repaired i.e. Esibanini, KwaFica, KwaDunuse, KwaBhavu MPCC, Genyaneni & Frankland Halls	ACHIEVED	N/A	N/A	Q1-Q4: Report and GRN	Umzumbe Municipality-Social and Community Services
					R400 000.00	400000	R245 851.00			R400 000.00	R424 575.00					
				Date	Purchase of 1500 chairs and 75 tables (5 community Halls)	Purchase1200 chairs and 60 tables for 4 community halls.	Target met	5	5	Purchase of 1500 chairs and 75 tables (5 community Halls)	Target not achieved due to COVID 19 & lockdown	NOT ACHIEVED	Delays due to securing correct specification. Tender processes stopped due to Lockdown	This target will be integrated into 2020-2021 program and will be met by 30 December 2020	Q2: Appointment letter Q3: GRN	Umzumbe Municipality-Social and Community Services
					R 400 000.00	R400 000.00	R176 975.00			R 400 000.00	R0.00					
				Number	Constuction of Shelters	N/A	N/A	1	1	Constuction of Shelters	Target not met	NOT ACHIEVED	Project plan for implementation of project was effected by Covid 19, tender went out in Quarter 4 of 2019/2020 financial year	Project replanned to be completed in Quarter 3 of financial year 2020/2021	Q4: Completion Certificate	Umzumbe Municipality-Technical Services
					R 2 000 000.00	N/A	N/A			R 2 000 000.00	R 0.00					
		3.1.4	Construction and Maintenance of Sports facilities	Percentage Completion	Inkanini Indoor Sports Centre Phase 2: Complete100 % Building finishes and external work. Electricity and Wet Services connected	Inkanini Indoor Sports Centre Phase 2: Complete100 % 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 grabbing:100%; Earthworks: 100%; Groundfloor beams:48%; Ground floor columns:100% First floor beams:100%; First floor insitu slab:100%; Ground floor brickwork:100%; First floor brickwork:99% Plastering: 95%; Painting 25%; Ring beams 100%; Plumbing first fix:100%; Stormwater drainage: 90%; Apron slab:100%; External works (Driveway & Parking):85%; Septic tank:90%; Roof: 90%	100%	2%	Inkanini Indoor Sports Centre Phase 2: Complete100 % Building finishes and external work. Electricity and Wet Services connected	Target Not Achieved: Project 88% Construction Progress	NOT ACHIEVED	Due to National Lockdown the contractor could not meet the target	The contractor to work long hours and add resources to recover time lost during National Lockdown, project to be completed in quarter 1 of 2020/2021 FY.	Q1: Progress report, Q2: Practical completion certificate	Umzumbe Municipality- Technical Services
					R 10 942 094.82	R2 444 558.80	R4 893 708.69			R 10 942 094.82	R3 665 168.53					
				Percentage Completion of Sportfields Constructed	50% Completion of Ndumakude sportfield constructed	Ndumakude sportfield constructed	Target not met	50%	0%	50% Completion of Ndumakude sportfield constructed	Target met Progress achieved) 170%	ACHIEVED	N/A	N/A	Q3: Progress report, Q4: Progress report	Technical Services Department
					R3 765 798.64	R4 069 818.34	0			R3 765 798.64	R2 206 644.36					
				Number of Sportsfields	6 Sportsfields to be installed with poles and nets	N/A	N/A	6	2	6 Sportsfields to be installed with poles and nets	Target not Achieved: Out of the 6 Sports Field identified for installations only 4 were installed with poles and nets.	NOT ACHIEVED	This target was disturbed by National Lockdown	This target will be integrated into 2020-2021 program. It will be met by 30 December 2020	Q1 Report, Q2-Q4 GRN & Progress Reports	Umzumbe Municipality-Social and Community Services
					R300 000.00	N/A	N/A			R300 000.00	R101 100.00					

				Number of Sportsfields	Grass cutting (40 Sportsfields)	Sports Fields Maintenance (Grass cutting) : 40	Target met: 72 sports fields cutting	40	6	Grass cutting (40 Sportsfields)	Target not achieved. 34 sportsfields were cut.	NOT ACHIEVED	Grass cutting was not done for Easter Tournaments due to National Lockdown regulations	This target will be integrated into 2020-2021 program. It is an ongoing target.	Q2 - Q4 : Report and GRN	Umzumbe Municipality-Social and Community Services
					R 470 000.00	R350 000.00	R312 200.00			R 470 000.00	R198 650.00					
			Number	Construct Outdoor Sport Pitch: Inkaniini Sport Ground and Combo Courts	Construct Outdoor Sport Pitch: Inkaniini Sport Ground	Target not Met:	100%	33%	Construct Outdoor Sport Pitch: Inkaniini Sport Ground and Combo Courts	Target not Achieved: 67% (completion Inkaniini Sport Ground and Combo Courts)	NOT ACHIEVED	Due to National Lockdown the contractor could not meet the target	The contractor to work long hours and add resources to recover time lost during National Lockdown, project to be completed in quarter 2 of 2020/2021 FY.	Q3: Progress Report Q4:Practical completion certificate	Umzumbe Municipality- Technical Services	
				R 18 326 881.61	R9 254 340.77	R0.00			R 18 326 881.61	R 10 930 710.58						
3.1.5	Electrification of households and Street lights	Number of households connected	Mthwalume Phase 1: 150 households connected	Mthwalume Phase 1:150 Households connected	Target met: Mthwalume Phase 1:150 Households connected	150	0	Mthwalume Phase 1: 150 households connected	Target Met household connected	(150 households connected)	ACHIEVED	N/A	N/A	Q2: Final Completion Certificate	Umzumbe Municipality- Technical Services	
			R187 500.00	R4 955 000.00	R3 670 236.76			R187 500.00	R 0.00							
		Number of households connected	Magwaza Phase 2: 397 households connected	Magwaza Phase 2: 397 households connected	Magwaza Phase 2: (300 households connected but not yet emeregised, a total of 397 household to be connected and emeregised on the next outage date of 31 August 2019)	397	0	Magwaza Phase 2: 397 households connected	Target Met household connected	(397 households connected)	ACHIEVED	N/A	N/A	Q2: Final Completion Certificate	Umzumbe Municipality- Technical Services	
			R1 384 429.33	R8 540 570.67	R8 633 786.73			R1 384 429.33	R 1 475 817.75							
		Number of completed households connected	Isiphofu Phase 2: 334 households connection	N/A	N/A	334	0	Isiphofu Phase 2: 334 households connection	Target Not Achieved: 42% Completion (334 households connected)		NOT ACHIEVED	Due to National Lockdown the contractor could not meet the target	The contractor to work long hours and add resources to recover time lost during National Lockdown, project to be completed in quarter 2 of 2020/2021 FY.	Q2 Progress report, Q3 Progress report Q4: Completion certificate	Umzumbe Municipality- Technical Services	
			R10 000 000.00	N/A	N/A			R10 000 000.00	R 1 510 714.43							
		Number of completed households connected	Isiphofu Phase 1: 500 households connection	N/A	N/A	500	0	Isiphofu Phase 1: 500 households connection	Target Not Achieved: 55% Completion (500 households connected)		NOT ACHIEVED	Due to National Lockdown the contractor could not meet the target	The contractor to work long hours and add resources to recover time lost during National Lockdown project to be completed in quarter 2 of 2020/2021 FY.	Q2 Progress report, Q3 Progress report Q4: Completion certificate	Umzumbe Municipality- Technical Services	
			R13 428 070.67	N/A	N/A			R13 428 070.67	R 7 085 271.41							
		Number of Reports	Eskom Electrification Reports	Eskom Electrification reports	Target Achieved: 4 quarterly progress report from Eskom recieved	4	0	Eskom Electrification Reports	Target met		ACHIEVED	N/A	N/A	Q1-Q4: Progress Reports	Umzumbe Municipality- Technical Services	
			N/A	N/A	N/A			N/A	N/A							
3.1.6	Provision of Free Basic Electricity	Number of reports on tokens distributed	4 Claims Reports on Tokens Distributed	4 Reports on Tokens Distributed	Target met: 4 claims reports are submitted .	4	0	4 Claims Reports on Tokens Distributed	Target not Achieved: Claims Report on Tokens Distributed is submitted, however POE was not submitted.		NOT ACHIEVED	Project was not smart, Insufficient POEs were submitted	SMART Principles to be applied when crafting projects for the 2020/21	Q1-Q4: Invoices , claims report & EXCO Resolutions	Umzumbe Municipali:Social and Community Services	
			R2 220 000.00	R2 650 000.00	R1 955 320.20			R2 220 000.00	R2 124 988.96							
		Number of HH	Gel and Stoves Provision to 130 HH	Gel and Stoves Provision: 300 HH and 300 Stoves	Target met 300 households benefited quarterly.	130	0	Gel and Stoves Provision to 130 HH	Target not Achieved: 130 Indigent Households Provided with Gel & Stoves for quarter 1 and 2.		NOT ACHIEVED	Delays in appointment of service providers (Q3 &4) due to National Lockdown	Stoves and Gel distribution for quarters 3 and 4 was done on 02 July 2020.	appointment letter Q3-Q4: Distribution Register, GRN	Umzumbe Municipali:Social and Community Services	
			R 250 000.00	R400 000.00	R427 700.00			R 250 000.00	R270 400.00							
3.1.7	Solid Waste /Refuse removal	Number of collections twice a month	Solid Waste Collection: 200 collections	Solid Waste Collection: 200 collections	Target met 300 solid waste collections achieved	200	0	Solid Waste Collection: 200 collections	Target Achieved: Solid Waste Collection: 216 collections		ACHIEVED	N/A	N/A	Collection register (Q1-Q4)	Umzumbe Municipality-Technical Services	
			N/A	R290 000.00	R146 863.09			R400 000.00	R 190 234.24							
3.1.8	Facilitation and project management of rural housing development	Number of Reports	4 Reports (On the construction of 60 Houses-Nhangwini)	N/A	N/A	4	0	4 Reports (On the construction of 60 Houses-Nhangwini)	Target Achieved: 4 Reports (On the construction of 60 Houses-Nhangwini)		ACHIEVED	N/A	N/A	Q1-Q4 Reports	Umzumbe Municipality- Technical Services	
			N/A	N/A	N/A			N/A	N/A							
		Number of Reports	4 Reports (On the construction of 100 Houses-Cluster C Phase 1)	N/A	N/A	4	0	4 Reports (On the construction of 100 Houses-Cluster C Phase 1)	Target Achieved: 4 Reports (On the construction of 100 Houses-Cluster C Phase 1)		ACHIEVED	N/A	N/A	Q1-Q4 Reports	Umzumbe Municipality-Technical Services	
			N/A	N/A	N/A			N/A	N/A							
		Number of Reports	4 Reports (On the construction of 100 Houses Constructed cluster B Phase 2)	N/A	N/A	4	0	4 Reports (On the construction of 100 Houses Constructed cluster B Phase 2)	Target Achieved: 4 Reports (On the construction of 100 Houses Constructed cluster B Phase 2)		ACHIEVED	N/A	N/A	Q1-Q4 Reports	Umzumbe Municipality-Technical Services	
			N/A	N/A	N/A			N/A	N/A							
		Number of Reports	Progress Reports (on the Approval 1283 Housing Units for Cluster A Phase 2)	N/A	N/A	4	0	Progress Reports (on the Approval 1283 Housing Units for Cluster A Phase 2)	Target Achieved: Progress Reports (on the Approval 1283 Housing Units for Cluster A Phase 2)		ACHIEVED	N/A	N/A	Q1-Q4 Reports	Umzumbe Municipality-Technical Services	
			N/A	N/A	N/A			N/A	N/A							
		Number of Reports	Progress Reports (100 Houses Constructed for Cluster D Phase 2)	N/A	N/A	4	0	Progress Reports (100 Houses Constructed for Cluster D Phase 2)	Target Achieved: Progress Reports (100 Houses Constructed for Cluster D Phase 2)		ACHIEVED	N/A	N/A	Q1-Q4 Reports	Umzumbe Municipality-Technical Services	
			N/A	N/A	N/A			N/A	N/A							

4	LOCAL ECONOMIC DEVELOPMENT																
Vibrant and Inclusive Rural Economy	4.1	Restore and preserve local history and cultural development (Tourism, Art and Craft)	4.1.1	Identification and development of Tourism sites	Date	Ntelesi Msane commemoration by 31 March 2020 R 571 340.00	Ntelesi Msane commemoration by 31 March 2019 R339 000.00	Target Met R288,095.00	1	1	Ntelesi Msane commemoration by 31 March 2020 R 571 340.00	Target not achieved R 0.00	NOT ACHIEVED	COVID19 Restrictions informed by the spread of the contagion and mortality rate	To be staged in third Quarter 2020/2021 financial year by means of physical contact (subject to the lifting of restrictions) or alternatively by means of virtual engagement	Q3: Concept document and Close out report	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
					Date	Izivivane Senkosi uShaka a heritage event by 30 June 2020 R 531 300.00	Izivivane Senkosi uShaka a heritage event by 30 June 2019 R429 000.00	Target Achieved R244,214.05	1	1	Izivivane Senkosi uShaka a heritage event by 30 June 2020 R 531 300.00	Target not achieved R 0.00	NOT ACHIEVED	COVID19 Restrictions informed by the spread of the contagion and mortality rate	To be staged in fourth Quarter 2020/2021 financial year by means of physical contact (subject to the lifting of restrictions) or alternatively by means of virtual engagement	Q4: Concept document and Close out report	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
					Date	Reviewed SLA for South Coast Tourism by 31 December 2019 and Ugu South Coast Development Agency by 31 March 2020 R 1 300 000.00	SLA SCT and USCDA by 31 March 2019 R1 130 000.00	Target Achieved R 1,099,567.70	2	0	Reviewed SLA for South Coast Tourism by 31 December 2019 and Ugu South Coast Development Agency by 31 March 2020 R 1 300 000.00	Target achieved, The SLAs were signed 14 February 2020 R1 241 368.08	ACHIEVED	N/A	N/A	Signed SLAs	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
					Date	Co-ordinate Umzumbi Beach Festival by 30 June 2020 R 412 164.00	Turton Beach Festival by 31 December 2018 R335 000.00	Target Achieved R417,000	1	0	Co-ordinate Umzumbi Beach Festival by 30 June 2020 R 412 164.00	Target achieved, Umzumbi Beach Festival was held on 5 January 2020 R361 600.00	ACHIEVED	N/A	N/A	Concept Document and Close out report	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
					Number	Co-ordinate and facilitate 4 LED Forums by 30 June 2020 N/A	3 LED Forums N/A	Target not met N/A	4	0	Co-ordinate and facilitate 4 LED Forums by 30 June 2020 N/A	Target not achieved N/A	NOT ACHIEVED	Huge labour turn-over in LED Department which has resulted to the non-staging of the LED Forum Meeting	LED Forum is scheduled to be staged in July 2020	Q1-Q4Minutes & attendance Registers	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
					Date	Reviewal of LED Strategy R0.00	N/A N/A	N/A N/A	1	1	Reviewal of LED Strategy R0.00	Target not achieved R0.00	NOT ACHIEVED	Huge labour turn-over in LED Department which has resulted to the non- reviewal of LED Strategy	To be reviewed before 30/06/2021	Q4: Advert	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
					Date	Grant in aid Policy by 31 December 2019 N/A	N/A N/A	N/A N/A	1	1	Grant in aid Policy by 31 December 2019 N/A	Target not achieved N/A	NOT ACHIEVED	Awaiting the adoption of business policy	To be achieved by August 2020	Q2: Resolution	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
					Date	Isicathamiya by 30 June 2020 R 700 000.00	Isicathamiya by 30 June 2019 R603 000.00	Target met. R603,000.00	1	1	Isicathamiya by 30 June 2020 R 700 000.00	Target not achieved 0	NOT ACHIEVED	COVID19 Restrictions informed by the spread of the contagion and mortality rate	To be staged in fourth Quarter 2020/2021 financial year by means of physical contact (subject to the lifting of restrictions) or alternatively by means of virtual	Q4: Concept Document, and close out report	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
					Number	4 Crafters supported R 265 000.00	Arts and Craft Development: 4 R350 000.00	Target Met R208,486.80	4	4	4 Crafters supported R 265 000.00	Target not achieved 0	NOT ACHIEVED	Huge labour turn-over in LED Department which has resulted to the non achieving the target	To be achieved before 30 June 2020	Q1: Report, Appointment letter and Distribution list, attendance register and photos	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
					Date	Talent Search (Music) Competition by 31 December 2019 R 300 000.00	N/A N/A	N/A N/A	1	0	Talent Search (Music) Competition by 31 December 2019 R 300 000.00	Target achieved, Talent Search (Music) Competitions was held on 13 December 2020 at Eshlonyaneni Community hall R280 000.00	ACHIEVED	N/A	N/A	Q2: Criteria report, Attendance register and judges score sheets and close out report.	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
					Number	5 Training of local contractors R 100 000.00	N/A N/A	N/A N/A	5	0	5 Training of local contractors R 100 000.00	Target achieved, 5 local contractors were trained R76 500.00	ACHIEVED	N/A	N/A	Attendance register , training manual and report	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
					Number	5 Training of local Caters R 100 000.00	N/A N/A	N/A N/A	5	0	5 Training of local Caters R 100 000.00	Target achieved, 5 local caterers were trained R0.00	ACHIEVED	N/A	N/A	Attendance register , training manual and report	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit
	Number	SMME Incubation Project: 4 SMMEs R 790 000.00	SMME Incubation Project: 5 SMMEs R900 000.00	Target Met R597,793.00	4	4	SMME Incubation Project: 4 SMMEs R 790 000.00	Target not achieved R0.00	NOT ACHIEVED	COVID19 Restrictions and Treasury directives halted the continuation of the process	To be achieved by 30 June 2021	Q1 Advert on local newspaper Q3: Distribution list	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit				
	Date	Market Stalls Maintenance R 50 000.00	N/A N/A	N/A N/A	1	0	Market Stalls Maintenance R 50 000.00	Target achieved, Market stalls were maintained by 31 March 2020 35000	ACHIEVED	N/A	N/A	Q4: GRN & Photos	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit				
	Number	Support of 4 Co-ops R 600 000.00	Support of 4 Co-ops R800 000.00	Target Met R98 500.00	4	4	Support of 4 Co-ops R 600 000.00	Target not achieved R0.00	NOT ACHIEVED	COVID19 Restrictions and Treasury directives halted the continuation of the process	To be achieved by 30 June 2021	Q1: Report Q3:Distribution list Q4:Distribution list	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit				
	Number of HH	ONE HOME ONE GARDEN -- 100HH Watering can, wheelbarrow, spade, fork, hoe R 300 000.00	Distribution of seeds and Garden tools R200 000.00	Target Met R200 000.00	100	0	ONE HOME ONE GARDEN -- 100HH Watering can, wheelbarrow, spade, fork, hoe R 300 000.00	Target Achieved, Watering can, wheelbarrow, spade, fork, hoe distributed to 100 Households R178 000.00	ACHIEVED	N/A	N/A	Q2-Q3: Distribution register.	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit				
	Date	Umzumbi Business fair by 30 June 2020 R 161 800.00	N/A N/A	N/A N/A	1	1	Umzumbi Business fair by 30 June 2020 R 161 800.00	Target not achieved R0.00	NOT ACHIEVED	COVID19 Restrictions informed by the spread of the contagion and mortality rate	Reprioritised for the 2020/2021 financial year, the project is budgeted for and will be staged in the 3th Quarter	Q4: Attendance register	Umzumbi Municipality-Office of the Municipal Manager/ LED Unit				

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Support and protect the rights of vulnerable groups in the society

Date	Umzumbé Matric High Achievers	Umzumbé Matric High Achievers	Target Achieved: Matric Awards was held on 01 February 2019 at St. Faiths Hall, Ward 02	1	0	Umzumbé Matric High Achievers	Target Achieved: Umzumbé Matric High Achievers was held on 28 January 2020 at ST Faiths community hall, ward 2	ACHIEVED	N/A	N/A	Q3: Attendance Register and Programme	Office of the Municipal Manager/ Youth Development
	R 206 696.00	R94 500.00	R90 659.68			R 206 696.00	R90 659.68					
Date	Umzumbé Youth Development Summit	Umzumbé Youth Development Summit	Target Achieved: Umzumbé Youth Development Summit was held on 16 March 2019 at Blue Marlin Hotel	1	0	Umzumbé Youth Development Summit	Target Achieved: Umzumbé Youth Development Summit was held on 7-8 February 2020 at Karriedene hotel	ACHIEVED	N/A	N/A	Q3: Attendance Register and Programme	Office of the Municipal Manager/ Youth Development
	R 125 970.00	R73 000.00	R73 000.00			R 125 970.00	R216 317.20					
Date	Mayoral Cup Games	Mayoral Cup Games	Annual Target was met	1	1	Mayoral Cup Games	Target Not Achieved:	NOT ACHIEVED	Mayoral Cup was postponed due to National Lockdown as gatherings were prohibited.	Mayoral Cup will be implemented in the 2020/21 FY during Q4	Q4: Attendance and Programme	Office of the Municipal Manager/ Youth Development
	R 738 720.00	R387 000.00	R420 170.00			R 738 720.00	R0.00					
Date	Youth Day Commemoration /Youth Month Programme by 30 June 2020	Youth Day Commemoration /Youth Month Programme by 30 June 2019	Annual Target was met	1	1	Youth Day Commemoration /Youth Month Programme by 30 June 2020	Target Not Achieved:	NOT ACHIEVED	Youth Day Commemoration was postponed due to National Lockdown as gatherings were prohibited	Youth Day Commemoration will be implemented in the next FY during Q4	Q4: Attendance Register and Programme	Office of the Municipal Manager/ Youth Development
	R 342 020.00	R322 500.00	R286 550.00			R 342 020.00	R0.00					
Number	10 Youth Council Meetings	10 Youth Council Meetings	Target not Met	10	6	10 Youth Council Meetings	Target Not Achieved: Only four youth Council meetings sat	NOT ACHIEVED	1.Gatherings postponed due to National Lockdown Regulations. Secondly the YC meetings had quorum challenges	Reschedule meetings and implement after Lockdown restrictions are uplifted. The newly elected YC has committed to sit on all scheduled meetings	Q1-Q4: Attendance Register and Minutes	Office of the Municipal Manager/ Youth Development
	R 30 600.00	R30 000.00	R4 400.00			R 30 600.00	R30 600.00					
Number	10 Sport Confederation Meetings	10 Umzumbé Sport Confederation Meetings	Target not Met	10	6	10 Sport Confederation Meetings	Target Not Achieved: only four Sport confederation meetings sat	NOT ACHIEVED	1.Gatherings postponed due to National Lockdown Regulations. Secondly the SC meetings had quorum challenges	Reschedule meetings and implement after Lockdown restrictions are uplifted. The newly elected SC has committed to sit on all scheduled meetings	Q1-Q4: Attendance Register and Minutes	Office of the Municipal Manager/ Youth Development
	R 30 600.00	R30 000.00	R6 400.00			R 30 600.00	R30 600.00					
Number	4 Disability Forum Meetings	4 Disability Forum Meetings	Target met	4	1	4 Disability Forum Meetings	Annual Target was not achieved. Only 3 meetings sat in 2019/2020 FY	NOT ACHIEVED	1.Gatherings postponed due to National Lockdown Regulations and that affected Q4 meeting	The Q4 forum meeting is moved to 2020/2021 FY Q4	Q1-Q4: Attendance Register and Minutes	Office of the Municipal Manager/ Special Programmes Unit
	R 31 800.00	R30 000.00	R19 131.00			R 31 800.00	R9 200.00					
Date	Disability Training sign language	N/A	N/A	1	1	Disability Training sign language	Annual Target was not achieved	NOT ACHIEVED	The project was not budgeted for	The project has been moved to 2020/2021 FY in Q 2	Attendance Register and Programme	Office of the Municipal Manager/ Special Programmes Unit
	R 160 000.00	N/A	N/A			R 160 000.00	R0.00					
Date	Disability Day & Awareness	Disability Day & Awareness	Target met	1	1	Disability Day & Awareness	Target was not achieved	NOT ACHIEVED	There was a clash of events and it was cancelled	The project has been moved to 2020/2021 FY in Q 2	Q1: Program,Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
	R169 600.00	R40 000.00	R108 600.00			R169 600.00	R0.00					
Date	Disability Sports Day	Disability Sports Day	Target was met at Mpiasane Sportground on 19 June 2019.	1	0	Disability Sports Day	Target Achieved in 2018/19 FY	ACHIEVED	N/A	N/A	Q1: Programme and Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
	R 153 300.00	R135 000.00	R69 900.00			R 153 300.00	R0.00					
Number	2 Traditional Healers Training	N/A	N/A	2	0	2 Traditional Healers Training	Target was not achieved	NOT ACHIEVED	The project was not budgeted for	the project was removed in the SDBIP	Q1 & Q3: Program,Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
	R 120 000.00	N/A	N/A			R 120 000.00	R0.00					
Date	Traditional Healers Day	N/A	N/A	1	1	Traditional Healers Day	Target was not achieved	NOT ACHIEVED	the project was not budgeted for	the project was removed in the SDBIP	Q1: Program,Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
	R 180 000.00	N/A	N/A			R 180 000.00	R0.00					
Date	World AIDS day	World AIDS day	Target Met on 29 November 2018 at Nogoduka Sportground.	1	0	World AIDS day	Target was achieved. The event was held on the 5th of Dec with DSDKZN	ACHIEVED	N/A	N/A	Q2: Program,Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
	R 61 015.07	R16 600.00	R121 000.00			R 61 015.07	R0.00					
Number	4 LAC Meetings	4 LAC Meetings	Target not met 3 meetings held	4	3	4 LAC Meetings	The annual target was not met. 1 LAC meeting sat	NOT ACHIEVED	The last quarter meeting did not sit due to COVID 19. Secondly other 2 meetings were cancelled due to quorum	The meetings are going to be done but were removed from SDBIP 20/21 because they were deemed as not smart by the Unit	Q1-Q4: Attendance Register and Minutes	Office of the Municipal Manager/ Special Programmes Unit
	R 31 800.00	N/A	N/A			R 31 800.00	R18 500.00					
Number	4 Traditional Healers Forum Meetings	Forum on traditional healers (HIV/AIDS)	Target not only 3 meetings set	4	1	4 Traditional Healers Forum Meetings	Annual target was not achieved, only 3/4 were achieved	NOT ACHIEVED	The last quarter meeting did not sit due to COVID 19	The meetings are going to be done but were removed from SDBIP 20/21 because they were deemed as not smart by the Unit	Q1-Q4: Attendance Register and Minutes	Office of the Municipal Manager/ Special Programmes Unit
	R 40 000.00	R40 000.00				R 40 000.00	R9 200.00					
Number	4 HIV & AIDS Awareness Campaigns	5 HIV & AIDS Awareness Campaigns by 31 March 2019	Target met 7/5 held	4	2	4 HIV & AIDS Awareness Campaigns	Annual target was not achieved due to COVID 19, only 2/4 were achieved	NOT ACHIEVED	The last quarter meeting did not sit due to COVID 19	All awareness campaigns will be integrated to Mayoral Radio slots until the COVID 19 curve is flattened	Q1-Q4: Programme and Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
	R0.00	N/A	N/A			R0.00	N/A					
Number	4 Traditional Healers meetings	N/A	N/A	4	4	4 Traditional Healers meetings	Annual target was not achieved	NOT ACHIEVED	Management resolved that the project was not SMART, as it was a duplication of the Traditional Healers Forum Meetings	Project to be removed on the SDBIP	Concept Document, Program,Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
	R 11 900.00	N/A	N/A			R 11 900.00	R1 700.00					
Number	4 Umzumbé Inter-faith Forum and Induction	Umzumbé inter-faith Forum and Induction by 30 September 2018	Target met	4	0	4 Umzumbé Inter-faith Forum and Induction	Annual Target was achieved, 4 Umzumbé Inter-faith Forum and Induction were held.	ACHIEVED	N/A	N/A	Q1 & Q4: Program, Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
	R 31 800.00	R60 000.00				R 31 800.00	R1 750.00					
Date	16 Days of Activism	16 Days of Activism	Annual Target was met	1	0	16 Days of Activism	Target was achieved, 16 Days of Activism was held on 1 December 2019 at Hlokozi Sports ground	ACHIEVED	N/A	N/A	Q2: Program, Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
	R 61 015.07	R100 000.00	R87 893.00			R 61 015.07	R0.00					

Clean Governance, Comprehensive Public Participation and Accountability					5.2.4	Implementing Gender Programmes	Date	Isithangami samadoda	N/A	N/A	1	0	Isithangami samadoda	Target was achieved, Isithangami samadoda was held on 30 August 2019 at ST Faiths community hall	ACHIEVED	N/A	N/A	Q1: Program, Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
						R 72 999.00	N/A	N/A			R 72 999.00	R46 000.00							
					Date	Ukudodiswa kwabafana	N/A	N/A	1	0	Ukudodiswa kwabafana	Target was achieved, Ukudodiswa kwabafana was held on 26 November 2019 at Estinini community hall	ACHIEVED	N/A	N/A	Q1: Program, Attendance Register	Office of the Municipal Manager/ Special Programmes Unit		
						R 159 280.00	N/A	N/A			R 159 280.00	R129 040.00							
					Number	4 Gender Forum Meetings	4 Gender Forum Meetings	Target not met	4	2	4 Gender Forum Meetings	Annual Target was not achieved only 2/4 were done	NOT ACHIEVED	Lack of capacity in Special Programmes Unit due to vacancy in Q3 and Covid 19 in Q4	To be done in 2020/21 financial year all quarters	Q1-Q4: Attendance Register and Programme	Office of the Municipal Manager/ Special Programmes Unit		
						R 21 200.00	R40 000.00	R0.00			R 21 200.00	R0.00							
					5.2.5	Implementing Senior Citizens Programmes	Date	Selections and Trainings of Senior Citizens in Clusters	Selections and Trainings of Senior Citizens in Clusters	Target was met	1	1	Selections and Trainings of Senior Citizens in Clusters	Annual target was not achieved due to COVID 19	NOT ACHIEVED	The annual target was not achieved due to COVID 19	The target has been moved to 2020/2021 FY in Q4	Q3: Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
								R 95 400.00	R70 000.00	R61 243.00			R 95 400.00	R0.00					
							Date	Final Selections	Final Selections	Target met: Final selections held at Mantlanyeni sports ground on 12 June 2019	1	1	Final Selections	Annual Target not achieved	NOT ACHIEVED	The annual target was not achieved due to COVID 19	The target has been moved to 2020/2021 FY in Q4	Q4: Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
								R 95 000.00	R95 000.00				R 95 000.00	R0.00					
							Date	Provincial Golden Games	Provincial Golden Games	Target met and expenditure	1	0	Provincial Golden Games	The target was met, Provincial Golden Games were held on 10-12 September 2020 at UGU Sports and leisure	ACHIEVED	N/A	N/A	Q1: Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
								R77 900.00	R68 700.00	R66 181.02			R77 900.00	R74 560.00					
							Date	Local Golden Games	District Golden Games	Target was met	1	1	Local Golden Games	Annual target was not met due to COVID19	NOT ACHIEVED	Annual target was not met due to COVID19	The target has been moved to 2020/2021 FY in Q4	Q4: Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
								R 181 620.00	R150 000.00	R141 267.11			R 181 620.00	R0.00					
							Date	National Golden Games	National Golden Games	Target met	1	0	National Golden Games	Target was met, National Golden Games were held on 18-26 October 2019 at Port Elizabeth, Eastern Cape	ACHIEVED	N/A	N/A	Program,Attendance Register/invitation	Office of the Municipal Manager/ Special Programmes Unit
								R 85 000.00	R25 000.00	R25 000.00			R 85 000.00	R5 674.11					
							Date	Back to School Campaign by 28 February 2020	Back to School Campaign by 28 February 2018	Target Met: Back to School Campaign held on 13 March 2019.	1	1	Back to School Campaign by 28 February 2020	Target Not Achieved. The project clashed with organisational strat plan	NOT ACHIEVED	The programme has been cancelled due heavy schedule from schools	The project has to be removed from the SDBIP	Q3: Program and Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
								R 37 100.00	R35 000.00	R23 040.00			R 37 100.00	R0.00					
					5.2.6	Implement Children Programmes	Date	Mini Umkhosi womhlanga	N/A	N/A	1	0	Mini Umkhosi womhlanga	Target was met, Mini Umkhosi womhlanga was held on 24-26 August 2019 at KwaDweeshula Sports Ground	ACHIEVED	N/A	N/A	Q1: Program and Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
								R 206 600.00	N/A	N/A			R 206 600.00	R191 000.00					
							Date	Umkhosi Womhlanga by 30 September 2019	N/A	N/A	1	0	Umkhosi Womhlanga by 30 September 2019	Target was met, Umkhosi Womhlanga was held on 6-8 September 2019 at KwaNongoma, eNyakeni Palace	ACHIEVED	N/A	N/A	Q1: Program and Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
								R 242 620.00	N/A	N/A			R 242 620.00	R215 296.18					
							Date	Training of Onomhelo	N/A	N/A	1	0	Training of Onomhelo	Target was met, Training of Onomhelo was conducted on 13 August 2019 at KwaNdelu Traditional Authority	ACHIEVED	N/A	N/A	Q1: Program and Attendance Register	Office of the Municipal Manager/ Special Programmes Unit
								R 27 500.00	N/A	N/A			R27 500.00	R21 500.00					
							Number	4 Right of a Child Forum Meetings	4 Right of a Child Forum Meetings	Target not met	4	4	4 Right of a Child Forum Meetings	annual target not achieved. 0 meetings sat	NOT ACHIEVED	The annual target was not achieved due to COVID 19. Secondly the ROC meetings were not coordinated due to staff shortage	The Unit has removed meetings from SDBIP as they were deemed not smart targets	Q1-Q4: Attendance Register and minutes	Office of the Municipal Manager/ Special Programmes Unit
								R 31 800.00	R40 000.00	R40 000.00			R 31 800.00	R0.00					
							Date	Chistmas party for OVC 31 December 2019	N/A	N/A	1	0	Chistmas party for OVC 31 December 2019	Annual target achieved, Chistmas party for OVC was done on 18 January 2020 at Carousel Holiday Resort	ACHIEVED	N/A	N/A	Q3: GRN, Attendance Register and Expenditure report	Office of the Municipal Manager/ Special Programmes Unit
								R 85 600.00	N/A	N/A			R 85 600.00	R59 620.00					
5.3	Well established mechanisms to enhance public participation				5.3.1	Support Ward Committee and Organized Local structures	Percentage	100% Payment ward committees paid stipend	100% Payment ward committees paid stipend	Target was met	100%	0%	100% Payment ward committees paid stipend	Annual target was achieved, 100% Payment of ward committees paid	ACHIEVED	N/A	N/A	Q1-Q4: Schedule of payment, and GRN	Office of the Municipal Manager/ Speakers Office
								R 2 448 000.00	R2 448 000.00	R2 025 950			R 2 448 000.00	R2 075 000.00					
							Date	Training of Ward Committees by 31 December 2019	Training of Ward Committees by 31 December 2018	Target Met	1	0	Training of Ward Committees by 31 December 2019	Annual target achieved, 19-20 August 2019 (Margate Hotel), 22-23 August 2019 at Blue Martin Hotel Hotel	ACHIEVED	N/A	N/A	Attendance Register and Training manual	Office of the Municipal Manager/ Speakers Office
								R 470 000.00	R430 000.00	R475 150.00			R 470 000.00	R552 545.00					
							Number	240 ward committee meetings held	240 ward committee meetings	Target met 240/240	240	60	240 ward committee meetings held	180 out of 240 meetings held	NOT ACHIEVED	The annual target was not achieved due to COVID 19	The target has been moved to 2020/2021 in Q4	Q1-Q4: Attendance Register and Minutes	Office of the Municipal Manager/ Speakers Office
								N/A	N/A	N/A			N/A	N/A					
							Number	4 Ward Committee Meetings Report	80 Community meetings (one meeting per ward per quarter)	Target was met 80/80 meetings held	4	1	4 Ward Committee Meetings Report	3 out of 4 reports tabled to Council	NOT ACHIEVED	The annual target was not achieved due to COVID 19	The target has been moved to 2020/2021 in Q4	Q1-Q4: Council Resolution	Office of the Municipal Manager/ Speakers Office
								N/A	N/A	N/A			N/A	N/A					
							Number	80 Community meetings (one meeting per ward per quarter)	4 Ward Committee Meetings Report	Target was met 4/4 Reports adopted	80	22	80 Community meetings (one meeting per ward per quarter)	58 out of 80 Community meetings were held	NOT ACHIEVED	The annual target was not achieved due to COVID 19	The target has been moved to 2020/2021 Q4	Q1-Q4: Minutes and Attendance Register	Office of the Municipal Manager/ Speakers Office
								N/A	N/A	N/A			N/A	N/A					

						Number	Review 20 Ward Plans	Review 20 Ward Plans	Target met: 20/20 Plans reviewed	20	0	Review 20 Ward Plans	The annual target was met. 20 Ward Plans were reviewed	ACHIEVED	N/A	N/A	Q2-Q3: Council Resolution	Office of the Municipal Manager/ Speakers Office
							R 105 000.00	R90 000.00	R93 000.00			N/A	R83 560.00					
						Number	4 Reports: Operation Sukuma Sakhe LTT Meetings	4 Reports: Operation Sukuma Sakhe LTT Meetings	Target not met:	4	0	4 Reports: Operation Sukuma Sakhe LTT Meetings	Target met: 4 reports are submitted but the program has challenges of none attendance.	ACHIEVED	N/A	N/A	Q1-Q4: Reports	Social Development & Community Services
							N/A	N/A	R0.00			N/A	N/A					
						Number	Moral Regeneration: 2 Drug and substance abuse awareness campaigns	Moral Re-Generation Campaign	Target met: campaign was conducted	2	0	Moral Regeneration: 2 Drug and substance abuse awareness campaigns	Target Achieved. Interventions were done at Mantlanyeni ward 9 and Cabhane ward 16.	ACHIEVED	N/A	N/A	Q2: GRN Q3: Close out reports and GRN	Social and Community Services
							R235 000.00	R120 000.00	R86 700.00			R235 000.00	R101 150.00					
						Number	4 Audit Committee meetings	4 Audit Committee meetings	Target Met: 5 Audit Committee meetings were held in the 2018/19 FY	4	0	4 Audit Committee meetings	Target met: 6 Audit/Performance Audit Committee meetings were held in 2019/2020 FY	ACHIEVED	N/A	N/A	Q1-Q4: Attendance Register and Agenda	Office of the Municipal Manager/ Internal Audit
							N/A	N/A	N/A			N/A	N/A					
						Number	4 Audit Committee reports submitted to council	4 Audit Committee reports submitted to council	Target Not Met: 1 report were submitted to Council by the Audit Committee in January.	4	0	4 Audit Committee reports submitted to council	Target not met: 2 AC reports were submitted to council	NOT ACHIEVED	The contract of the chairperson expired in December 2019 and was only replaced in Q 4.	The new chairperson to submit reports to council quarterly.	Council Resolution	Office of the Municipal Manager/ Internal Audit
							N/A	N/A	N/A			N/A	N/A					
						Date	Approved Internal Audit Plan for 2020/2021 by 30 June 2020	Approved Internal Audit Plan by 30 September 2018	Target met	1	0	Approved Internal Audit Plan for 2020/2021 by 30 June 2020	Target met: The Internal Audit plan was approved by the AC on the 24 June 2020	ACHIEVED	N/A	N/A	Audit Committee Agenda and the Internal Audit Plan	Office of the Municipal Manager/ Internal Audit
							N/A	N/A	N/A			N/A	N/A					
						Date	Approved Audit Committee Charter by 30 September 2019	Approved Audit Committee Charter by 30 September 2018	Target met	1	0	Approved Audit Committee Charter by 30 September 2019	Target Met The AC Charter was approved in August 2019.	ACHIEVED	N/A	N/A	Audit Committee Agenda and Audit Charter	Office of the Municipal Manager/ Internal Audit
							N/A	N/A	N/A			N/A	N/A					
						Date	Approved Internal Audit Charter by 30 September 2019	Approved Internal Audit Charter by 30 September 2018	Target met	1	0	Approved Internal Audit Charter by 30 September 2019	Target Met The IA Charter was approved in August 2019.	ACHIEVED	N/A	N/A	Audit Committee Resolution	Office of the Municipal Manager/ Internal Audit
							N/A	N/A	N/A			N/A	N/A					
						Number	4 Monitoring reports on the implementation of recommendations by management	4 Monitoring reports on the implementation of recommendations by management	Target not met: Follow-ups were note conducted in all 4 quarters.	4	2	4 Monitoring reports on the implementation of recommendations by management	Target not met: 2 out 4 reports were completed	NOT ACHIEVED	1. The IA unit was understaffed in the first quarter. 2. Delays encountered during the execution of IA reviews due to lack of cooperation from management lead to some of the reviews not being completed.	The unit has opted to outsource some of the reviews in 2020/2021 to ensure that all planned work is completed.	Q1-Q4 Audit Committee Reports and Minutes of the Audit Committee	Office of the Municipal Manager/ Internal Audit
							N/A	N/A	N/A			N/A	N/A					
						Number	2 Fraud Prevention awareness campaigns	2 Fraud Prevention awareness campaigns	Target not met	2	2	2 Fraud Prevention awareness campaigns	Target not met	NOT ACHIEVED	1. The IA unit was understaffed the first quarter. 2. Declaration on National isaster also contributed to planned targets not completed.	This project to be rolled out during municipal events in the next financial year.	Q2: Attendance Register and manual	Office of the Municipal Manager/ Internal Audit
							N/A	N/A	N/A			N/A	N/A					
						Percentage	100% Completion of Internal Audit plan as approved by the Audit committee	100% Completion of Internal Audit plan as approved by the Audit committee	Target not met: 61% of the IA plan was completed.	1	1	100% Completion of Internal Audit plan as approved by the Audit committee	Target not met	NOT ACHIEVED	The unit has opted to outsource some of the reviews in 2020/2021 to ensure that all planned work is completed.	The unit has opted to outsource some of the reviews in 2020/2021 to ensure that all planned work is completed.	Q1-Q4 Audit Committee Reports and Minutes of the Audit Committee	Office of the Municipal Manager/ Internal Audit
							N/A	N/A	N/A			N/A	N/A					
						Number	4 Performance Management System Reviews	N/A	N/A	4	1	4 Performance Management System Reviews	Target not met: 3 out of 4 quarterly PMS reviews were completed	NOT ACHIEVED	Quarter 3 PMS reviews fell in the midst of the declaration of national, strides were made to complete the project but information was not submitted timesously.	The quarter 3 and 4 includng reviews will be completed before the due date for the submission of annual performance report in August 2020.	Q1-Q4: Reports, Top Manco Resolutions Audit Committee	Office of the Municipal Manager/ Internal Audit
							N/A	N/A	N/A			N/A	N/A					
						Number	4 Ethics, Fraud and Corruption Reports	4 Ethics, Fraud and Corruption Reports	Target met	4	4	4 Ethics, Fraud and Corruption Reports	Target not met	NOT ACHIEVED	No cases were reported in the 2019/2020 FY	Reports will be produced in the preceding quarters if cases are issued from the whistle blowers.	Q1-Q4: Reports	Office of the Municipal Manager/ Internal Audit
							N/A	N/A	N/A			N/A	N/A					
						Number	Presidential Hotline Reports: 4	4 Presidential Hotline Reports	Target met 4/4 Reports adopted by council	4	0	Presidential Hotline Reports: 4	annual target achieved	ACHIEVED	N/A	N/A	Reports	Office of Municipal Manager
							N/A	N/A	N/A			N/A	N/A					
						Number	Dress a child: Provide School Uniform to 1700 vulnerable children	Dress a Child: Provide school uniform to 2400 vulnerable children	Target met: 2400 school children benefitted.	1	0	Dress a child: Provide School Uniform to 1700 vulnerable children	Target Achieved	ACHIEVED	N/A	N/A	Q2: appointment letter Q3: Beneficiary Report, Q4: Distribution List and GRN	Social Development & Community Services
							R1 250 000.00	R1 200 000.00	R1 200 000.00			R1 250 000.00	R1 181 500.00					
						Number	NGOs/NPOs Incubation: 10	09 NGOs/NPOs	Target met: 9 centres received material support	10	3	NGOs/NPOs Incubation: 10	Target not achieved, 7 ECD Centres Received Material Support	NOT ACHIEVED	Delays in appointment of service providers due to Lockdown	Service provider is already appointed so this target will be met in Q1 of 2020-2021	Q2-Q4: Distribution register and GRN	Social Development & Community Services
							R 370 000.00	R400 000.00	R412 158.60			R 370 000.00	R235 745.00					
						Number	4 NGO Forum Meetings	4 NGO Forum Meetings	Target not met: 3 NGO Forum were held	4	1	4 NGO Forum Meetings	Target not Achieved: 3 NGO Meetings held	NOT ACHIEVED	Q4 meeting could sit due to National Lockdown	This target will be integrated into 2020-2021 program. It is an ongoing target.	Agenda, Attendance Register	Social Development & Community Services
							N/A	R21 000.00	R0.00			N/A	N/A					
						Number of Trainings	1 Training of ECDs	Capacity Building: 10 NGOs/NPOs	Target not met:	1	1	1 Training of ECDs	Target not Achieved	NOT ACHIEVED	Dates (27-28 March) coincided with the national lockdown for the COVID 19 pandemic	This target will be met by 30 December 2020	Q3: Close Out Report, GRN and Attendance Register	Social Development & Community Services
							R150 600.00	R110 000.00	R109 900.00			R150 600.00	R0.00					

				5.3.2	Hosting Public participation events	Number	2 Service Delivery Events: R 170 000.00	Service Delivery Events: 2 R60 000.00	Target met: Event held on the 26 September. R58 100.00	2	1	2 Service Delivery Events: R 170 000.00	Target Not Achieved: 22 November at Qwabe Hall. R35 950.00	NOT ACHIEVED	The second event was not held due to National Lockdown	This target will be integrated into 2020-2021 program. It is an ongoing target.	Q1: GRN & Q4: Close out report & GRN	Social Development & Community Services
		5.5	Reduced Social Crime	5.5.1	Establishment of Municipal police and traffic services	Number	2 Public Safety awareness campaigns R 195 000.00	N/A	N/A	2	0	2 Public Safety awareness campaigns R 195 000.00	Target Achieved: 06 December at Turton Rank and Luthuli Grounds, 27 March at Phungashe and St. Faiths Rank R105 000.00	ACHIEVED	N/A	N/A	Q2: GRN and Q3: Close out report & GRN	Social Development & Community Services
		5.4	Intensified Governance Mechanisms	5.4.3	Implementation of Spatial Planning and Land Use Management Act	Number	4 MPT Reports N/A	4 MPT Reports N/A	Target Met N/A	4	0	4 MPT Reports N/A	Target Achieved 4/4 MPT Reports Done N/A	ACHIEVED	N/A	N/A	Q1-Q4: MPT Reports	Office of the Municipal Manager/Development Planning Unit
CROSS CUTTING ISSUES																		
6	Spatial Equity, Environmental Sustainability and Disaster Mitigation	6.1	Accelerating Service Delivery through Strategic, Spatial and Land Use Planning	6.1.1	Development and Review of comprehensive and Credible Strategic Plan (IDP)	Date	Umzumbe IDP R 196 575.00	Umzumbe IDP R200 000.00	Target met: IDP Adopted on the 27th March 2019 R199 560.00	1	0	Umzumbe IDP R 196 575.00	Target Achieved: Final IDP Adopted by Council on 29 May 2020 R196 575.00	ACHIEVED	N/A	N/A	Q1, Q3 & Q4: Council Resolution	Office of the Municipal Manager/Development Planning
						Number	3 IDP Rep Forums R 84 800.00	3 IDP Rep Forums R84 800.00	Target not met R23 800.00	3	2	3 IDP Rep Forums R84 800.00	1/3 IDP Rep Forums Held R24 450.00	NOT ACHIEVED	Q2 IDP Forum not held due to Busy Schedule of Councilors / By-Elections and Q4 IDP Forum not held due to Covid 19 Regulations	Awaiting Upliftment of Regulations then Conduct IDP Rep Forum in Q1 2020/21 FY or Conduct Online Forum	Q1-Q4: Minutes and Attendance Register	Office of the Municipal Manager/Development Planning
				6.1.2	Review of Spatial Development Framework	Date	Reviewed SDF by 30 June 2020 N/A	Reviewed SDF by 30 June 2019 N/A	Target Met: SDF Adopted on the 27th of March 2019 N/A	1	0	Reviewed SDF by 30 June 2020 N/A	Target Achieved: Final SDF Adopted by Council on 29 May 2020 N/A	ACHIEVED	N/A	N/A	Q3-Q4: Council Resolution	Office of the Municipal Manager/Development Planning
						Date of adoption	Draft Mgal Local Area Plan by 30 June 2020 R 600 000.00	Phungashe Local Area Plan by 31 December 2018 R554 760.00	Target met R387 492.50	1	1	Draft Mgal Local Area Plan by 30 June 2020 R 600 000.00	Target Not Achieved 0	NOT ACHIEVED	Tender Processes were affected by Covid 19 Regulations	Tender Document Readvertised, Briefing Session held with anticipated commencement of Project in Q1	Q3-Q4: Inception Report and Draft Local Area Plan	Office of the Municipal Manager/Development Planning
				6.1.4	Implementation and Review of Land Use Scheme and SPLUMA By-laws	Date	SPLUMA Awareness with Amakhosi & Izindunas R 40 000.00	N/A	N/A	1	0	SPLUMA Awareness with Amakhosi & Izindunas R 40 000.00	Target Achieved: Held on 12 February at Bhanoyi Hall and 23 March 2020 at Mehloinyama and St Faiths halls R0.00	ACHIEVED	N/A	N/A	Q3: Attendance Registers and Programme	Office of the Municipal Manager/Development Planning
						Date	Land Audit R 1 840 000.00	Land Audit R2 000 000.00	Target not met 0	1	1	Land Audit R 1 840 000.00	Target not Achieved 1452600	NOT ACHIEVED	Covid 19 Regulations delayed completion of project and acquisition of information from Key Stakeholders	Service Provider requested Contract Extension for finalisation and completion of Project in Q1 of 2020/21 FY	Q3: Council Resolution, Q4: Council Resolution	Office of the Municipal Manager/Development Planning
		6.3	Prevention and mitigation of disaster occurrences	6.3.1	Review of DMP	Date	Review of DMP N/A	Review of DMP N/A	Target not met: N/A	1	1	Review of DMP N/A	Target not Achieved, draft DMP was adopted on 29 June 2020 N/A	NOT ACHIEVED	Erroneously submitted document to council as draft DMP	The DMP will be submitted to Council in the first quarter of 2020/2021	Q1 & Q2: Assessment Reports Q4: Council Resolution	Social Development and Community Services
				6.3.2	Implementation of DMP	Number	DM Advisory Forum Meetings: 4 N/A	DM Advisory Forum Meetings: 4 N/A	Target met: 4 meetings were held. N/A	4	0	DM Advisory Forum Meetings: 4 N/A	4 Advisory Forum meetings were held N/A	ACHIEVED	N/A	N/A	Q1-Q4 reports	Social Development and Community Services
						Number	1 Training/capacity Buildings: Training on Disaster Management for Trainee Fire Fighters R 150 000.00	Training/capacity Buildings: 3 trainings(Basic Fire Fighting and First Aid, Disaster Management and Fire Fighter 1 and 2) R70 000.00	Target met: Volunteer Training on Disaster Management was held on 27 June at MPCC Ward 17 and Phungashe Education Centre on 28 June R69 900.00	1	1	1 Training/capacity Buildings: Training on Disaster Management for Trainee Fire Fighters R 150 000.00	Target not met R0.00	NOT ACHIEVED	Training was to start on 01 April 2020 but was not possible due to Lockdown. It's a three month program	This target will not be met. Contract and funding for this program ends in June 2020. Contracts were terminated on 30 June 2020.	Q1-Q2: Attendance Register and Close out report	Social Development & Community Services
						Number	Volunteer Program: 4 Reports R 430 000.00	Volunteer Program: 4 Reports R600 000.00	Target met: 4 reports submitted on the participation of volunteers. R373 795.00	4	0	Volunteer Program: 4 Reports R 430 000.00	Target met, 4/4 Reports were done R349 950.00	ACHIEVED	N/A	N/A	Q1-Q4 reports	Social Development & Community Services
						Number	4 Disaster Incident Reports R650 000.00	4 Disaster Incident Reports R590 000.00	Target met: 4 reports are submitted R481 889.30	4	0	4 Disaster Incident Reports R650 000.00	Target met, 4/4 Disaster Incident Reports were done R455 570.05	ACHIEVED	N/A	N/A	Q1-Q4: Reports and GRN	Social Development & Community Services
						Number	13 DM and Fire Awareness Campaigns (8 Fire and 5 Community Awareness Campaigns) R750 000.00	13 DM and Fire Awareness Campaigns (8 Fire and 5 Community Awareness Campaigns) R590 000.00	Target met: 13 campaigns were conducted. 8 Fire and 5 DM campaigns. R602 670.00	13	2	13 DM and Fire Awareness Campaigns (8 Fire and 5 Community Awareness Campaigns) R750 000.00	target not met: 11 out of 13 campaigns were held R42 384 000.00	NOT ACHIEVED	Community campaigns could not be held due to national lockdown and regulations against public gatherings	This is an ongoing target and will be integrated in the 2020/2021 programme.	Q1-Q4: Stamped Letters from institutions & GRN (Fire Awareness campaign) Q2-Q4 (Community Awareness campaigns) Programme and attendance registers, GRN & Close out Report	Social Development & Community Services
						Number	40 Lightning Conductors R450 000.00	N/A	N/A	40	40	40 Lightning Conductors R450 000.00	target not met R0.00	NOT ACHIEVED	Closing date of advert was affected by Lockdown.	Document is going through SCM processes. Target will be achieved by 30 December 2020.	Q1-identification report Q2: Appointment letter Q4: GRN	Social Development and Community Services
						ADENDUM												
1	Improved Organisational cohesion and Effectiveness	1.3	Administration and Fleet Management	1.3.4	Corporate Branding	Number	4 Reports: Municipal Website Feeds N/A	4 Reports: Municipal Website Feeds N/A	Target Met N/A	4	0	4 Reports: Municipal Website Feeds N/A	Annual target met N/A	ACHIEVED	N/A	N/A	Q1-Q4: Reports	Office of the Municipal Manager /Communications Unit
		1.4	Batho Pele Programme implementation	1.4.1	Batho Pele Programme Campaigns and Materia	Number	4 District Engagement Forums N/A	4 District Engagement Forums N/A	Target Met: 4/4 Forums held N/A	4	4	4 District Engagement Forums N/A	annual target not achieved N/A	NOT ACHIEVED	Annual target was not met because the campaigns are done with izimbizo and COVID 19 disrupted the plan	The target has been moved to 2020/2021 Q4	Q1-Q4: Attendance Register	Office of the Municipal Manager

5	Clean Governance, Comprehensive Public Participation and Accountability	5.3	Well established mechanisms to enhance public participation	5.3.2	Support Ward Committee structures	Number	4 Ward Committee Secretary's meetings	5	Target met: 4/4 Meetings held	4	2	4 Ward Committee Secretary's meetings	2 out of 4 meetings were held	NOT ACHIEVED	Annual target was not met due to COVID 19 disrupted the plan	The target has been moved to 2020/2021 Q4	Q1-Q4: Attendance registers	Office of the Municipal Manager/ Speakers Office			
							N/A		R21 450.00				N/A							N/A	
						Number	20 Ward Operational Plans	20 Ward Operational Plans	Target met: Submitted to Cogta on the 30th of May 2019			20	0						20 Ward Operational Plans	annual target achieved	ACHIEVED
			N/A	N/A	N/A			N/A	N/A												
		Number	20 Ward Improvement Plans	20 Ward Improvement Plans	Target met: 20/20 Plans done	20	0	20 Ward Improvement Plans	annual target achieved	ACHIEVED	N/A	N/A	20 Ward Improvement Plans	Office of the Municipal Manager/ Speakers Office							
			N/A	N/A	N/A			N/A	N/A												
	5.1	Deepens Public Participation in all sectors of the Society	5.1.1	Implementation of Communication and Public Participation Strategy	Number	4 Handovers	4 Handovers	Target was not met :	4	2	4 Handovers	Annual target not achieved. 2 handovers were conducted	NOT ACHIEVED	N/A	N/A	Q1-Q4: Programme and attendance register	Office of the Municipal Manager /Communications Unit				
						R 722 920.00	R682 000.00	R321 940.60				R 722 920.00						43560			
					Number	500 Turning	N/A	N/A			4	0						500 Turning	Annual target met	ACHIEVED	N/A
	R 203 520.00	N/A	N/A		R 203 520.00	R33 000.00															
REMOVED PROJECTS																					
1	Improved Organisational cohesion and Effectiveness	1.3	Administration and Fleet Management	1.3.1	Construction and Maintenance of Municipal Offices	Number	Office Equipment	N/A	N/A	N/A	N/A	Office Equipment	N/A	N/A	N/A	N/A	GRN	Corporate Services			
							R 100 000.00	N/A	N/A				R 100 000.00	N/A					N/A		
3	Efficient and integrated infrastructure and basic services	3.1	Universal Access to Basic Services	3.1.1	Develop and Review Sector Plans and Policies	Date of Site Acquisition	LLTC 1 Concept Design Developed	LLTC 1 Concept Design Developed	Target not met: 1 Concept design development not achieved	N/A	N/A	LLTC 1 Concept Design Developed	N/A	N/A	N/A	N/A	Q3: Progress Report, Q4:Concept Design Adopted by Council	Technical Services Department			
							R150 000.00	R1 000 000.00				R150 000.00	N/A	N/A					N/A	N/A	
						Date	Business Plan for verge maintenance	N/A	N/A			N/A	N/A	Business Plan for verge maintenance					N/A	N/A	N/A
					N/A	N/A	N/A	N/A	N/A	N/A	N/A										
				Date	Install outdoor fitness Equipment	N/A	N/A	N/A	N/A	Install outdoor fitness Equipment	N/A			N/A	N/A	N/A	Q2 Appointment letter Q3 GRN	Umzumbe Municipali- Social and Community Services			
					R400 000.00	N/A	N/A				R400 000.00	N/A	N/A	N/A	N/A						
4	Vibrant and Inclusive Rural Economy	4.2	Create an environment that promotes the development of local economy	4.2.2	Development and Support of Art and Craft	Number	Umzumbe Exhibition	N/A	N/A	N/A	N/A	Umzumbe Exhibition	N/A		N/A	N/A	Attendance register and reports	Umzumbe Municipality-Office of the Municipal Manager/ LED Unit			
							R 350 000.00	N/A	N/A				N/A	N/A					N/A	N/A	
		4.3	Improve Food Security and Create employment opportunities	4.3.1	Support Agricultural and Poverty Alleviation Initiatives	Number of HH	One-Home-One-Garden: 200 HH (Watering cans, wheelbarrow, spade, fork, hoe, seed pack and manure)	N/A	N/A	N/A	N/A	One-Home-One-Garden: 200 HH (Watering cans, wheelbarrow, spade, fork, hoe, seed pack and manure)			N/A	N/A	Q2-Q3: Distribution register & Purchase Order	Umzumbe Municipality-Social and Community services			
							R 210 000.00	N/A	N/A				R 210 000.00								
						Number of Schools	Schools-Gardens-Inputs: 20 Schools	N/A	N/A			N/A	N/A	Schools-Gardens-Inputs: 20 Schools					N/A	N/A	N/A
	R 210 000.00	N/A	N/A		R 210 000.00	N/A	N/A	N/A	N/A												
5	Clean Governance, Comprehensive Public Participation and Accountability	5.1	Deepens Public Participation in all sectors of the Society	5.1.1	Implementation of Communication and Public Participation Strategy	Date	Special General Meeting	N/A	N/A	N/A	N/A	Special General Meeting	N/A	N/A	N/A	N/A	Q1: Attendance Register and Programme	Office of the Municipal Manager/ Communications			
							R 42 400.00	N/A	N/A				R 42 400.00	N/A					N/A	N/A	N/A
						Date	SALGA Games	SALGA Games	Target was met. Salga games were held at Umgungundlovu from the 7th to the 10th of December 2018.			N/A	N/A	SALGA Games					N/A	N/A	N/A
		R 301 400.00	R385 000.00		R 301 400.00	N/A	N/A	N/A	N/A												
	5.2	Support and protect the rights of vulnerable groups in the society	5.2.4	Implementing Gender Programmes	Date	Women Commission	N/A	N/A	N/A	N/A	Women Commission			N/A	N/A	N/A	N/A	Q1 Program, Attendance Register	Office of the Municipal Manager/ Special Programmes Unit		
						R 243 800.00	N/A	N/A				R 243 800.00	N/A	N/A	N/A					N/A	
6	Spatial Equity, Environmental Sustainability and Disaster Mitigation	6.1	Accelerated Service Delivery through Strategic, Spatial and Land Use Planning	6.1.4	Implementation and Review of Land Use Scheme and SPLUMA By-laws	Number	S SPLUMA Awareness Campaigns	SUMA Awareness Camp	Target not met	N/A	N/A	S SPLUMA Awareness Campaigns	N/A	N/A	N/A	N/A	Q4: Attendance Registers and Programme	Office of the Municipal Manager/Development Planning			
							R 76 600.00	R60 000.00	R0.00				R 76 600.00	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 2019/20 financial year

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

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

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

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

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

Component B: Managing the Municipal Workforce

4.2 Policies

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

List of 2019/2020 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
Risk Management Policy	Not Achieved	Office of the Municipal Manager
Performance Management Policy Framework	Achieved	Office of the Municipal Manager

4.3 Injuries, Sickness and Suspensions

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

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

4.4 Performance Rewards

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

Performance Rewards by Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
	Male	0	0	0	
MM and S57		4	3	316	75%
Total		4	3	316	75%

4.5 Skills Development and Training

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

Employees Trained as per Umzumbe Workplace Skills Plan in 2019.

YEAR	NAME OF EMPLOYEE	DESIGNATION	COURSE	INSTITUTION
2019	Mlungisi P Ngcobo	Building Control Officer	BTECH Construction Management	DUT
2019	Phakamsile V Msimango	Sub Accountant: Payroll	BCOM in Supply Chain	UNISA
2019	Zithobile Shazi	Procurement	BCOM in Supply Chain	UNISA
2019	Nosisa Blankenberg	Manager Internal Auditor	Post Grad Diploma in Forensic Investigation & Criminal Justice, school of law	UKZN
2019	Mthembeni Sithole	Asset Control Officer	BCOM Financial Management	UNISA
2019	Thabile Mbili	Data Capture	Post Grad Business Admin	UNISA
2019	Sfiso Nxele	Development Planner	Post Grad Business Management	MANCOSA
2019	Thembelihle Mthombeni	Committee officer	Bachelor of Public Admin	MANCOSA
2019	Hlengiwe Mbhele	Committee officer	Bachelor of Public Admin	MANCOSA
2019	Nontokozi Ndlovu	Procurement Officer	Advance Diploma in Financial Accounting	UNISA
2019	Mahlatse Phosa	Manager Development Planning	MBA	UKZN
2019	Monwabisi Meth	PMU Technician	Btech Civil Engineering	DUT

2019	Themba Cele	Fleet Officer	Protection Officer	Mzansi Security & Training
2019	Zekhethelo Mshengu	Development Planner	Post grad Diploma in Business Management	MANCOSA
2019	Andile Dweku	Assistant Ward Committee Clerk	Bachelor of Public Admin	MANCOSA
2019	Xolani Cele	Ward Committee Officer	Bachelor of Public Admin	MANCOSA
2019	Mphilisi Hlongwa	Housing Manager	BTECH Civil Engineering	DUT
2019	Nondumiso Shozi	Registry Clerk	B Admin	UNISA
2019	Nomcebo Nzimande	Account.Exp and Assets	BCOM Financial Accounting	UNISA
2019	Nombuso Mswane	Procurement Officer	BCOMT Internal Auditing	UNISA
2019	Andile Msomi	Council/ Exco Admin Support	Bachelor of Commerce	Regent Business School

Employees Trained as per Umzumbe Workplace Skills Plan in 2020.

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

Trainings

Date	Course	Number of employees	Names of employees
------	--------	---------------------	--------------------

14 – 23 December 2020	Close protection Officer Course and on Range Officer Course	05	<ol style="list-style-type: none"> 1. Mxolisi Mnyandu 2. Khethukuthula Shange 3. Nkosinathi Cele 4. Dumisani Shazi 5. Musawenkosi Khanyile
07 – 11 December 2020	ITIL 4 foundation certificate in IT services Management	02	<ol style="list-style-type: none"> 1. Samkelisiwe Dlamini 2. Sibusiso Ndwane
16- 20 November 2020	Government Media: Essential tool for editors and Journalist	01	<ol style="list-style-type: none"> 1. Mqondisi Dweku
05-12 December 2019	Internal Audit Training	01	<ol style="list-style-type: none"> 1. Nothile Mkhathini
23 -27 September 2019	Advance Excel	11	<ol style="list-style-type: none"> 1. Cllr Matho Shozi 2. Busisiwe Khwela 3. Ntombifuthi Ntanzu 4. Sfiso Nxele 5. Phakamsile Mncibi 6. Sanele Ngcobo 7. Cllr Marcia Mfecane 8. Cllr H Ndimande 9. Cllr Sthembile Jeza 10. Cllr Sbonelo Nzimande 11. Inkosi Bhikamadoda Radebe

5 Chapter 5: Financial Performance

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 2019/2020 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.

Component A: Statement of Financial Performance

5.1 Statement of Financial Performance (Refer to AFS)

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Performance

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



UMZUMBE LOCAL MUNICIPALITY

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

APPENDIX D1

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

5.2 Grants

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



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

APPENDIX E

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

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

5.3 Asset Management

Introduction to Asset Management

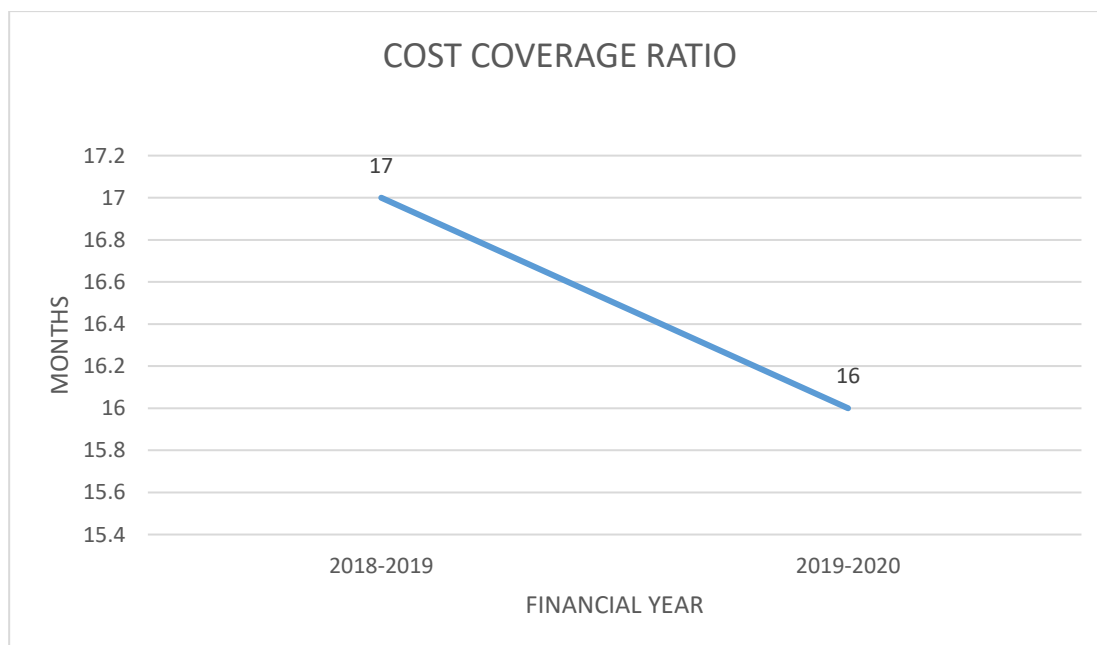
Asset management forms an integral part in the municipality's ability to render service delivery

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

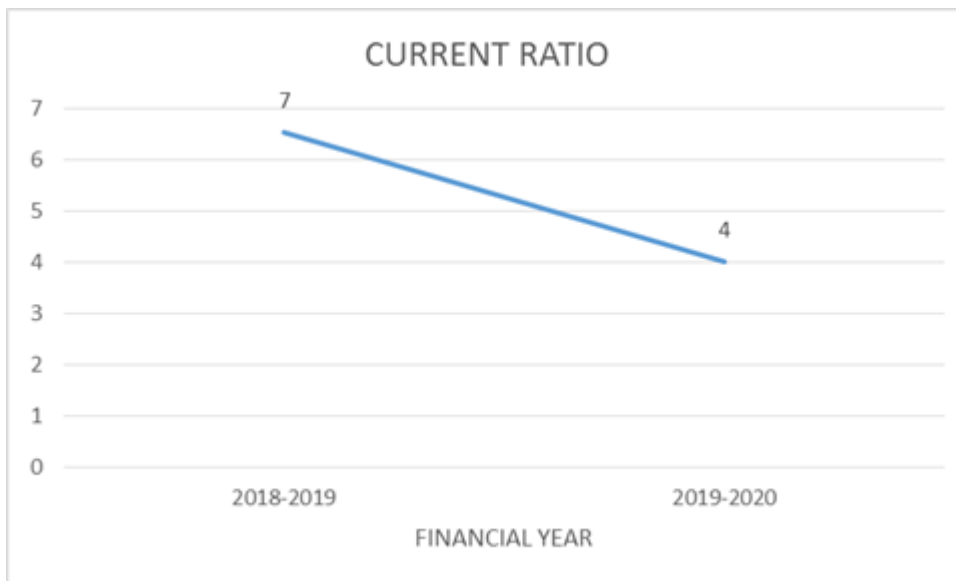
Repair and Maintenance Expenditure: Year 0				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	R8 318 931	R8 318 931	R 6 239 101	25%

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

5.4 Financial Ratios Based on Key Performance Indicators



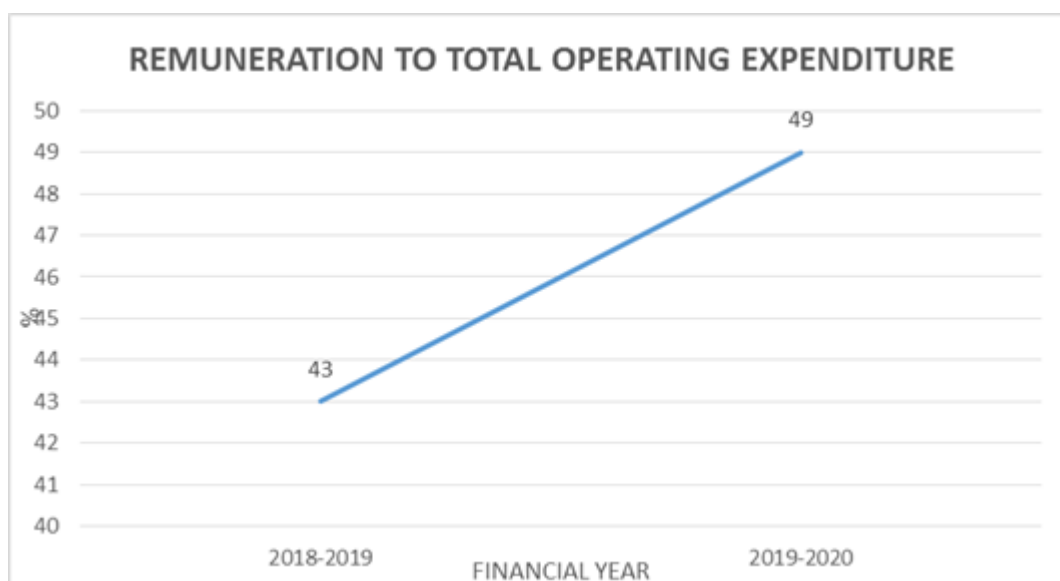
Graph: Cost Coverage Ratio



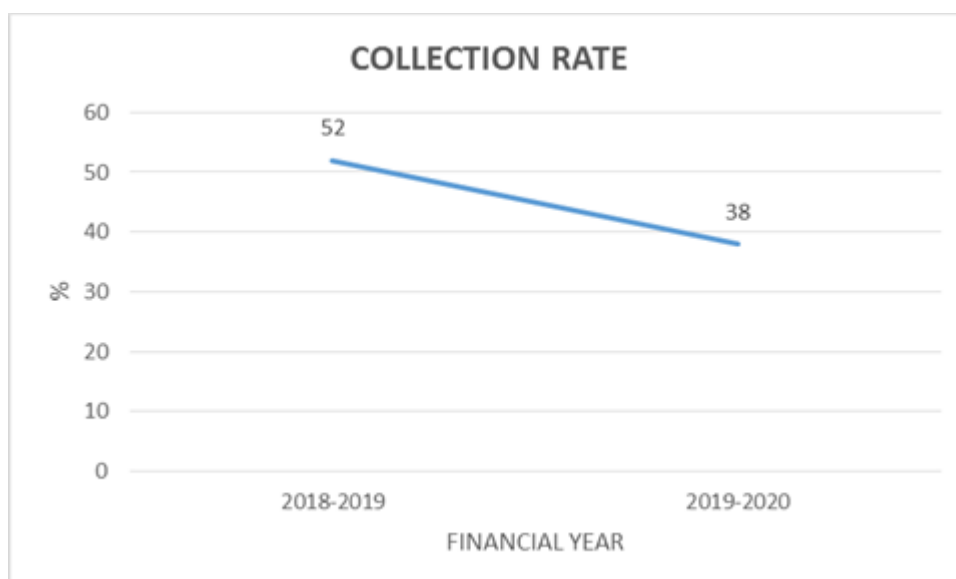
Graph: Current Ratio



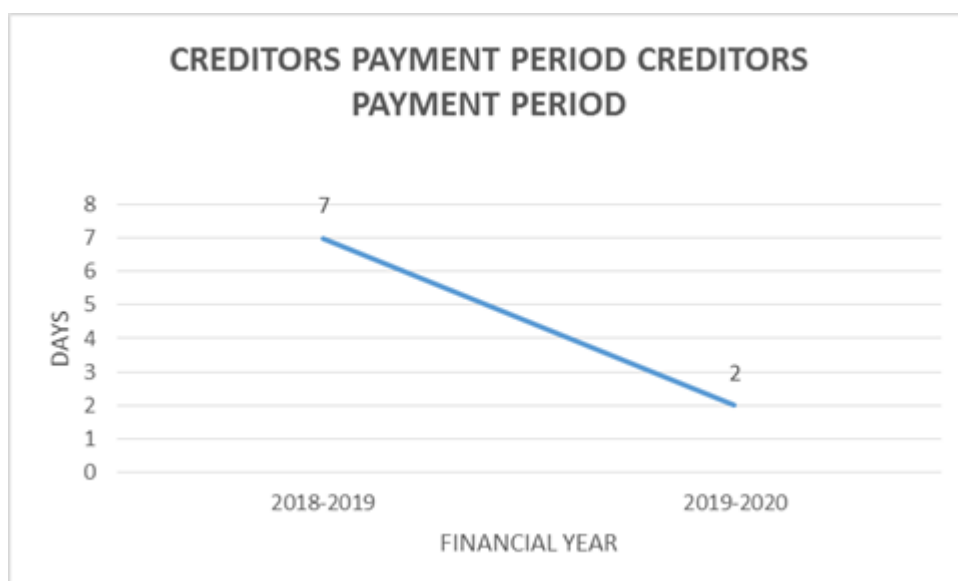
Graph: Debt to Revenue



Graph: Remuneration to Total Operating Expenditure



Graph: Collection Rate



Graph: Creditors Payment Period

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

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

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

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

5.5 Capital Expenditure



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

APPENDIX D (2)

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

5.6 Sources of Finance

Revenue by source	Medium Term Income and Expenditure					
	Framework					
	2018/2019 ADJUSTED BUDGET	FINAL BUDGET 2019/2020	ADJUST	2019/2020 ADJUSTED BUDGET	PROPOSED BUDGET 2020/2021	PROPOSED BUDGET 2021/2022
		R			R	
Government grants and subsidies	177 827 000.00	184 056 000.00	30 971 669.25	215 027 669.25	188 443 000.00	207 289 000.00
Interest from investments	12 765 566.35	13 531 500.33		13 531 500.33	14 343 390.35	15 203 993.77
Tender Sales	64 200.00	64 200.00		64 200.00	68 052.00	72 135.12
Hall Hire	128 400.00	136 104.00	-56 104.00	80 000.00	144 270.24	152 926.45
Rates Income	7 541 301.00	7 541 301.00	193 370.25	7 734 671.25	7 541 301.00	7 541 301.00
Internally generated funds(Accumulated Surplus)	82 346 695.78	99 883 536.86	13 302 951.78	113 186 488.64	36 660 358.07	37 416 519.98
Waste Collection	21 400.00	22 684.00		22 684.00	24 045.04	25 487.74
Insurance Refunds	556 910.00	114 490.00		114 490.00	121 359.40	128 640.96
Commission fees(Agency fees)	21 400.00	22 684.00		22 684.00	24 045.04	25 487.74
Building plans & Licensing/Permits	5 350.00	5 671.00		5 671.00	6 011.26	6 371.94
Market Stalls revenue	-	22 896.00	-22 896.00	-	24 269.76	25 725.95
Proceeds from Auctions	670 000.00	-		-	-	-
Marathon Proceeds	-	15 000.00		15 000.00	15 900.00	16 854.00
Other Revenue(For Lollipops & Other)	160 500.00	170 130.00		170 130.00	180 337.80	191 158.07
Testing Licensing(Tickets & Licensing)	-	10 000.00	-10 000.00	-	10 600.00	11 236.00
TOTAL INCOME BUDGET	282 108 723.13	305 596 197.19	44 378 991.28	349 975 188.48	247 606 939.96	268 106 838.72
OPEX	204 712 682.55	210 322 470.35	10 011 103.64	220 333 573.99	207 682 739.98	227 456 410.74
CAPEX	77 396 040.61	95 273 726.84	34 367 887.65	129 641 614.49	39 924 200.00	40 650 428.00
TOTAL BUDGET	282 108 723.16	305 596 197.19	44 378 991.28	349 975 188.48	247 606 939.98	268 106 838.74

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

5.7 Capital Spending on 5 Largest Projects

Table below indicating Capital Spending on 5 Largest Projects

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

5.8 Basic Service and Infrastructure Backlogs Overview

Component C: Cash Flow Management and Investments

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

5.9 Cash Flow Statement

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

Cash Flow Statement

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

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

5.10 Borrowings and Investments

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

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

5.11 Public Private Partnership

No public private partnerships were entered during the year.

Component D: Other financial Matters

5.12 Supply Chain Management

The municipality is using SAGE Evolution which functions as an enterprise resource planning system. This system has assisted in the facilitating of procurement processes such as electronic requisitions and orders. Separate files were opened for each tender which contained details of the contractor, evaluation and adjudication reports, payments details etc. The municipality has functioning bid committees i.e., Bid Specifications, Bid Evaluation & Bid adjudication. The evaluation and adjudication of the tenders was done accordingly within the prescripts of SCM regulations.

5.13 GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications. As per section 122 and 126 of the MFMA, the municipality must for each financial year prepare annual financial statements which must be submitted by the 31 August to the Auditor General. The Annual Financial Statements for the financial year 2019/2020 were compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted to the Auditor General

6 Chapter 6 – Auditor General Audit Findings Introduction

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

6.1 Auditor General Reports Year - 1 (Precious Year)

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

Component B: Auditor General Opinion Year 0 (Current Year)
6.2 Auditor General Report Year 0 (Current Year of Reporting)

Auditor-General of South Africa

Umzumbe Municipality
Audit report for the year ended 30 June
2020

Report of the auditor-general to the 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 2020, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information 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 2020, 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, 2019 (Act No. 16 of 2019) (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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other 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 code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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 2019 were restated as a result of errors in the financial statements of the municipality, at and for the year ended 30 June 2020.

Underspending of the budget

8. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent the budget by R70,56 million on salary related costs, general expenses and contracted services due to implementing strict cost cutting measures and re-prioritising certain projects.

Other matter

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

Unaudited disclosure notes

10. 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, do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with 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.
12. In preparing the financial statements, the accounting officer is responsible for assessing the Umzumbe 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 to cease operations, or has no realistic alternative but to do so.

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

13. 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.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

15. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for the selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. 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.
17. 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 services and infrastructure objective presented in the municipality's annual performance report for the year ended 30 June 2020.
18. 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.
19. The material findings in respect of the usefulness and reliability of the selected objectives are as follows:

KPA 3 - Basic services and infrastructure

Target: construction of shelters

20. The target for the indicator: construction of shelters, was not specific to ensure that the required level of performance can be clearly identified.

Other matter

21. draw attention to the matter below.

Achievement of planned targets

22. 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 finding on the usefulness and reliability of the reported performance information in paragraph 20 of this report.

Report on the audit of compliance with legislation

Introduction and scope

23. 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.

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

Procurement and contract management

25. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with Supply Chain Management (SCM) regulation 29(2). Similar noncompliance was also reported in the prior year.

26. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).

27. Commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content as required by the 2017 preferential procurement regulation 8(5).

Expenditure management

28. Reasonable steps were not taken to prevent irregular expenditure amounting to R71 ,89 million as disclosed in note 28 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with SCM regulation 29(2).

29. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 03 028, as disclosed in note 27 to the annual financial statements, in contravention of section 62(1 of the MFMA.

Consequence management

30. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

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 objective 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 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 objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, 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

35. 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 annual performance report and the findings on compliance with legislation included in this report.
36. Oversight and monitoring over performance reporting and compliance with laws and regulations was not diligent enough. This was due to not ensuring that the management team implemented proper review controls over performance planning and reporting documents and over compliance procedures.

Other reports

37. draw attention to the following engagement conducted 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. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
38. 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

15 March 2021



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 the selected objective 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 ability of Umzumbe Municipality's 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 my 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 operating 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, the actions taken to eliminate threats or the safeguards applied.

6.2.1 Umzumbe Corrective Action Plan 2019/2020 Financial Year

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	PROGRESS	RESPONSIBILITY
ANNEXURE A: MATTERS AFFECTING AUDIT REPORT					
1	Minimum bid adjudication committee requirements not met	The matter was already addressed through a review and appointment of members in the Bid Adjudication Committee by the Municipal Manager. It is to be noted that this was already rectified in the prior year, however due to the overlap, this had affected the municipality in the current year.	30 June 2021	Done	Municipal Manager
2	Minimum threshold for local production and content not specified in invite for quotations	Procurement documents will be reviewed further to ensure full compliance with the Local Production and Content before finalising the request for quotations/invitation to bid.	30 June 2021	Done	SCM Manager
3	Failure to prevent irregular and fruitless & wasteful expenditure	Matter was already addressed through a review and appointment of members in the Bid Adjudication Committee by the Municipal Manager. Furthermore internal controls have been strengthened to ensure that there is no re-occurrence.	30 June 2021	Done	Municipal Manager
4	Investigation on fruitless and wasteful expenditure not done	The municipality noted that the investigation was done and processes were followed. However there was an interpretation issue regarding the wording on the investigation reports. However going forward, wording on the investigation reports will be amended.	30 June 2021	Done	Municipal Manager

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	PROGRESS	RESPONSIBILITY
5	Indicator not specific	Controls have been strengthened to ensure that more thorough reviews are conducted to ensure that all indicators and targets meet the SMART criteria.	30 June 2021	Done	Manager : Planning
ANNEXURE B: OTHER MATTERS					
6	Commitments understated	The finding was cleared. However, going forward, controls have been strengthened to ensure that commitments are reviewed more thoroughly.	30 June 2021	Done	CFO/ Director Technical Services
7	Incomplete disclosure of related parties	The finding has been cleared. However, going forward, controls have been strengthened to ensure that additional information regarding related parties is included in the AFS.	30 June 2021	Done	CFO
8	Irregular expenditure incorrectly disclosed inclusive of VAT	The finding has been cleared. However, going forward, controls have been strengthened to ensure that irregular expenditure is disclosed Vat exclusive in the AFS.	30 June 2021	Done	CFO

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	PROGRESS	RESPONSIBILITY
9	Non-inclusion of terminated employees on the terminations list	The finding was cleared. However, going forward, controls have been strengthened to ensure that the terminations list are reviewed more thoroughly and updated regularly.	30 June 2021	Done	Director Corporate Services
10	Retentions list incomplete	The finding was cleared. However, going forward, controls have been strengthened to ensure that the retentions list are reviewed more thoroughly and updated regularly.	30 June 2021	Done	CFO/Director Technical Services
11	Two PAs for the municipal manager	Controls have been strengthened to ensure that the employment contracts are reviewed more thoroughly .The municipality will ensure careful consideration when drafting the employment contract and will ensure that it is drafted based on the nature of the job being offered.	30 June 2021	In progress	Director Corporate Services/Legal Services
12	Bid advertised for less than the required number of days	All adverts to be thoroughly reviewed by the Bid Specifications Committee before being advertised. Additionally and where possible, to ensure that all adverts to be advertised for more than 30 days to prevent any non-compliance.	30 June 2021	Done	SCM Manager/Director Technical Services/ Bid Specifications Committee

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	PROGRESS	RESPONSIBILITY
13	Reasons for deviating not reasonable	Controls have been strengthened to ensure that the deviations are reviewed more thoroughly and appropriate. In addition, departments are to provide more detailed reasons in support of any deviations.	30 June 2021	Done	SCM Manager/ Municipal Manager
14	SCM Conflicts of interest	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 2021	In progress	SCM Manager
15	DTI was not notified of the successful bidder and the value of the contract and provided with copies of the contracts and the bidder's SBD 6.2 certificate	Procurement documents will be reviewed further to ensure full compliance with the Local Production and Content before finalising the request for quotations/invitation to bid. Going forward, the DTI will be notified with the relevant information.	30 June 2021	Done	SCM Manager
16	Rotation of audit committee members	The municipality utilizes a shared service with the Ugu district municipality. The municipality will engage further with the district towards facilitation of the recommendations.	30 June 2021	Done	Municipal manager

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	PROGRESS	RESPONSIBILITY
17	Reported achievement inaccurate	The municipality will ensure that adequate reviews of the annual performance report take place annually prior to submission for auditing.	30 June 2021	Done	Manager : Planning
18	Reported achievement not consistent with the planned indicator and target	The municipality will ensure that adequate reviews of the annual performance report take place annually prior to submission for auditing.	30 June 2021	Done	Manager : Planning

Glossary

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

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

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

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

Appendices

Appendix A – Councillors Committee Allocation and Council Attendance

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

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

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

Appendix B – Committees and Committee Purposes

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

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Development Planning & LED	Objectives <ul style="list-style-type: none"> • Encourage the involvement of the entire municipal community, its bodies stakeholders and institutions in matter of local government. • Participate in National and Provincial programmes • Promote the implementation of Integrated Development Plan (IDP) • Consider reports to EXCO for preparations of Land Use Management Plan subdivisions of land; PMS Etc. • Planning Committee may consider all matters of a policy nature. • Promotes the implementation of LED and IDP. • Assists in providing funding for local business services centres. • Promotes local economic development programmes. • Oversees rendering of services in historically disadvantaged areas. • Consults with traditional Leaders on matters of the economic development. • Report to EXCO. • Consist of seven members
Human Settlements & Infrastructure	Committee appointed by Council in terms of section 79 & 80 of the Municipal Structures act No. 117 of 1998 to Oversee & Report to EXCO
Finance Committee	Committee appointed by Council in terms of section 79 & 80 of the Municipal Structures act No. 117 of 1998 to Oversee & Report to EXCO.
Corporate Committee	Committee appointed by Council in terms of section 79 & 80 of the Municipal Structures act No. 117 of 1998 to Oversee & Report to EXCO
Youth Committee	Committee appointed by Council in terms of section 79 & 80 of the Municipal Structures act No. 117 of 1998 to Report to EXCO
LLF	Forum established as per SALGA Bargaining Council <ul style="list-style-type: none"> • Promote the interests of all employees in the workplace, not only of trade union members • Enhance efficiency in the workplace • Consult employees on certain matters • Include employees in joint decision making on other matters.
Audit Committee	To provide municipal oversight of the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations.

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

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No (District Function)	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

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
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
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		<i>T D</i>

Appendix E – Ward Reporting

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members		Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr C L Shezi		yes			
	Mbhele	Balindile				
	Khuzwayo	Sigalo				
	Mbhutho	Zikhona				
	Ngwazi	Mvikelwa				
	Cele	Ntombizodwa				
	Cele	Hlengiwe				
	Khuzwayo	Gideon				
	Nkosibonile	Shazi				
	Gumbi	Sihle				
	Cele	Thembeni				
2	Cllr D D B Dlamini		yes			
	Shezi	Slindile				
	Mteshana	Bonanakahle				
	Dlamini	Mathi				
	Mhlungu	Zibonele				
	Ngwazi	Zwelakhe				<i>T E</i>
	Shazi	Tholakele				
	Mbhele	Nomusa				
	Phungula	Thembinkosi				
	Mthimkhulu	Sanelisiwe				
	Mncwabe	Doreen				
3	Cllr Z Sithole		yes			
	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 S.C.Ngcobo		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 P Khumalo		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	Sbahlle				
	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	Thozza				

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	Thembeke				
	Ndlovu	Sthembiso				

6.2.2 Audit Committee Chairman's Report

UGU SHARED SERVICES EXTERNAL AUDIT COMMITTEE

(Established in terms of Section 166 of the Municipal Finance Management Act)

C/O SUITE NO. 5, UVONGO SQUARE, FOSTER STREET, UVONGO

E-MAIL: bongeka@exclusivemail.co.za; chantele@chantelelliott.co.za; paul@prestonlaw.co.za; zzwile@gmail.com

REPORT TO COUNCIL:

UMZUMBE LOCAL MUNICIPALITY AUDIT COMMITTEE ACTIVITIES FOR JULY 2019 TO NOVEMBER 2019

INTRODUCTION

1. The Ugu External Audit Committee has sat during the period in question as an Audit Committee and as a Performance Audit Committee.
2. The period has been characterised by the eventual appointment of Municipal Manager. The Municipal Manager attended the Audit Committee meeting of 27 October 2019.
3. This has enhanced the effectiveness of the Audit Committee meeting because the Municipal Manager is, in terms of the Municipal Finance Management Act the Accounting Officer of the Municipality; and without the Accounting Officer present it is extremely difficult for an Audit Committee to be effective.
4. With respect, it is clear that the newly appointed Municipal Manager is well informed concerning Municipal Legislation as well as the requirements of compliance within the Audit function. His presence is valued.

AUDIT COMMITTEE ACTIVITIES FOR THE PERIOD 22 AUGUST 2019 TO 30 OCTOBER 2019.

5. The Audit Committee sat on 22 August 2019. The express purpose of the meeting, was to consider the Draft Annual Financial Statements, the Draft Annual Performance Information, and the Draft Annual Report.
6. The documents were tabled, and the then acting Municipal Manager expressed disappointment, at the incompleteness of the documents, particularly, as it pertained to the Performance Information, which was the cause of the Municipality receiving an Annexure "A" matter on its Audit Report in the prior year, which affected the clean Audit status of the Municipality.

7. Such was the acting Municipal Managers concern; that a further date for an Audit Committee was then allocated, and the Audit Committee was therefore, only partially complete.
8. The Audit Committee then sat again, on the 27th of August 2019, and the documents were again considered by the Audit Committee.
9. There were some regrettable exchanges between the Manager concerned, concerning the documents put up on the Performance Information, and the Audit Committee felt that the Performance Information provided, was still not of the standard that the Audit Committee had seen in the prior years from this Local Municipality.

MEMBERS:

CHANTEL VIOLETTA ELLIOTT - B Acc, B Com (Hons), CA (SA), RA , HDIP Vat

**– BA L.L.B, Cert. Road Transportation (Chair)
MBA, Post Graduate Diploma in Business Management, B Bus. Tech, Diploma in Labour**

10. In any event, the Audit Committee received the Performance Audit information, and a Resolution was passed at that meeting, confirming the draft Resolution of prior meeting, stating that the Draft Annual Financial Statements, the Draft Performance Information, and the Draft Annual Report, be forwarded to the office of the Auditor General, no later than 31 August 2019.
11. Subsequent feedback from Internal Audit, confirmed that the information was sent to the Auditor General.
12. The Audit Committee remarks, that the problems caused in the poor preparation of the information in the Draft Annual Report and Performance Audit Information, may well be attributable to the lack of a permanently appointed Municipal Manager.
13. The Chair of the Audit Committee then sat at a Performance Assessment Meeting, held on the 28th of October 2019, at the RNM Municipality, in terms of which 3 Senior Managers appointed in terms of Section 56 of the Systems Act (and therefore answerable to Council), were evaluated.
14. The meeting went very well, and the newly appointed Municipal Manager, Mr T.P Cele, sat with Mr West Gumede (A Municipal Manager from Umuziwabantu Local Municipality), together with an Umzumbe Councillor, and the meetings went extremely well. Credit to the preparer of this meeting is due.
15. Certain Senior Managers who had performed very well in the view of all concerned, were evaluated for bonuses, which bonuses must be considered by the Council for ratification.
16. A full Audit Committee Meeting took place on the 30th of October 2019, and the newly appointed Municipal Manager, Mr T.P Cele immediately made his presence felt.

17. There were better levels of control in the meeting, the meeting dealt with the prior minutes, and considered the Internal and External Audit Committee Charters. The External Audit Committee Charter regulates the relationship between the Council and its Audit Committee, and was agreed to at the meeting, subject to approval by the Umzumbe Council. The Internal Audit Committee Charter, was approved by the Audit Committee.
18. The Audit Committee considered Audit Reports, tabled by Internal Audit, and also considered the Section 71 Management reports, which must be submitted every month to Treasury, as well as the normal registers concerning S.C.M Regulations Section 36, Irregular expenditure, and other unauthorized and categorized risk related expenditures.
19. The CFO gave a very interesting and helpful report on the proper use of Regulations 28 and 29, concerning Bid Evaluation, and Bid Adjudication Committees.
20. Risk and corruption was also considered, and all in all, it was a very successful meeting, giving the impression that the Municipality is again, finding its feet, in terms of its organization structures, and service delivery.

GENERAL NOTE OF AUDIT COMMITTEE SCOPE

21. 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 2019/2020 financial year.

AUDIT COMMITTEE'S RESPONSIBILITIES AND DUTIES

22. The Audit Committee's responsibilities are outlined in Section 166(2) of the MFMA. The Internal and External Audit Committee Charters 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. It has discharged its responsibilities for the period ended 30 November 2019.

22.1 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 Section 71 financial statements and the draft Performance Audit information and made recommendations on enhancing the quality of disclosure;
- 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 management and compliance legislation.
- Considered issues raised by internal Audit concerning tender awards.

22.2 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) and Section 10 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. 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.
- It has tested the alignment of the IDP, SDBIP and the Municipalities pre-determined performance targets and performance measures.
- Considered certain tender award concerns raised by internal audit.
- Considered MSCOA readiness, and implementation.

CONCLUSION

23. Umzumbe Local Municipality remains a Municipality in which the fundamental audit requirements are well managed. The Municipality is financially sound, it has an excellent CFO. The Internal Auditor is very serious minded and persistent in providing the Audit Committee and Audit General with the best possible information and reporting.

24. The advent of the current Municipal Manager will hopefully bring stability to the Municipality. He is extremely experienced and has a very good knowledge of legislation, and the operational requirements of the Municipality. Performance Audit is not at the level it once was and will be focused on again by the Auditor General.
25. Finally, mention must be made to the Honourable Past Mayor who has been extremely helpful and informed in his attendance to the Audit Committee meetings. We wish him well Ugu District level which will be a serious test and challenge.

Paul Preston



CHAIR AUDIT COMMITTEE



Ugu District Municipality

UGU SHARED SERVICES EXTERNAL AUDIT COMMITTEE
(Established in terms of Section 166 of the Municipal Finance Management Act)

E-MAIL: bongeka@exclusivemail.co.za; chantele@chantelelliott.co.za; Thabisile173@gmail.com; zzwile@gmail.com

UMZUMBE MUNICIPALITY
AUDIT & PERFORMANCE AUDIT COMMITTEE
EXTERNAL AUDIT SHARED SERVICES

REPORT TO COUNCIL: 28 JULY 2020

11 _____ 2018

1 INTRODUCTION AND BACKGROUND

The role of the Audit Committee is to assist Council and the Accounting Officer in fulfilling its oversight responsibilities with regard to the integrity of internal control and accounting function, internal auditing and external auditing and reporting practices of the municipality and other such duties as may be directed by the Council and Accounting Officer. Based on the approved Terms of Reference, it is set up as a shared service Audit Committee which also fulfils the functions of a performance management audit committee constituted in terms of Regulation 14(2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

2 MEMBERSHIP AND MEETINGS

The Audit Committee is constituted of four external independent members:

Ms. Bongeka Jojo	–	Chairperson wef May 2020
Mrs. Chantel Elliott	–	Chartered Accountant
Ms. Leah Thabisile Khumalo	–	Legal specialist wef 2020
Mr. Zwile Zulu	–	Performance management specialist

The Committee had two meetings during since the beginning of the year as follows:

- 20 March 2020, &
- 24 June 2020

The Audit Committee engages with management on all items that fall within its agenda and makes recommendations as appropriate during the meetings. Minutes of the meetings of the Audit Committee and resolutions taken capture in greater detail, the proceedings and are made available to management and to Council.

MEMBERS:

CHANTEL VIOLETTA ELLIOTT - B Acc, B Com (Hons), CA (SA), RA , HDIP Vat

BONGEKA JOJO - CA (SA)

LEAH THABISILE KHUMALO – BJuris, LLB

ZWILE ZULU- MBA, Post Graduate Diploma in Business Management, B Bus. Tech, Diploma in Labour Economics

2

3 REPORTING RESPONSIBILITIES IN TERMS OF SECTION 166 (2) OF THE MFMA

This report summarises for Council the overall observations of the Audit Committee arising from the various meetings during the reporting period:

3.1 INTERNAL CONTROL AND INTERNAL AUDITS

- (a) Reports on the work done by Internal Audit were tabled to the Audit Committee setting out weaknesses in Internal Controls in the areas of audit. These were discussed extensively and management is advised of the areas that need to be rectified as detailed in the various reports
- (b) During this period Internal Audit presented their reports containing conclusions and findings in respect of the following areas during the period: o Budget management o Revenue
- (c) Unfortunately, due to challenges posed by the lockdown some of the scheduled Internal Audit reviews were not completed and presented as per the plan.
- (d) Audit plan for the 2020/21 FY was tabled & approved, and provides for co-sourcing of the unit during the year to deal with the planned absence of the Manager IA.

3.2 RISK MANAGEMENT

- (a) There is a fairly stable system of risk management in place, which allows for identification of risks and consideration of appropriate risk-response mechanisms;
- (b) As is the case elsewhere, the municipality's operations and projects are affected (to varying levels) by the impact of the covid19 pandemic;
- (c) The committee is concerned that the position of the Director Technical Services has been vacant for some time and it is a critical position within the municipality. The Committee advised the Accounting Officer to consider getting an acting candidate, shared services, services provider, qualified engineer or any suitable warm body while still in process of getting a qualified incumbent
- (d) The Municipality has already concluded and presented the Risk register for 2020/21 financial year which was considered and recommendations discussed;
- (e) The MM is in the process of establishing a Risk Management Committee

3

3.3 ADEQUACY, RELIABILITY & ACCURACY OF FINANCIAL INFORMATION

- (a) The systems for recording & reporting financial information are in place and generally stable;
- (b) Users are relatively comfortable with the systems and the necessary reports are able to be generated timeously and submitted to the relevant authorities
- (c) The committee was concerned with the slow progress on implementation of corrective action plan as the municipality is approaching the final year end. Out of 18 findings raised by AG, seven had been resolved and eleven are still in progress. Management attributed the delays in to the disruptions due to the national lockdown

3.4 EFFECTIVE GOVERNANCE & LEGISLATIVE COMPLIANCE

- (a) No new instances of Unauthorised, Irregular, Fruitless& wasteful expenditure reported during the period;
- (b) the status of investigation which was requested by Council in terms of Section 106 to be conducted by CoGTA on the Municipal Affairs for 2018/2019 was still pending

3.5 ANNUAL FINANCIAL STATEMENTS & AUDITING

- (a) The next quarter will be focusing on the preparation and audit of annual financial statements, performance information and annual report for 2020FY;
- (b) An AFS preparation plan presented gives the Audit Committee comfort that if implemented, the year-end reporting and auditing thereof will be fairly smooth

3.6 PERFORMANCE MANAGEMENT;

- (a) Performance is planned, tracked & monitored and reported to the AC on a quarterly basis;
- (b) Internal Audit reviewed these performance reports and raised some weaknesses in the system of performance management.

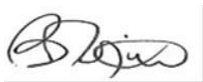
4 CONCLUSION

Going forward the Committee will review the annual and 4th quarter performance, and to comply with year-end requirements, as well as planning responsibilities for the first quarter. The next period is characterized by uncertainty linked to the extent of disruptions due to covid19 cases affecting the municipality; and

6 RECOMMENDATION

It is recommended that Council:

- take note of the contents of this report and
- approve the Audit Committee charter for 2020/2021 financial year



BONGEKA JOJO

Chairperson

Shared Services Audit Committee

Date: 23 July 2020

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

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

DATE OF MEETING	TYPE OF MEETING	REPORT	RESOLUTION
		Technology Internal audit report <ul style="list-style-type: none"> Implementation of the Internal Audit Plan 	
17 December 2019	Audit Committee	<ul style="list-style-type: none"> Implementation of the Internal Audit Plan Internal Audit report 	<ul style="list-style-type: none"> Noted the status on the implementation of the Internal Audit Plan. That the Internal Audit report on follow up reviews be approved. Noted the Section 71 report, Section 36 deviations and the procurement plan
17 December 2019	Performance Audit Committee	<ul style="list-style-type: none"> Internal Audit report on PMS quarter 1 Quarter 1 Performance Assessment Report Draft Annual Report 	<ul style="list-style-type: none"> That the Internal Audit report on PMS quarter 1 be approved. Noted Quarter 1 Performance Assessment Report. Noted the Draft Annual Report.
17 December 2019	Audit Committee		<ul style="list-style-type: none"> Recommended to Council to prioritise the appointment of Director Technical Services noting there is risk of losing MIG funding for 2020 if the allocation not taken out due to the vacancy of Director Technical Services. Recommended that the Honourable Mayor and MPAC Chairperson to attend the Audit Committee meetings going forward.

DATE OF MEETING	TYPE OF MEETING	REPORT	RESOLUTION
20 March 2020	Audit Committee	<ul style="list-style-type: none"> Procurement Plan Audit Committee work plan 	<ul style="list-style-type: none"> Audit committee recommended that Procurement Plan be the standing item going forward. Also recommended that due to the high risk of the Director Technical Services position, Municipality should appoint the contract personnel to fill the vacant position while appointment processes are still underway. Recommended that Audit Committee work plan be the standing item going forward.
20 March 2020	Audit Committee	<ul style="list-style-type: none"> Declaration of Interest 	Recommended that declaration of interest to be signed by all employees including Council and Audit Committee Members of the Municipality before the end of next week: 27/03/2020.
20 March 2020	Audit Committee	Corrective Action Plan	<ul style="list-style-type: none"> Recommended that the Corrective Action Plan should be the standing item on the MANCO and Audit Committee meetings. Recommended that Action plan should go back to Management so that their will filled the gaps e.g., Root causes, progress report and revised action plan that does address the AG findings. Action plan to be revised by relevant officials as it does not address the findings raised by AG. Also recommended that CFO should communicate with Auditor General to obtain their view on the Municipal Corrective Audit Plan. Corrective Action Plan should be assessed and reviewed by Internal Audit before submitted to Audit Committee.
20 March 2020	Audit Committee	Progress on Corrective Action Plan 2019/2020 Financial Year	That the Audit Committee NOTED the progress on Corrective Action Plan and recommended that on the next meeting Internal Audit should submit a report to confirm the status of corrective action plan.

DATE OF MEETING	TYPE OF MEETING	REPORT	RESOLUTION
20 March 2020	Audit Committee	Draft Annual Financial statement 2019/2020 FY	The Audit Committee hereby resolves to recommend: The Municipality Draft Annual Report as provided for in terms of Chapter 12 of the MFMA be forwarded by 31 August 2018 to the Auditor General together with and incorporating the Draft Annual Financial Statements and Performance Information
20 March 2020	Performance Audit Committee	Internal Audit Report: PMS Q2	<ul style="list-style-type: none"> Recommended that the outcome of performance assessment for Section 57 being included in the next audit committee.
20 March 2020	Performance Audit Committee	Draft Annual Report 2018/2019 Financial Year	<ul style="list-style-type: none"> Recommended that a report on the performance of services providers should be included in the next Audit Committee agenda. Recommended that Audit Committee members should be invited in the oversight committee meetings.
24 June 2020	Audit Committee	Audit Committee Resolution Register	<p>The committee recommended that the position of Director Technical Services be considered by Council to be filled by a suitably qualified candidate.</p> <p>If the Council does not succeed to get the suitable candidate, the council should consider getting an acting candidate, share services, services provider, qualified engineer or any warm body while there are still in progress of getting a qualified incumbent.</p>
24 June 2020		Final Service Delivery & Budget Implementation Plan	Recommended that PMS framework and Department Score Card together with the SDBIP be included in the next agenda.

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

Appendix J – Conditional Grants Received Including MIG

See attached Annual Financial Statement

Appendix K – Revenue Collection Performance by Vote and by Source



UMZUMBE LOCAL MUNICIPALITY

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

APPENDIX D1

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

Appendix L Conditional Grants Received: Excluding MIG

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



UMZUMBE MUNICIPALITY

GRANTS REGISTER FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

APPENDIX E

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

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



UMZUMBE LOCAL MUNICIPALITY

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

APPENDIX A

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



UMZUMBE LOCAL MUNICIPALITY

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

APPENDIX D (2)

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



**Annual Financial Statements for
the year ended 30 June 2020**

Umzumbe Local Municipality

Nature of business and principal activities

Providing services to the community of Umzumbe

Executive Committee

Councillor Zungu MPL (Mayor)
Councillor Cele SR (Deputy Mayor)
Councillor Shozi MP (Speaker)
Councillor Luthuli MZ (Chief Whip)
Councillor Luthuli BB (Exco Member)
Councillor Mdletshe MS (Exco Member)
Councillor Mwese NY (Exco Member)
Councillor Zamisa P (Exco Member)

Councillors

Councillor Cele LS
Councillor Lithuli BB
Councillor Dlamini DDB
Councillor Dlamini EB
Councillor Duma LN
Councillor Habile PL
Councillor Jeza S
Councillor Khanyile RSW
Councillor Khumalo NP
Councillor Madwe B
Councillor Mbambo OJ
Councillor Mbayi TM
Councillor Mfeka BT
Councillor Mfecane MM
Councillor Mjwara RL
Councillor Mkhize R
Councillor Msani ZZ
Councillor Myende TC
Councillor Msane ST
Councillor Mtambo JP
Councillor Ncobo SC
Councillor Ndimande HZ
Councillor Nzimande SG
Councillor Phahla ZL
Councillor Radebe TJ
Councillor Shezi CL
Councillor Shozi DZ
Councillor Sithole Z
Councillor Sikhosana B

Umzumbe Local Municipality

	Councillor Zama SZ
	Councillor Ngubane S
	Councillor Zindela AE
Grading of local authority	Grade 1
Accounting Officer	Mr TP Cele
Registered office	Sipofu Road
	Mathulini Tribal
	Authority 4220

Umzumbe Local Municipality

General Information

Business address	Sipofu Road Mathulini Tribal Authority 4220 Web: www.umzumbe.gov.za
Postal address	P.O. Box 561 Hibberden e 4220
Bankers	ABSA Bank Limited
Auditors	Auditor General South Africa Registered Auditors

Umzumbe Local Municipality

Index

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

	Page
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 - 43

ABBREVIATIONS	DESCRIPTION
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
MSCOA	Municipal Standard Chart of Accounts
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

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 he 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, he 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 2021 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Umzumbe Local Municipality

The annual financial statements set out on pages 5 to 43, which have been prepared on the going concern basis, were approved by the accounting officer on 31 October 2020 and were signed on its behalf by the accounting officer:

Mr TP Cele Accounting Officer

Umzumbe Local Municipality

Statement of Financial Position as at 30 June 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Current Assets			
Receivables from exchange transactions	4	680,009	771,367
VAT receivable	5	1,812,349	3,616,026
Receivables from non-exchange transactions	6	17,715,581	13,281,603
Cash and Cash Equivalents	7	238,777,471	196,621,721
		258,985,410	214,290,717
Non-Current Assets			
Property, plant and equipment	2	401,972,837	363,699,537
Intangible Assets	3	559,894	835,295
		402,532,731	364,534,832
Total Assets		661,518,141	578,825,549
Liabilities			
Current Liabilities			
Operating lease liability	10	62,501	51,603
Trade and Other Payables	11	23,425,617	21,044,019
Unspent Conditional Grants and Receipts	8	41,668,797	6,864,017
Provisions	9	6,345,448	5,515,288
		71,502,363	33,474,927
Non-Current Liabilities			
Provisions	9	1,304,000	1,108,000
Total Liabilities		72,806,363	34,582,927
Net Assets		588,711,778	544,242,622
Accumulated Surplus		588,711,778	544,242,622

Umzumbe Local Municipality

Statement of Financial Performance

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

Umzumbe Local Municipality

Statement of Changes in Net Assets

Figures in Rand	Accumulated Surplus	Total net assets
Opening balance as previously reported as at 30 June 2018	518,270,942	518,270,942
Adjustments Correction of errors	(3,568,572)	(3,568,572)
Balance at 01 July 2018 as restated*	514,702,370	514,702,370
Surplus for the year	29,540,252	29,540,252
Total changes	29,540,252	29,540,252
Restated* Balance at 01 July 2019	544,242,621	544,242,621
Changes in net assets		
Surplus for the year	44,469,157	44,469,157
Total changes	44,469,157	44,469,157
Balance at 30 June 2020	588,711,778	588,711,778
Note 29		

Umzumbe Local Municipality

Cash Flow Statement

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

* See Note

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

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	583,859	(89,000)	494,859	625,506	130,647	
Interest Earned - External Investments	13,531,500	-	13,531,500	12,415,453	(1,116,047)	
Total revenue from exchange transactions	14,115,359	(89,000)	14,026,359	13,040,959	(985,400)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	7,541,301	193,370	7,734,671	7,734,671	-	
Transfer revenue						
Government grants & subsidies	184,056,000	30,971,669	215,027,669	173,623,004	(41,404,665)	
Total revenue from non-exchange transactions	191,597,301	31,165,039	222,762,340	181,357,675	(41,404,665)	
Total revenue	205,712,660	31,076,039	236,788,699	194,398,634	(42,390,065)	
Expenditure						
Salary Related Costs	(84,650,135)	(3,525,085)	(88,175,220)	(73,882,347)	14,292,873	
General Expenses, Contracted Services & Other expenses	(125,672,335)	(6,486,018)	(132,158,353)	(75,887,220)	56,271,133	
Total expenditure	(210,322,470)	(10,011,103)	(220,333,573)	(149,769,567)	70,564,006	
Operating surplus	(4,609,810)	21,064,936	16,455,126	44,629,067	28,173,941	
Profit (Loss) on Disposal of Assets	-	-	-	(159,910)	(159,910)	
Internal Reserves	99,883,537	13,302,952	113,186,489	-	(113,186,489)	
	99,883,537	13,302,952	113,186,489	(159,910)	(113,346,399)	
Surplus / (Deficit)	95,273,727	34,367,888	129,641,615	44,469,157	(85,172,458)	
Capital						
Capital Expenditure	(95,273,727)	(34,367,888)	(129,641,615)	(60,929,896)	68,711,719	

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

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						

Cash Flow Statement

Cash flows from operating activities

Net cash (from) from operating activities	95,273,727	34,367,888	129,641,615	103,085,644	(26,555,971)
---	------------	------------	--------------------	-------------	---------------------

Cash flows from investing activities

Purchase of property, plant and equipment	(95,273,727)	(34,367,888)	(129,641,615)	(60,929,894)	68,711,721
---	--------------	--------------	----------------------	--------------	-------------------

Net increase/(decrease) in cash and cash equivalents	-	-	-	42,155,750	42,155,750
--	---	---	---	------------	-------------------

Cash and cash equivalents at the beginning of the year	-	-	-	196,621,721	196,621,721
--	---	---	---	-------------	--------------------

Cash and cash equivalents at the end of the year	-	-	-	238,777,471	238,777,471
---	----------	----------	----------	--------------------	--------------------

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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 - 5 Borrowing Costs

GRAP - 9 Revenue from Exchange Transactions

GRAP - 12 Inventories

GRAP - 13 Leases

GRAP - 14 Events after the reporting

date GRAP - 17 Property Plant and

Equipment GRAP - 18 Segment

Reporting

GRAP - 19 Provisions, Contingent Liabilities and Contingent

Assets GRAP - 21 Impairment of Non-Cash Generating Assets

GRAP - 23 Revenue from Non-exchange Transactions

GRAP - 24 Presentation of Budget Information in Financial

Statements GRAP - 25 Employee Benefits

GRAP - 31 Intangible Assets

GRAP -104 Financial

Instruments

GRAP -108 Statutory Receivables

GRAP -109 Accounting by Principals and Agents

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 104 - Financial Instruments

Presentation currency

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

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.

Materiality

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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
2020

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:

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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	10-60
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.

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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 and when final conditions are met.

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

- the cost or fair value of the asset can be measured reliably.

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

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

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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:

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

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

Financial Instruments

Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, 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.

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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

Annual Financial Statements for the year ended 30 June
2020

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. Discounted cash flows are based on applying the prime rate to estimated cash flow projections taking into consideration sampled debtors within their classes as well as objective indicators such as government commitments and legal action application processes, where relevant. 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.

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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

Annual Financial Statements for the year ended 30 June
2020

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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.

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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.

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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
2020

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.

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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.

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.

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

has been received.

Rates

Revenue from rates is recognised when:

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

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

Revenue (continued) 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.

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

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.

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.

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

Accounting by principals and agents (continued)

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

Comparative Figures

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

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.

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.

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.

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

from those estimates.

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.

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.

Segment information

A segment is an activity of an entity:

- 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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

Segment information (continued)

- 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.

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.

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.

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.

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

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

Property, plant and equipment

	Cost / Valuation	2020 Accumulated depreciation and accumulated impairment	2019			
			Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Machinery equipment	19,972,781	(8,498,748)	11,474,033	18,703,816	(6,926,802)	11,777,014
Furniture and office equipment	4,449,993	(3,290,678)	1,159,315	4,606,764	(3,123,094)	1,483,670
Transport assets	14,461,876	(5,312,947)	9,148,929	13,012,494	(3,964,435)	9,048,059
Computer equipment	4,172,613	(2,097,715)	2,074,898	2,995,421	(1,633,244)	1,362,177
Roads infrastructure	261,511,300	(120,591,160)	140,920,140	250,661,390	(104,324,362)	146,337,028
Community Assets	54,622,973	(26,839,441)	27,783,532	54,371,123	(24,550,244)	29,820,879
Solid Waste Disposal	223,353	(129,917)	93,436	253,544	(139,614)	113,930
Assets under construction	209,318,554	-	209,318,554	163,756,780	-	163,756,780
Total	568,733,443	(166,760,606)	401,972,837	508,361,332	(144,661,795)	363,699,537

Umzumbe Local Municipality

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Machinery equipment	11,777,014	1,396,656	(49,651)	-	(1,649,986)	-	11,474,033
Furniture and office equipment	1,483,670	99,500	(53,947)	-	(369,908)	-	1,159,315
Transport assets	9,048,059	1,449,382	-	-	(1,324,442)	(24,070)	9,148,929
Computer equipment	1,362,177	1,297,823	(33,669)	-	(551,433)	-	2,074,898
Roads infrastructure	146,337,028	-	-	10,849,909	(14,045,232)	(2,221,565)	140,920,140
Community assets	29,820,879	272,850	(7,714)	-	(2,302,483)	-	27,783,532
Solid waste disposal	113,930	2,000	(3,714)	-	(18,780)	-	93,436
Assets under construction	163,756,780	56,411,683	-	(10,849,909)	-	-	209,318,554
	363,699,537	60,929,894	(148,695)	-	(20,262,264)	(2,245,635)	401,972,837

Umzumbe Local Municipality

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Machinery equipment	12,933,030	409,710	(31,534)	-	(1,534,192)	-	11,777,014
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
	345,048,870	43,813,020	(1,262,626)	-	(22,203,205)	(1,696,522)	363,699,537

Reconciliation of Work-in-Progress 2020

	Included within Infrastructure	Included within Community	Total
Opening balance	48,467,127	115,289,652	163,756,779
Additions/capital expenditure	21,881,696	34,529,989	56,411,685
Transferred to completed items	(10,849,909)	-	(10,849,909)
	59,498,914	149,819,641	209,318,555

Reconciliation of Work-in-Progress 2019

	Included within Infrastructure	Included within Community	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)
	48,467,127	115,289,652	163,756,779

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted services	6,239,101	6,702,884
---------------------	-----------	-----------

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 2020

Notes to the Annual Financial Statements

Figures in Rand

Intangible Assets

	2020		2019	
	Cost	Carrying value	Cost	Carrying value
	Accumulated amortisation and accumulated impairment		Accumulated amortisation and accumulated impairment	
Computer software, other	1,904,548	(1,344,654)	559,894	1,934,251
			(1,098,956)	835,295

Reconciliation of intangible assets - 2020

	Opening balance	Disposals	Amortisation	Total
Computer software	835,295	(11,216)	(264,185)	559,894

Reconciliation of intangible assets - 2019

		Openin g balanc e	Disposals	Amortisation	Total
Computer software		1,180,761	(21,644)	(323,822)	835,295
Receivables from exchange transactions					
Sundry debtors	639,186	713,557			
Interest	40,823	57,810			
Rei Management	2,379,003	2,379,003			
Rei Management (Provision for Bad debts)	(2,379,003)	(2,379,003)			
	680,009	771,367			
VAT receivable					
Value Added Tax	1,812,349	3,616,026			

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

Figures in Rand

2020

2019

VAT receivable (continued)

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.

Trade and other receivables from non exchange transactions

Gross balances

Rates

25,587,371

20,800,010

Less: Allowance for impairment

Rates

(7,871,790)

(7,518,407)

Net balance

Rates

17,715,581

13,281,603

Rates

121 - 365 days

17,715,581

13,281,603

Summary of debtors by customer classification

Residential

> 180 days

5,305,842

4,624,232

5,305,842

4,624,232

Less: Allowance for impairment

(5,305,842)

(4,624,232)

-

-

Industrial/ commercial

> 180 days

4,652,502

3,685,119

4,652,502

3,685,119

Less: Allowance for impairment

(651,001)

(717,677)

4,001,501

2,967,442

National and provincial government

> 180 days

15,629,028

12,490,660

15,629,028

12,490,660

Less: Allowance for impairment

(1,914,947)

(2,176,497)

13,714,081

10,314,163

Total

> 365 days

25,587,371

20,800,010

25,587,371

20,800,010

Less: Allowance for impairment

(7,871,790)

(7,518,407)

17,715,581

13,281,603

Less: Allowance for impairment

> 365 days

(7,871,790)

(7,518,407)

Reconciliation of allowance for impairment

Balance at beginning of the year

(7,518,407)

(6,130,719)

Contributions to allowance

(353,383)

(1,387,688)

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

(7,871,790)

(7,518,407)

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

Figures in Rand

2020

2019

Cash and Cash Equivalents

Cash and cash equivalents consist of:

Cash on hand	43,308	2,200
Bank balances	228,547,492	186,656,537
Short-term deposits	10,186,671	9,962,984
	238,777,471	196,621,721

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
ABSA BANK LTD - Port Shepstone - 40-7276-2850	226,415,261	185,899,311	225,874,197	185,806,628
ABSA Housing Account - Port Shepstone - 40-7278-0715	2,513,337	694,316	2,511,045	694,316
ABSA MIG Account - Port Shepstone 40 - 7277-6506	162,617	155,592	162,250	155,592
FNB - Call Account	4,502,986	4,279,298	4,502,985	4,279,298
FNB Fixed Deposit account	5,683,686	5,683,686	- 5,683,686	5,683,686
Total	239,277,887	196,712,203	238,734,163	196,619,520

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
Municipal Infrastructure Grant	11,620,547	6,100,011
Expanded Public Works Program	145,921	-
Disaster Management Grant	13,828,669	-
KZN Sports Grant	50,000	50,000
Fire Fighting Grant	374,778	614,121
National Electrification	6,438,911	-
Disaster Grant Relief-Covid 19	720,685	-
Massification Grant	8,489,286	-
	41,668,797	6,864,017

Movement during the year

Balance at the beginning of the year	6,864,017	499,885
Grants received during the year	77,412,669	56,148,000
Income recognition during the year	(42,508,004)	(49,783,868)
Grant transferred to COGTA	(99,885)	-
	41,668,797	6,864,017

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

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

Figures in Rand

Provisions

Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Actuarial Loss (Gain)	Current Service cost	Finance Cost	Total
Provision for Bonus	1,315,003	1,582,643	(1,315,003)	-	-	-	1,582,643
Long Service Awards	1,175,000	-	(157,523)	89,523	188,000	123,000	1,418,000
Leave Pay	4,133,285	1,473,268	(957,748)	-	-	-	4,648,805
	6,623,288	3,055,911	(2,430,274)	89,523	188,000	123,000	7,649,448

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
	5,370,529	2,371,972	(1,361,952)	(38,261)	177,000	104,000	6,623,288
Non-current liabilities						1,304,000	1,108,000
Current liabilities						6,345,448	5,515,288
						7,649,448	6,623,288

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 2020 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 2020 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	10.03%	9.29%
CPI (Consumer Price Inflation)	5.56%	6.07%
Normal Salary Increase Rate	6.56%	7.07%
Net Effective Discount Rate	3.26%	2.07%

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

Total Accrued Liability	1,528,000	1,283,000
Current Service Cost	278,000	209,000
Interest cost	197,000	135,000
	2,003,000	1,627,000

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June

2020

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

Total Accrued Liability	1,319,000	1,080,000
Current Service Cost	235,000	170,000
Interest cost	168,000	113,000
	1,722,000	1,363,000

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

Figures in Rand	2020	2019
-----------------	------	------

10. Operating lease asset (liability)

Current liabilities	(62,501)	(51,603)
Minimum Lease Payments due		
Within one year	2,037	1,531
In second to fifth year	10,401	7,814
Over five years and until the end of the lease	487,671	494,300
	500,109	503,645

11. Trade and Other Payables

Trade payables	468,650	2,078,676
Other payables	542,848	592,687
Advances from the Department of Human Settlements	2,810,295	674,497
Deposits received	37,829	34,551
Retention	19,565,995	17,663,608
	23,425,617	21,044,019

12. Property rates

Rates

Property Rates Billed	7,734,671	7,538,883
-----------------------	-----------	-----------

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

Figures in Rand	2020	2019
13. Government grants and subsidies		
Operating grants		
Equitable share	131,115,000	120,566,000
Disaster Grant Relief-Covid 19	322,315	-
Financial Management Grant	1,900,000	1,900,000
Municipal Infrastructure Grant	28,556,464	31,291,989
Expanded Public Works Program	1,418,079	1,526,000
Fire Fighting Grant	239,343	185,879
Intergrated National Electrification Programme	8,561,089	14,880,000
Massification Grant	1,510,714	-
	173,623,004	170,349,868
Project Consolidate		
Balance unspent at beginning of year	99,885	99,885
Grant transferred to COGTA	(99,885)	-
	-	99,885
Financial Management Grant		
Current-year receipts	1,900,000	1,900,000
Conditions met - transferred to revenue	(1,900,000)	(1,900,000)
	-	-
Municipal Infrastructure Grant		
Balance unspent at beginning of year	6,100,011	-
Current-year receipts	34,077,000	37,392,000
Conditions met - transferred to revenue	(28,556,464)	(31,291,989)
	11,620,547	6,100,011
Conditions still to be met - remain liabilities (see note 8)		
Expanded Public Works Program		
Current-year receipts	1,564,000	1,526,000
Conditions met - transferred to revenue	(1,418,079)	(1,526,000)
	145,921	-
Conditions still to be met - remain liabilities (see note 8)		
Disaster Management Grant		
Balance unspent at beginning of year	-	-
Current-year receipts	13,828,669	-
Conditions met - transferred to revenue	-	-
	13,828,669	-
Conditions still to be met - remain liabilities (see note 8)		
KZN Sports		
Balance unspent at beginning of year	50,000	-
Current-year receipts	-	50,000

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

Figures in Rand	2020	2019
13. Government grants and subsidies (continued)	50,000	50,000
Conditions still to be met - remain liabilities (see note 8).		
Fire Fighting Grant		
Balance unspent at beginning of year	614,121	400,000
Current-year receipts	-	400,000
Conditions met - transferred to revenue	(239,343)	(185,879)
	374,778	614,121
Conditions still to be met - remain liabilities (see note 8).		
National Electrification Grant		
Current-year receipts	15,000,000	14,880,000
Conditions met - transferred to revenue	(8,561,089)	(14,880,000)
	6,438,911	-
Disaster Grant Relief-Covid 19		
Current-year receipts	1,043,000	-
Conditions met - transferred to revenue	(322,315)	-
	720,685	-
Conditions still to be met - remain liabilities (see note 8).		
14. Investment revenue		
Interest revenue		
Interest Received on Investments	12,415,453	12,993,519
15. Other income		
Tender Income	160,499	127,825
Sundry income	465,007	354,881
	625,506	482,706
16. Finance costs		
Interest recognised on long service awards provision	123,000	104,000
17. Contracted services		
Outsourced Services		
Catering Services	1,627,559	3,887,987
Clearing and Grass Cutting Services	222,293	331,340
Medical Services	5,670	24,200
Security Services	1,880,629	1,947,693
Consultants and Professional Services		
Business and Advisory	1,342,368	2,149,773
Infrastructure and Planning	1,264,887	948,771
Legal Cost	91,927	190,476

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

Figures in Rand	2020	2019
17. Contracted services (continued)		
Contractors		
Artists and Performers	327,000	806,000
Audio-visual Services	10,000	65,500
Interior Decorator	9,500	15,500
Repairs and Maintenance	6,239,101	6,702,884
Stage and Sound Crew	208,895	540,027
	13,229,829	17,610,151
18. General expenses		
Advertising, Publicity and Marketing	4,326,115	8,232,167
Auditors remuneration	1,583,143	1,442,082
Bank charges	109,166	99,156
Ward Committees	2,076,000	1,791,550
Bursaries	836,189	673,329
Consumables	4,223,561	4,941,857
Electricity	324,267	470,325
Free basic services	12,168,270	12,392,536
Entertainment	5,411	30,805
Hire charges	1,380,526	3,967,170
Insurance	1,092,666	1,024,132
Lease Rentals on Operating Lease	181,187	589,483
Licences	405,130	784,301
Printing and stationery	1,577,044	1,772,163
Subscriptions and membership fees	1,197,752	851,648
Subsistence and Travel	1,294,315	2,534,436
Communication	2,763,876	2,337,789
Transport and events	1,233,748	2,503,864
Solid waste disposal	126,790	170,827
Uniform and Protective Clothing	852,896	504,920
Registration fees	84,403	51,484
Other expenses	1,566,469	1,255,967
	39,408,924	48,421,991

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

Figures in Rand	2020	2019
19. Employee related costs		
Basic Salary	35,804,292	33,525,350
Bonus	3,229,380	2,357,586
Medical aid - company contributions	1,561,377	1,528,586
Unemployment Insurance Fund	247,189	230,248
Skills Development Levy	402,182	458,103
Leave pay provision charge	1,473,267	1,238,178
Pension Contribution	4,214,329	3,763,602
Travel, motor car, accommodation, subsistence and other allowances	6,310,825	7,204,819
Overtime payments	1,738,428	1,266,931
Acting allowances	185,692	146,427
Other Salary costs	1,473,061	1,139,904
	56,640,022	52,859,734

Remuneration of Municipal Manager

Annual Remuneration	558,397	515,447
Car Allowance	186,132	171,816
Other	42,341	7,747
	786,870	695,010

The new Municipal Manager was appointed in September 2019

Remuneration of Chief Financial Officer

Annual Remuneration	771,466	871,475
Car Allowance	257,155	300,204
Performance Bonuses	292,628	-
Other	242,537	41,673
	1,563,786	1,213,352

Remuneration Corporate Services Director

Annual Remuneration	611,297	618,574
Car Allowance	203,766	206,191
Performance Bonuses	179,736	-
Other	11,178	7,835
	1,005,977	832,600

Remuneration of Technical Services Director

Annual Remuneration	-	452,825
Car Allowance	-	179,751
Other	-	159,589
	-	792,165

The Director for Technical Services resigned in April 2019. The position has not yet been filled.

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2020

Figures in Rand	2020	2019
19. Employee related costs (continued)		
Remuneration of Social & Community Services Director		
Annual Remuneration	611,297	550,507
Car Allowance	203,766	212,312
Performance Bonuses	85,961	-
Other	101,429	136,051
	1,002,453	898,870
20. Remuneration of councillors		
Mayor	793,850	880,202
Deputy Mayor	514,451	712,698
Speaker	737,094	712,570
Councillors	15,196,930	14,582,824
	17,242,325	16,888,294
21. Debt impairment		
Debt impairment	353,384	1,387,688
22. Depreciation and amortisation		
Property, plant and equipment	22,507,898	23,899,727
Intangible assets	264,185	323,822
	22,772,083	24,223,549
23. Auditors' remuneration		
Fees	1,583,143	1,442,082
24. Cash generated from operations		
Surplus	44,469,157	29,540,252
Adjustments for:		
Depreciation and amortisation	22,772,083	24,223,549
Loss on sale of assets	159,910	329,317
Debt impairment	353,384	1,387,688
Movement in operating lease accrual	10,898	8,630
Movements in provisions	1,026,160	1,252,759
Prior Year Adjustments	-	(3,885,250)
Changes in working capital:		
Receivables from exchange transactions	91,358	(45,258)
Trade and other receivables from non exchange transactions	(4,787,362)	(4,993,310)
Trade and Other Payables	2,381,599	(54,491)
VAT	1,803,677	3,016,291
Unspent Conditional Grants and Receipts	34,804,780	7,002,186
	103,085,644	57,782,363

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June
2020

Figures in Rand	2020	2019
25. Commitments		
Authorised capital expenditure		
Approved and contracted for:		
• Infrastructure	73,959,643	74,734,690
Approved but not yet contracted for:		
• Infrastructure	278,211,488	256,409,943
Total capital commitments		
Already contracted for but not provided for	73,959,643	74,734,690
Not yet contracted for and authorised by accounting officer	278,211,488	256,409,943
	352,171,131	331,144,633

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

26. Unauthorised expenditure

Opening balance as restated	2,379,003	4,232,246
Less: Amount written off	-	(1,853,243)
Closing balance	2,379,003	2,379,003

27. Fruitless and wasteful expenditure

Add: Fruitless and wasteful expenditure	103,028	5,833
Less: Amount written off	(103,028)	(5,833)
Closing balance	-	-

Incidents

The municipality incurred fruitless and wasteful expenditure of R 103 028 due to interest and penalties arising from late payments to suppliers and institutions.

28. Irregular expenditure

Opening balance as restated	50,430,421	27,029,357
Add: Irregular Expenditure	71,891,472	23,401,064
Less: Amount written off	(118,037,560)	-
Closing balance	4,284,333	50,430,421

Incident: Incident: During the year, the municipality incurred irregular expenditure as a result of Bid Adjudication Committee not being properly constituted and non compliance with Local Production and Content regulations.

Action: The matter was reviewed and tabled at Council.

Umzumbe Local Municipality

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 R3 568 573 relates to correction of error relating to VAT

An amount of R5 900 relates to a recognition of an asset not previously included.

An amount of R364 183 relates to correction of error with regards to sundry debtors.

An amount of R48 361 relates to correction of prior year accounts payable balances.

An amount of R399 725.06 relates to correction of salary related balances

Statement of Financial Position

	Note	As previously reported	Correction of errors	Total
Receivables from exchange transactions	4	735,824	35,543	771,367
VAT Receivable	5	7,137,097	(3,521,071)	3,616,026
Trade and Other Receivables from Non Exchange Transactions	6	13,281,603	-	13,281,603
Cash and Cash Equivalents	7	196,621,721	-	196,621,721
Property , Plant and Equipment	2	363,693,637	5,900	363,699,537
Intangible Assets	3	835,295	-	835,295
Total Assets	-	582,305,177	(3,479,628)	578,825,549
Operating Lease Liability	10	(51,603)	-	(51,603)
Trade and Other Payables	11	(20,995,659)	(48,360)	(21,044,019)
Unspent Conditional Grants and Receipts	8	(6,864,017)	-	(6,864,017)
Current : Provisions	9	(5,515,288)	-	(5,515,288)
Non Current Provisions	9	(1,108,000)	-	(1,108,000)
Accumulated Surplus	-	(547,770,610)	3,527,988	(544,242,622)
	-	582,305,177	(3,479,628)	578,825,549

Statement of financial performance

	Note	As previously reported	Correction of errors	Reclassification on	Total
Other Income	15	482,706	-	-	482,706
Interest Received - Investment	-	12,993,519	-	-	12,993,519
Property Rates	12	7,538,883	-	-	7,538,883
Government Grants & Subsidies	13	170,349,868	-	-	170,349,868

Umzumbe Local Municipality

Notes to the Annual Financial Statements

Figures in Rand

Total Revenue

	-	191,364,976	-	-	191,364,976
Employee Related Costs	18	(53,259,459)	399,725	-	(52,859,734)
Remuneration of Councillors	19	(16,888,294)	-	-	(16,888,294)
Depreciation Amortisation and Impairment	21	(24,223,549)	-	-	(24,223,549)
Finance Cost	-	(104,000)	-	-	(104,000)
Debt Impairment	20	(1,387,688)	-	-	(1,387,688)
Contracted Services	16	(17,616,051)	5,900	-	(17,610,151)
General Expenses	17	(48,373,630)	(48,361)	-	(48,421,991)
Loss on Disposal of Assets	-	(12,637)	(316,680)	-	(329,317)
Surplus for the year	-	29,499,668	40,584	-	29,540,252

Cashflow Statement

	Note	As previously reported	Correction of errors	Total
Government Grants and subsidies	-	176,714,000	-	176,714,000
Cash Receipts from Customers	-	2,985,767	-	2,985,767
Interest Income	-	12,993,519	-	12,993,519
Finance Costs	-	(104,000)	-	(104,000)
Cash Paid to Suppliers and Employees	-	(134,812,823)	5,900	(134,806,923)
Purchase of Property, Plant and Equipment	2	(43,807,120)	(5,900)	(43,813,020)
Proceeds from Sale of Assets	-	1,271,633	-	1,271,633
Net increase in cash and cash equivalents	-	15,240,976	-	15,240,976

Figures in Rand

2020

2019

30. Contingencies

Contingent Liabilities

Incidents.

The municipality is involved in labour disputes with some employees relating to salaries. Matters have been referred to the SALGBC. The estimated cost amounts to R 1 451 100.

The municipality is the second respondent and has been cited as an interested party that is involved in a contactual dispute between two service providers. The estimated costs amount to R4 800 000 if the Municipality is unsuccessful. The Municipality is currently defending the matter in court.

The municipality is also involved in another contactual dispute with a service provider. The estimated costs amount to R1 000 000 if the Municipality is unsuccessful. The Municipality is currently defending the matter in court.

Figures in Rand	2020	2019
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)	17,715,581	13,281,603
Cash and Cash Equivalents	238,777,471	196,621,721
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	1,131,020	624,350
Amount paid	(1,131,020)	(1,179,870)
	-	-
Audit fees		
Current year fee	1,583,143	1,442,082
Amount paid - current year	(1,583,143)	(1,442,082)
	-	-
PAYE and UIF		
Current year deductions	11,397,382	10,617,245
Amount paid	(11,397,382)	(10,617,245)
	-	-
Pension, Provident and Medical Aid Deductions		
Current year	9,527,962	8,645,187
Amount paid	(9,527,962)	(8,645,187)
	-	-

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

Kwazulu-Natal Joint Municipal Pension Fund:

The scheme is subject to an actuarial valuation. The latest interim actuarial valuation was performed as at 31 March 2019.

As reported by the Actuaries, the Fund was not in a sound financial position but the surcharge is expected to eliminate deficit by 2021. The asset composition was appropriate to the nature of the liabilities and the investment strategy was suitable for the fund. In addition, the Fund's reinsurance arrangements were appropriate.

35. Related Party Transactions**Related party balances****Amounts included in General Expenses regarding related parties**

Ugu South Coast Development Agency	665,634	633,938
Ugu South Coast Tourism Authority	575,734	548,318

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 2018/2019 audit, expenditure of R1 755 796 (2019 - R 403 086.40) 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 2018/19 audit in the current year.

Purchases from related parties

C K ZONDI CONSTRUCTION AND CATERING SERVICES (Related to MTAMBO JP - COUNCILLOR)	6,500	-
NELA KAHLE 30 (Related to NDIKANDI HZ - COUNCILLOR)	196,390	-
NDOSI TRADING ENTERPRISE (Related to NGUBO FN - DATA CAPTURER EPW)	192,711	-
EZ'BUKWAYO EVENTS (Related to KHOMO NC - MANAGER SPECIAL PROGRAMME)	20,500	-
MOSOLINA CONSTRUCTION (Related to SHOZI LN - REGISTRY)	14,800	-
TOP TWENTY FIVE GROUP TRADING AND PROJECTS (Related to MFECANE MM - COUNCILLOR)	17,500	-
DARK OR BLUE PROJECTS (Related to KHOMO NC - MANAGER SPECIAL PROGRAMME)	47,995	-
NTANDOKAYOLI (Related to MFECANE MM - COUNCILLOR)	22,500	-
MANGANGA GENERAL TRADING (Related to SHOZI LN - REGISTRY CLERK)	5,000	-
SAMBULINTWENHLE (Related to SHOZI LN - REGISTRY CLERK)	24,400	-
NONGEWULANA (Related to MTAMBO TP - EPWP)	26,000	-
FANCY WAYS (Related to SW MKIZE - ACTING MUNICIPAL MANAGER)	1,181,500	-

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 R2 814 801 (2019 - R4 429 203)



MUNICIPAL PUBLIC ACCOUNT COMMITTEE OVERSIGHT REPORT

FOR THE DRAFT ANNUAL REPORT FOR 2019/2020 FINANCIAL YEAR 30 MARCH 2021

TABLE OF CONTENT

1.	<u>INTRODUCTION</u>	3
2.	<u>BACKGROUND</u>	3
3.	<u>FUNCTIONS OF THE MPAC</u>	4
4.	<u>COMPOSITION OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE</u>	4
5.	<u>ANNUAL REPORT REVIEW BY MUNICIPAL PUBLIC ACCOUNT COMMITTEE</u>	5
5.1.	<u>CHAPTER 1 – EXECUTIVE SUMMARY</u>	5
5.2.	<u>CHAPTER 2 – GOVERNANCE</u>	10
5.3.	<u>CHAPTER 3 – SERVICE DELIVERY PERFORMANCE</u>	16
5.4.	<u>CHAPTER 4 – ORGANIZATIONAL DEVELOPMENT PERFORMANCE</u>	25
5.5.	<u>CHAPTER 5 – FINANCIAL PERFORMANCE</u>	27
5.6.	<u>CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS INTRODUCTION</u>	30
6.	<u>CONCLUSION</u>	32

1. INTRODUCTION

- 1.1. 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.
- 1.2. The MPAC's primary role is to consider the Annual Report, receive input from the various role players and to prepare an Oversight Report for consideration by Council.

2. BACKGROUND

- 2.1. 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.
- 2.2. 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).
- 2.3. The council in its meeting on 22 January 2021 sat and considered the draft annual report. In January 2021 an advert was publicized inviting the public to make comments to the draft annual report. At the time of finalising this oversight report no comments had been received from the public. The draft annual report was also submitted to Auditor General of South Africa on 2 March 2021 and Umzumbe had not yet received feedback from the Auditor General. It appears as though the draft annual report was not sent to CoGTA to provide feedback. When we requested proof that the annual report was sent from the Municipal Manager MPAC was given an e-mail (attached) that does not talk about an annual report but an e-mail relating to Annual Performance Report. It is clear that this annual report was not submitted to CoGTA as per Circular 63 of MFMA.

3. FUNCTIONS OF THE MPAC

- 3.1. The functions of the MPAC are to:
 - 3.1.1. Undertake a review and analysis of the Annual Report.
 - 3.1.2. Invite, receive, and consider inputs from Councillors and Portfolio Committees, on the Annual Report.
 - 3.1.3. Consider written comments received on the Annual Report from the public consultation process.
 - 3.1.4. Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.

- 3.1.5. Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.
- 3.1.6. Preparation of the 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

- 4.1. 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:
 - 4.1.1. Cllr JP Mtambo (Chairperson);
 - 4.1.2. Cllr BB Luthuli (Deputy Chairperson); Cllr LR Mjwara (replaced Cllr TM Mbayi on 25 March 2020)
 - 4.1.3. Cllr P Habile;
 - 4.1.4. Cllr B Dlamini;
 - 4.1.5. Inkosi BS Cele
- 4.2. The draft annual report was received for MPAC to consider and make inputs on the 20 March 2021 for a meeting that sat on the 26 March 2021.

5. ANNUAL REPORT REVIEW BY MUNICIPAL PUBLIC ACCOUNT COMMITTEE

5.1. CHAPTER 1 – EXECUTIVE SUMMARY

GENERAL COMMENTS

5.1.1. Mayor's Foreword and Executive Summary

- 5.1.1.1 In this paragraph the Mayor reflects on the challenges that Umzumbe has been faced with as a result of the COVID 19 Pandemic. Most importantly that COVID 19 Pandemic has impacted on service delivery. She goes on to discuss the achievements that have been achieved at Umzumbe. These achievements include a number of access roads that have been handed over to communities and a number of sod turnings done to mark the commencement of a construction project.

- 5.1.1.2 However, the Mayor mentions that there is progress that has been made in various projects. In mentioning this progress, the Mayor does not give an indication of the kind of progress that has been made and when we expect these projects to be completed.
- 5.1.1.3 Secondly the Mayor mentions that the housing programme is not moving with the expected speed. However, she does not explain what challenges Umzumbe is facing with regards to the housing programme and what solutions Umzumbe has come up with to address the challenges.
- 5.1.1.4 Thirdly the Mayor mentions that as Umzumbe we are aligned with the United Nations Sustainable Developmental Goals. It would have been better to come closer to home and rather refer to the alignment with the National Developmental Plan.

5.1.2. Municipal Manager's Overview 2019/2020 Financial Year

- 5.1.2.1. The Municipal Manager states that currently the Director Technical Services has been filled. The Municipal Manager could have included some information of the challenges that Umzumbe has faced as a result of that vacancy of the Director Technical Services in the financial year under review.
- 5.1.2.2. The Municipal Manager goes on further to say that we were rushed to 4th Industrial Revolution and with no choice we had to hit the ground running. Further he indicates that we must start now thinking of bolstering our IT section because it will play a pivotal role in enhancing service delivery soon. The Municipal Manager should have rather informed the reader what Umzumbe has done in order to ensure that the organisation keeps up with technological advancements. It is too late to be thinking about it now. We should already be implementing action plans.
- 5.1.2.3. The Municipal Manager indicated that the LED unit was faced with staffing issues in June 2020. The year under review is 2019/2020. By June 2020 it was already the financial year end of the year under review. The Municipal Manager should have rather stated how long there were vacancies in that unit and the challenges experiences as a result.

5.1.3. Municipal Functions, Population and Environmental Overview

Municipal Functions

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

7 Demographics

- 5.1.3.2. This paragraph indicates demographics as per the 2016 Survey.

8 Service Delivery Overview

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

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

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

- 5.1.3.5. As far as MPAC is concerned there were no interruptions of municipal operations by community protects.

9 Compliance with the Supply Chain Management (SCM) Policy

- 5.1.3.6. This paragraph should also detail the process that is followed when supply chain management reports are tabled to the Council.

10 Municipal Property Rates

- 5.1.3.7. This paragraph needs to mention 5-year review of the valuation roll. That the last review was conducted in 2018/2019 financial year and was implemented in 2019/2020.

11 Statutory Annual Report Process

- 5.1.3.8. The statutory annual report process table is incomplete. It must also include process of finalising annual report in March.

12 CORRECTIONS TO BE MADE ON THIS CHAPTER

PAGE NO.	CONTENT	CORRECTIONS
6	It is correct to say that change must be accepted or it will be imposed itself to you.	It is correct to say that change must be accepted or it will impose itself to you.
7	We can only make Umzumbe Municipality a capable state organ of state if we work together...	We can only make Umzumbe a capable organ of state if we work together...
11	We were rushed to 4th Industrial Revolution and with no choice we had to hit the ground running	We were rushed into the 4th Industrial Revolution and we had no choice but to hit the ground running.
22	The municipality last reviewed the Indigent policy and register during the 2018/19 financial year. The review comes in response to Provincial CoGTA's and other sector departments request to annually	Remove this paragraph.

PAGE NO.	CONTENT	CORRECTIONS
	review the Indigent policy and register.	
22	The review was done through...	The Indigent Register review was done through...
22	The policy was adopted by council and will be implemented in the 2019/20 financial year.	The policy was adopted by council and was implemented in the 2019/2020 financial year.
23	The annual financial statements for the financial year 2018/2019.....	The annual financial statements for the year 2019/2020....
23	The compilation of the annual financial statements for the financial year 2019/2020	The compilation of the annual financial statements for the financial year 2020/2021
24	Compliance to the Supply Chain Management (SC.M) Policy	Compliance with the Supply Chain Management (SCM) Policy.
24	The municipality has already started with MSCOA processes such as: training, system vendor engagement, awareness creation, project steering team formulation, project steering committee meetings, development of implementation plans, budget MSCOA conversions, preparation of the draft 2019/2020 budget in MSCOA format, MSCOA database creation and departmental meetings.	Remove this paragraph – the information is outdated.

PAGE NO.	CONTENT	CORRECTIONS
25	Capacity constraints within the department also remain a challenge.	Remove
25	Key positions will be fast tracked to ensure there is enough human capacity.	Remove
26	Table Showing Budget allocation	Table must have the years in bracket as it can be confusing to a lay person

5.2. CHAPTER 2 – GOVERNANCE

GENERAL COMMENTS COMPONENT A

5.2.1. Political Governance

5.2.1.1. 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.

5.2.2. Administrative Governance

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

13 COMPONENT B

5.2.3. Intergovernmental Relations

5.2.3.1. There is only information on the CFO's forum. There are other forums that exist that should have been reported on.

14 COMPONENT C

5.2.4. Public Accountability and Participation

5.2.4.1. 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.

15 COMPONENT D

5.2.5. Corporate Governance

5.2.5.1. 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.

16 CORRECTIONS TO BE MADE ON THIS CHAPTER

PAGE NO.	CONTENT	CORRECTIONS
28	The Deputy Mayor is a member of the Exco and....	Remove – it goes without saying that the Deputy Mayor is a member of Exco.
28	In dealing with oversight role, the council has a Municipal Public Accounts Committee (MPAC) made up of five (5) non- executive committee members.	In dealing with oversight role, the council has established a section 79 committee which is MPAC....
33	PAC's Pr.	Remove
33	Inkosi R.S Shinga leader sits in the Municipal Executive Committee with Inkosi B.S Cele sitting in Municipal Public Accounts Committee.	Remove – as this information has already been included on the table.
34	...with all the position being filled....	...with all the positions being filled....
34	Each section 56....	Each manager
34	...asserted above...asserted below...
34	This forms the Top MANCO of the municipality.	This forms the extended management of the municipality.
34	Legal Services	Remove Legal Service as reporting under the Municipal Manager Office. The Unit moved in 2020/2021 financial

PAGE NO.	CONTENT	CORRECTIONS
28	The Deputy Mayor is a member of the Exco and....	Remove – it goes without saying that the Deputy Mayor is a member of Exco.
28	In dealing with oversight role, the council has a Municipal Public Accounts Committee (MPAC) made up of five (5) non- executive committee members.	In dealing with oversight role, the council has established a section 79 committee which is MPAC....
		year. Move back to Corporate Services.
34 & 35	Internal Audit	Format must be uniform with the rest of the descriptions.
37	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	Remove

PAGE NO.	CONTENT	CORRECTIONS
28	The Deputy Mayor is a member of the Exco and....	Remove – it goes without saying that the Deputy Mayor is a member of Exco.
28	In dealing with oversight role, the council has a Municipal Public Accounts Committee (MPAC) made up of five (5) non- executive committee members.	In dealing with oversight role, the council has established a section 79 committee which is MPAC....
	matters that are affecting these structures.	
37	District intergovernmental structures	Make this heading more prominent.
38	The draft IDP was place...	The draft IDP was placed...
38	Ziyabenya Car wash (ward 17)	Remove
38	Youth Committee is in place being chaired by the Cllr S Mdletshe. The committee overseas all matters related to youth development and sustainable...	Remove – this is misplaced here.
39	Public Meeting Table	The word ward must start with capital letters; The date of event column must be amended as it reflects Quarters; The date and manner of feedback must be corrected;

PAGE NO.	CONTENT	CORRECTIONS
28	The Deputy Mayor is a member of the Exco and....	Remove – it goes without saying that the Deputy Mayor is a member of Exco.
28	In dealing with oversight role, the council has a Municipal Public Accounts Committee (MPAC) made up of five (5) non- executive committee members.	In dealing with oversight role, the council has established a section 79 committee which is MPAC....
		Number of community in attendance must be completed.
40	Risk Management	Alignment of the bullet points must be corrected.
58	Anti-Corruption Strategy were reviewed during the 2018/19 Financial year.	Remove
59	Municipal Website table	Remove all references to “None” and put No; The annual report (Year 0) published/to be published says it has not been published but has a date for publication.

5.3. CHAPTER 3 – SERVICE DELIVERY PERFORMANCE GENERAL COMMENTS

COMPONENT A

5.3.1. Basic Services

- 5.3.1.1. 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.
- 5.3.1.2. There is a need also to sight challenges faced concerning water shortages within our jurisdictions. Also concerning the power outages, the country is facing.
- 5.3.1.3. With regards to wastewater the report must be more specific to include what was achieved by the District Municipality in the 2019/2020 financial year.
- 5.3.1.4. On page 66 the report indicates that the Waste Management Unit has a target of 200 collections. If there are 6 sites with weekly collections it far exceeds 200 collections.
- 5.3.1.5. On page 71 it indicates that municipality currently supports a total number of 130 households for gel and 4000 households for electricity tokens. This number needs to be verified and actual figures must be put in as actual figures are available.

17 COMPONENT B

5.3.2. Road Transport

5.3.2.1. 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. The section can include more details on the roads that are under the Department of Transport and what Umzumbe can do with regards to making follow ups on behalf of the community for roads that need to be maintained.

18 COMPONENT C

5.3.3. Planning and Development

5.3.3.1. 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. The pictures that have been placed on page 82 must be removed as they reflect people wearing masks whilst in November 2019 we could have not been having anyone wearing a mask.

19 COMPONENT D

5.3.4. Community and Social Services & Fire Fighting Services

5.3.4.1. 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.

20 COMPONENT E

5.3.5. Environmental Protection

5.3.5.1. 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.

21 COMPONENT F

5.3.6. Health

5.3.6.1. This section reflects that Umzumbe has 1 Community Health centre, 13 clinics and 3 mobile clinics stopping points. This number of 3 mobile clinics needs to be verified.

22 COMPONENT G

5.3.7. Security and Safety

5.3.7.1. In this component, the report reflects on different subcomponents to have safe communities i.e. Police, Fire and Disaster Management. The report further goes on to say that 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. The paragraph does not indicate, however, what those preparations are or if there are any challenges.

23 COMPONENT I

5.3.8. Corporate Policy Offices and Other Services

5.3.8.1. There is no mention of any challenges that are faced by Financial Services.

24 COMPONENT K

5.3.9. Organizational Performance Scorecard

5.3.9.1. The annual performance report 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.

25 CORRECTIONS TO BE MADE ON THIS CHAPTER

PAGE NO.	CONTENT	CORRECTIONS
61	Bucket Toilet (collected by municipality)	Remove
62	There are areas which are already covered with electricity...	There are areas which are already connected with electricity...
62	The Electricity master Plan	“Master” must be in capital letters
63	Table indicating performance for the 2018/19 and 2019/20 financial years	Remove reference of Street Lights on the table.
63	Employees: Electricity Services table	Job level must be changed to task grade; The vacancies column has an error.
64	Capital Expenditure Year 0: Electricity Services	The variance column is incorrect. It cannot be zero.
66	Solid Waste Service Delivery Levels table	The figures on this table do not speak to the narrative above the table.

PAGE NO.	CONTENT	CORRECTIONS
67	Table indicating Waste Management Employees during the 2019/20 financial year	Job level must be changed to task grade.
69	The Municipality is a deep rural Municipality and it uses the Rural instrument in term of Housing development.	This sentence needs to be revised as it does not make sense.
69	...divided in to 5 cluster...	...divided into 5 clusters...
70	Table indicating Strategic objectives and financial year comparisons of the 2019/20 financial year Housing Service Policy Objectives Taken From	It is not clear where the actual of 280 comes from. In the actual column of in Year 1 says 280E.
70	Employees: Housing Services table	Job level must be changed to task grade; The vacancies column has an error.
72	The table below indicates free basic services provided by the municipality together with the municipal performance during the 2019/20 financial year:	The figure 300 for gel and stoves target does not tie with 130 referred to above.
73	Shezi ward 17; Darkcity ward 19;	Shezi Access Road is in Ward 19 and Darkcity is in Ward 17

PAGE NO.	CONTENT	CORRECTIONS
76	Table indicating Tarred Road Infrastructure during the 2019/20 financial year	Table must be removed as there is nothing to report; There is no report on concrete roads.
77	Table indicating employee structure during the 2019/20 financial year.	Job level must be changed to task grade.
80	Employees: Stormwater Services	Fix spelling of storm water; Job level must be changed to task grade.
81	In the 2018/19 financial year, the Development Planning Unit with the assistance of Isibuko se Africa Development Planners commenced and completed the KwaPhungashe Local Area Plan. The plan was identified as secondary node by the municipal SDF as an area which has potential growth and improved service delivery.	Remove this as it is outdated.
83	The IDP /budget roadshows were conducted between March and April 2019, where the Mayor presented the Annual Budget and planned projects for the 2020/21 financial year.	Remove
83	Due to the COVID 19 pandemic and national lockdown, the IDP/ budget roadshows were incorporated in the	Due to the COVID 19 pandemic and national lockdown, the IDP/ budget roadshows were incorporated in the

PAGE NO.	CONTENT	CORRECTIONS
	mayoral radio slots and provisions for community participation was also...	mayoral radio slots in March/April 2020 and provisions for community participation was also...
83	Development Planning table	Remove Turton Beach Framework and Phungashe Local Area Plan – projects were completed a long time ago.
84	Capital Expenditure Year 0: Planning Services table	Figures a incorrect particularl varianc r y e. e
85	Applications for Land Use Development table	Do not include table is there is nothing to report.
86	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.	Remove – there is no basis for this statement.
86	“Summery”	It is not clear what summery is.
87	...huge labour turn-over in LED Unit.	There were vacancies in the LED office and not a turn-over of staff.
88	Employees: Local Economic Development Services table	Change job level to task grade.

PAGE NO.	CONTENT	CORRECTIONS
89	Capital Expenditure Year 0: Economic Development Services table	There is an expenditure for the SMME Incubation Projects whilst in the narrative it indicates that the target was not met due to Covid 19.
90	...74 sport fields and 2 unregistered cemeteries.	Double check the number and only reflect municipal sports fields that are maintained by Umzumbe. The cemeteries do not belong to Umzumbe. Remove.
91	Employees: Cemeteries and Crematoriums table	Change job level to task grade.
94	Table indicating Community health workers	It is not clear what the number is for on this table.
94	Table indicating TLD training: Turton	It is not clear what TLD stands for.
95	Table indicating TLD training: Port Shepstone Hospital	It is not clear what TLD stands for.
100	According to the Municipal Spatial Development Framework 2020, Umzumbe LM has a total of 74 facilities. Of the 74 sports facilities, 10 are classified as school fields, 7 are sports complexes with 57 being community sports fields.	Remove
102	Employees: Sport and Recreation table	Change job level to task grade.

PAGE NO.	CONTENT	CORRECTIONS
103	...and Mathulini Mall development will help improve access to services and job creation.	Remove – this information is outdated.
105	Employees: Financial Services table	Change job level to task grade.
106	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.	Reconsider rewording this sentence as there is no OHS person that has been employed and there are still security concerns.
106	Employees: Human Resource Services table	Change job level to task grade.
106	Vacancy Rate: Year 0 table	There is an error in the vacancy percent column.
108	Employees: ICT Services table	Change job level to task grade.
110		The entire paragraph format.

5.4. CHAPTER 4 – ORGANIZATIONAL DEVELOPMENT PERFORMANCE GENERAL COMMENTS

COMPONENT A

5.4.1. Introduction to the Municipal Personnel

5.4.1.1. 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.

26 COMPONENT B

5.4.2. Managing the Municipal Workforce

5.4.2.1. 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.

27 CORRECTIONS TO BE MADE IN THIS CHAPTER

PAGE NO	CONTENT	CORRECTION
126	Number of days and Cost of Sick Leave (excluding injuries on duty) table	<p>The salary band column reflects job levels when it should be task grade;</p> <p>The estimated cost column should be removed if there are no figures;</p>

PAGE NO	CONTENT	CORRECTION
126	Table Indicating number of Disciplinary Action Taken in the 2019/20 financial year table	Remove – there is nothing reported.
127	Number of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded table	Remove – there is nothing reported.
127	Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation table	The information on this table is incorrect. There are a number of employees that earn above the job evaluation determination.
128	List of 2019/2020 Adopted Policies table	The Workplace Skills Plan and Procurement Plan are not policies.
128	Table Indicating number of Injuries on Duty in the 2019/20 financial year	Remove – there is nothing reported.
128	Number of days and Cost of Sick Leave (excluding injuries on duty) table	There is an exact table on page 126, however, these two tables different figures.
129	Table Indicating number of Suspensions in the 2019/20 financial year	Remove – there is nothing reported.
129	Performance Rewards table	There is no need to reflect all employees on the table as only senior managers get a performance bonus.

PAGE NO	CONTENT	CORRECTION
130	The annual financial statements for the financial year 2019/2020 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted by the 31 August deadline to the Auditor General.	Remove as its repeated in the last paragraph.
132	Chapter 5: Employee Expenditure	This heading seems to be incorrect as the content below it is not talking to employee expenditure.

5.5. CHAPTER 5 – FINANCIAL PERFORMANCE GENERAL COMMENTS

COMPONENT A

5.5.1. Introduction to Financial Statements

5.5.1.1. In this paragraph, the process and due date of submitting Annual Financial Statements to the Auditor General South Africa is explained.

28 Grants

5.5.1.2. All grants received by the municipality in the year 2019/2020 are reflected on this paragraph. A table depicts all grants as approved in the 2019/2020 Final Budget.

29 Assets Management

- 5.5.1.3. 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.

30 COMPONENT B

5.5.2. 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 2019/2020 period, however this information was not compiled.

31 COMPONENT C

5.5.3. Cash Flow Management and Investments

Borrowings and Investments

- 5.5.3.1. This paragraph indicated that the municipality hold no loans with any financial institution and that the municipality holds investments amounting to R9, 7 million, however, there is no indication of where these investments are placed.

32 Public Private Partnership

- 5.5.3.2. 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.

33 COMPONENT D

5.5.4. Component D: Other Financial Matters

Supply Chain Management

- 5.5.4.1. 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.

34 GRAP Compliance

- 5.5.4.2. This paragraph confirms that the AFS for 2019/2020 were prepared in accordance with the required framework and submitted to the AGSA as required by legislation.

35 CORRECTIONS TO BE MADE ON THIS CHAPTER

PAGE NO.	CONTENT	CORRECTIONS
141	Table below indicating Capital Spending on 5 Largest Projects	Shezi Access Road is in Ward 19 and Darkcity is in Ward 17.

**5.6. CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS INTRODUCTION GENERAL
COMMENTS
COMPONENT A**

5.6.1. Auditor –General Opinion of Financial Statements Year 1

5.6.1.1. This paragraph reflects on the 2017/2018 Audit outcomes.

36 COMPONENT B

5.6.2. Auditor – General Opinion Year 0 (Current Year)

5.6.2.1. This paragraph reflects on the 2019/2020 audit outcomes. The report from the AGSA is also attached as well as the Corrective Action Plan to address the findings.

37 CORRECTIONS TO BE MADE ON THIS CHAPTER

PAGE NO.	CONTENT	CORRECTIONS
160	Committees and Committee Purposes table	<p>The table is cut;</p> <p>There is insufficient description of the following Committees: MPAC</p> <p>Human Settlements & Infrastructure Finance Committee</p> <p>Corporate Committee Youth Committee LLF</p> <p>Audit Committee</p>
161	Appendix C – Third Tier Administrative Structure	There is no first and second tier described prior this “third tier” appearing.
162	Appendix D – Functions of Municipality / Municipal Entity / Entity functions	This information has already been included in the beginning of the report.
164 - 169	Appendix E – Ward Reporting table	There is information missing on this table.
170	Audit Committee Chairman’s Report	Report from the previous Chairman from July 2019 - December 2019 is not included.
179	Appendix L Conditional Grants Received Excluding MIG	The heading says MIG is excluded but yet the table reflects MIG Grant.

6. CONCLUSION

- 6.1. 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 was presented for oversight. 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.
- 6.2. Secondly MPAC requests that it be given sufficient time to read the document to enable the Committee to do the oversight report. MPAC was provided with the draft report on 20 March 2021 and there was only 7 working days for the Committee to read the document in its entirety and also prepare the oversight report. When provided with the report this late it does not allow sufficient time and also it does not consider any unseen circumstances that may prevent the Committee from convening. At the very least MPAC requests to be provided with the document in August each year as per Circular 63 of MFMA.
- 6.3. Because of the late submission of the annual report to MPAC it does not give sufficient time for changes suggested by MPAC to be corrected on the document before Council sits to adopt the Annual Report. It is also for this reason that MPAC requests that the report be provided well within the deadline time.
- 6.4. MPAC was required to sit for a meeting on 29 March 2021 to adopt the Oversight Report. Unfortunately for a meeting that was scheduled to start at 09:00 ended up starting at 14:30 due to no-one being available to take the minutes for the meeting. This was despite numerous requests that were made by members to the Municipal Manager.
- 6.5. MPAC wishes to express its gratitude to the Manager: Legal Services and Manager: Internal Audit for their assistance in compiling this report. In terms


of section 79 of the Municipal Structures Act these official were co-opted to advise MPAC.

- 6.6. Lastly, MPAC produced two reports that were dated 7 March 2019 and a report dated 31 July 2019. These two reports were tabled to Council, however, they were not discussed as they were removed from the Council agenda. MPAC requests that the Committee be given an opportunity to present these reports to full Council as per the MPAC Charter.
- 6.7. 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:
 - 6.7.1. That Council having fully considered the Annual Report of Umzumbe Municipality for the 2019/2020 Financial Year, adopts the Oversight Report for the 2019/2020 Financial Year;
 - 6.7.2. That Council approves the Annual Report of the Umzumbe Municipality for the 2019/2020 financial year with the changes that need to made as per the Oversight Report;
 - 6.7.3. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003;

- 6.7.4. 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.



Cllr JP Mtambo (MPAC Chairperson)



38 Cllr BB Luthuli (MPAC Deputy Chairperson)

UMZUMBE LOCAL MUNICIPALITY

EXTRACT FROM MINUTES OF A VIRTUAL MEETING OF UMZUMBE MUNICIPAL COUNCIL HELD ON TUESDAY, 30 MARCH 2021 AT 10H00

Present: Cllr. M.P Shoji (Speaker), Cllr. MPL Zungu (Her Worship the Mayor), Cllr. S.R Cele (Deputy Mayor), Cllr. M.Z Luthuli, Cllr. MS. Mdletshe, Cllr. B.B Luthuli (female), Cllr. N.Y Mweshe, Cllr. P Zamisa, Cllr. C.L Shezi, Cllr. D.D.B. Dhlamini, Cllr. H.Z Ndimande, Cllr. J.P Mtambo, Cllr. M.M Mfecane, Cllr. O.J Mbambo, Cllr. P.L Habile, Cllr. B.B Luthuli (Male), Cllr. E.A Zindela, Cllr. B.T Mfeka, Cllr. S Ngubane, Cllr. R.S W Khanyile, Cllr. T.C Myende, Cllr. Z.Z. Msani, Cllr. L.N Duma, Cllr. R Mkhize, Cllr. S.M Jeza, Cllr. M.A Sikhosana, Cllr. S.G Nzimande, Cllr. R.L Mjwara, Cllr. NP Khumalo and Inkosi B.S Cele

Officials: Mr. T.P Cele (Municipal Manager), Mr. B.G Nyuswa (Director Corporate Services), Mr. K Audan (CFO), Ms. N Lushaba (Director: Social and Community Services), Mr. M Shangase (Director: Technical Services), Ms. N Blankenberg (Manager: Internal Audit), Mr. S Nxele (Manager: Development Planning), Ms. M Cele (Manager: Legal Services), Mr. Z Nyathi (Manager: Administration) and Miss T.E Ntshangase (Senior Committee Officer).

Also Present: Ms. Z Myeni (Auditor General)

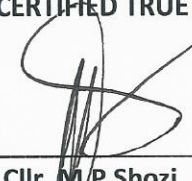
[C/9.7/30-03-2021] FINAL UMZUMBE ANNUAL REPORT AND OVERSIGHT REPORT FOR 2019/2020 FINANCIAL YEAR

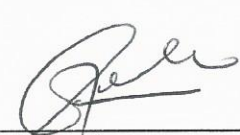
The Council at its meeting held on 30th of March 2021 considered the above matter. Following discussion, it was

RESOLVED:

1. That the Final Umzumbe Annual Report and Oversight Report for 2019/2020 **be adopted**.

CERTIFIED TRUE COPY OF THE ORIGINAL



Cllr. M.P Shoji
Speaker
30 March 2021

Mr. T.P Cele
Municipal Manager
30 March 2021

